

THIS OPTION AGREEMENT is made as of June 5, 2023 (the “**Effective Date**”).

AMONG:

Clive Gerrard Brookes, an individual residing in British Columbia,
Canada

(the “**Optionor**”)

- and -

Goldcana Resources Inc., a corporation existing under the laws of
British Columbia, Canada

(the “**Optionee**”)

WHEREAS, the Optionor is the recorded owner of a 100% right, title and interest in and to the mineral claims listed in Schedule “A” hereto (the “**Property**”); and

AND WHEREAS, the Parties hereto desire to enter into this Agreement granting the Optionee an option to earn a 100% interest in the Property.

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

1. DEFINITIONS

1.1 Definitions

In this Agreement:

“**Agreement**”, “**this Agreement**”, “**herein**”, “**hereby**”, “**hereof**”, “**hereunder**” and similar expressions shall mean or refer to this Agreement, and includes all Schedules.

“**Article**” or “**Section**” followed by a number, means and refers to the specified Article or Section.

“**Affiliate**” means any Person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by or is under common control with, a Party.

“**Agents**” means consultants (including Qualified Persons and financial advisors), servants, employees, agents, workmen, contractors or subcontractors of a Party.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the Province of British Columbia or is a day on which banking institutions located in such jurisdiction are authorized or required by law or other governmental action to close.

“Business Information” includes the terms of this Agreement, and any other agreement relating solely to the Property and all information, data, maps, drill core, results of surveys, drilling and assays, knowledge and know-how, in whatever form and however communicated (including, without limitation, Confidential Information), developed, conceived, originated, derived or obtained by either Party in performing its obligations under this Agreement.

“Confidential Information” means all information, data, reports, maps, drill core, results of surveys, drilling and assays, knowledge and know-how (including, but not limited to, Business Information, formulas, patterns, compilations, programs, devices, methods, techniques and processes) that (i) is confidential to a Party or (ii) derives independent economic value (actual or potential) as a result of not being generally known to, or readily ascertainable by, third parties or the general public and which is subject to confidentiality, or to reasonable efforts under the circumstances to maintain its confidentiality, including without limitation all analyses, interpretations, compilations, studies and evaluations of such information, data, reports, maps, drill core, results of surveys, drilling and assays, knowledge and know-how generated or prepared by or on behalf of either Party.

“control” means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting shares, interests, or securities, or by contract, voting trust, or otherwise. This definition of control shall be incorporated into such terms as **“controlled”** and **“controlling”**.

“Dispute” has the meaning set forth in Section 7.1(a).

“Encumbrances” means any and all mortgages, pledges, security interests, liens, charges, encumbrances, contractual obligations and claims, rights, title or interests of others, whether recorded or unrecorded or registered or unregistered.

“Environmental Laws” means Laws aimed at reclamation or restoration of the Property, prevention or abatement of pollution; protection of the environment (including, without limitation, air, ground, water and groundwater), protection of wildlife, including endangered species, ensuring public safety from environmental hazards, protection of cultural or historic resources; management, storage, control, transport or disposal of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous materials or substances into the environment (including without limitation, ambient air, ground, surface water and groundwater); and all other Laws relating to the ownership, manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

“Environmental Liabilities” means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments,

costs, disbursements, or expenses (including, without limitation, lawyer's fees and costs, experts' fees and costs, and consultants' fees) of any kind or of any nature whatsoever that (i) are asserted against either Party by any Person alleging liability or responsibility (including, without limitation, liability or responsibility for: studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource or environmental damage, property damage, business losses, personal injuries or illness or impairment or death, penalties or fines), or (ii) are incurred by either Party, arising out of, based upon or resulting from (A) the presence, release, threatened release, discharge or emission into the environment of any pollutants, contaminants, chemicals or industrial, toxic or hazardous materials or substances on, in, beneath, above or from the Property and/or emanating or migrating and/or threatening to emanate or migrate from the Property (including the surface rights thereof) or any other property into the natural environment or to off-site properties (including without limitation, ambient air, ground, surface water and groundwater); (B) physical disturbance of the natural environment (including without limitation, ambient air, ground, surface water and groundwater); or (C) the violation of or non-compliance with, or the alleged violation of or non-compliance with, any Environmental Laws.

"Exploration" means all activities directed exclusively and directly toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products on, in or under the Property.

"Exploration Expenditures" means funds expended for the purpose of assessing and investigating the mineral potential and viability of the Property, which shall include, without limitation, geological mapping, geochemical sampling, geophysical surveys, drilling, assay and laboratory analysis, and metallurgical studies.

"Fundamental Change" has the meaning set forth in Section 4.2.

"Governmental Authority" means any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or any instrumentality or political subdivision thereof, or any, official or any court, stock exchange or securities commission, having jurisdiction.

"Laws" means applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, codes, guidelines, treaties, restrictions, regulatory policies or guidelines, by-laws (zoning or otherwise), policies, notices, directions, decrees, judgments or awards, of any Governmental Authority having jurisdiction.

"NSR Royalty" has the meaning set forth in Section 4.4(a).

"Operations" means all activities carried out on the Property by the Operator pursuant to this Agreement in respect to Work, Exploration, and Programs.

"Operator" means Goldcana Resources Inc.

"Option" has the meaning set forth in Section 4.1.

“Option Period” means the period commencing on the Effective Date and ending on the earlier of (i) the date that the Option is deemed to have been exercised by the Optionee in accordance with the terms and conditions of this Agreement, and (ii) the date that this Agreement is terminated pursuant to its terms.

“Party” means any of the Optionor or the Optionee and **“Parties”** shall mean all of the Optionor and the Optionee.

“Payments” has the meaning set forth in Section 4.1.

“Permitted Encumbrances” means any Encumbrance in respect of the Property constituted by the following:

- (i) inchoate or statutory liens for taxes or rents not at the time due;
 - (ii) inchoate or statutory liens for overdue taxes or utilities, the validity of which is being contested in good faith;
 - (iii) security given to a public utility or any Governmental Authority in the ordinary course of business;
 - (iv) any reservations or exceptions contained in the original grants of land and the terms of any concession comprising the Property; and
 - (v) rights of way for or reservations or rights of others for, railways, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of real property, which are not contemplated herein or otherwise prevent the right to transfer the Property or an interest therein.
- “Person”** means any natural person, partnership, limited liability company, corporation, unincorporated association, joint venture, trust, trustee, Governmental Authority or other entity howsoever designated or constituted.

“Products” means all ores, minerals and mineral products located on, in or under or produced or derived from the Property and includes all beneficiated and other mineral products produced or derived therefrom.

“Program” means a description in detail of Operations to be conducted and objectives to be accomplished for a prescribed time frame by the Operator with respect to the Property.

“Property” has the meaning set forth in the recitals to this Agreement.

“Schedules” has the meaning set forth in Section 2.1.

“Shares” means common shares of the Optionee as constituted as at the date hereof.

“Transfer” when used as a verb, means to sell, grant, assign, or otherwise dispose of, directly or indirectly, including through mergers, consolidations, arrangements or share or asset purchases

(including resulting in a change in control) and when used as a noun, means a sale, grant, assignment, or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidation, arrangements or share or asset purchase.

“**Work**” means Exploration or other related work only performed exclusively on or directly in relation to the Property by the Optionee, or by Agents on behalf of the Optionee, in accordance with the terms of this Agreement.

1.2 **Gender and Extended Meanings**

In this Agreement all words and personal pronouns relating thereto shall be read and construed as the number and gender of the Party or Parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun. In this Agreement words importing the singular number include the plural and vice versa.

1.3 **Currency**

All references to currency in this Agreement, including “dollars” and “\$”, are in Canadian currency.

1.4 **Period of Time/Time of Essence**

When calculating the period of time within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date which is the initial reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day. Time is of the essence of this Agreement.

1.5 **Section Headings**

The Article, Section and other headings contained in this Agreement or in the Schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

2. **SCHEDULES**

2.1 **Schedules**

The following are the schedules (the “**Schedules**”) attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule “A”	Description of Property
Schedule “B”	Form of Royalty Agreement

In the event of any conflict between the provisions of this Agreement and any Schedule, the terms of this Agreement shall govern.

3. REPRESENTATIONS AND WARRANTIES

3.1 **Representation and Warranties of the Parties**

Each Party hereby represents and warrants to the other Party as follows and acknowledges that the other Party is relying on such representations and warranties in entering into this Agreement:

- (a) It has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all its obligations and duties hereunder and thereunder.
- (b) It has duly obtained all corporate approvals and the authorizations of any Governmental Authority required, except where specifically otherwise herein noted, for the execution, delivery and performance of this Agreement and such execution, delivery and performance and the consummation of the transactions contemplated herein and therein do not conflict with or result in a breach of any covenants or agreements contained in, or constitute a breach of or a default under or result in the creation of any Encumbrance under, the provisions of its constituting documents or any shareholders' or directors' resolution or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound and does not contravene any applicable Laws of any Governmental Authority.
- (c) This Agreement has been duly executed and delivered by it and is a valid agreement of such Party, binding upon and enforceable against it in accordance with its terms, subject only to applicable bankruptcy, insolvency, reorganization, and other Laws of general application limiting the enforcement of creditors rights generally and to the fact that specific performance and other equitable remedies are available only in the discretion of a court.
- (d) It has not committed an act of bankruptcy, is not insolvent and is able to meet its obligations as they come due, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise, arrangement or reorganization, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed in respect of any part of its assets, has not had any encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or become levied upon any of its property.

3.2 **Representations and Warranties of the Optionor**

The Optionor hereby represents and warrants to the Optionee as follows and acknowledges that the Optionee is relying on such representations and warranties in entering into this Agreement:

- (a) No Person has any oral or written agreement, option, right, privilege or any other right capable of becoming any of the foregoing (whether legal, equitable, contractual or

otherwise) for the purchase of the Property notwithstanding any First Nations land claims.

- (b) There are no outstanding agreements or other obligations of the Optionor that would prohibit, or would be breached by, the completion of the transactions contemplated by this Agreement.
- (c) The Optionor is the registered or recorded and beneficial owner of a 100% legal and beneficial interest in the Property registered or recorded in its name, free and clear of all Encumbrances, other than the Permitted Encumbrances notwithstanding any First Nations land claims.
- (d) The Property is properly and accurately described in Schedule "A".
- (e) The Property is in good standing under all applicable Laws including, without limitation, those with respect to the payment of any rents, fees or taxes in respect thereof.
- (f) There are no outstanding or, to the best of the Optionor's knowledge, pending actions, Environmental Liabilities, suits or claims affecting all or any part of the Property nor of their ownership thereof, nor to the best of the Optionor's knowledge, is there any basis therefor notwithstanding any First Nations land claims.
- (g) The Optionor has made available to the Optionee all Business Information in its possession or control relating to work done on, in or under, or with respect to, the Property prior to the Effective Date.
- (h) There are no agreements or options to acquire or purchase the Property or any portion thereof and no Person other than the Optionor has any title or possessory interest in or to such Property or is entitled to any royalty in respect to any Products derived from such Property other than the Permitted Encumbrances.
- (i) All taxes, assessments, levies, filings in relation to assessment work on the Property or other payments relating to the Property and required to be made on or before the date hereof have been made.
- (j) The Optionor has provided the Optionee or its representatives access to all information in its possession and control relating to the Property, whether in tangible or electronic form, including without limitation all maps, assays, surveys, drill logs, samples and metallurgical, geological, geophysical, geochemical, and engineering data in respect thereof.
- (k) The Optionor is aware that the certificates evidencing the Shares to be issued pursuant to this Agreement will be endorsed with a legend setting out resale restrictions required by applicable securities laws and the Optionor agrees to comply with all resale restrictions required by applicable securities laws.

3.3 **Representations and Warranties of the Optionee**

The Optionee hereby represents and warrants to the Optionor as follows and acknowledges that the Optionor is relying on such representations and warranties in entering into this Agreement:

- (a) It is duly incorporated, organized and validly existing under the laws of its jurisdiction of incorporation and is qualified and licensed to own or lease property, and to carry on business, in its respective jurisdiction.
- (b) The Shares, when issued to the Optionor pursuant to the terms of this Agreement, shall be issued as fully paid and non-assessable Shares.

4. **THE OPTION**

4.1 **Option**

The Optionor hereby grants to the Optionee the sole and exclusive option (the “**Option**”) to earn and acquire an undivided 100% interest in and to the Property and the Business Information free and clear of all Encumbrances except the Permitted Encumbrances. The Option will remain in good standing during the Option Period, provided that the Optionee:

- (a) makes a total of \$400,000 in payments to the Optionor in the following amounts and by the times described:
 - (i) \$20,000 by July 1, 2023;
 - (ii) \$50,000 by July 1, 2025;
 - (iii) \$80,000 by July 1, 2026; and
 - (iv) \$100,000 by July 1, 2027,
 - (v) \$150,000 by July 1, 2028; and
- (b) subject to Section 6(c), issues 1,600,000 Shares to the Optionor in following amounts and by the times described:
 - (i) 400,000 Shares on the Effective Date;
 - (ii) an additional 400,000 Shares by the first anniversary of the Effective Date; and
 - (iii) an additional 400,000 Shares by the second anniversary of the Effective Date; and
 - (iv) an additional 400,000 Shares by the third anniversary of the Effective Date.

(collectively, with the payments set out in Section 4.1(a), the “**Payments**”), and

- (c) fund exploration and development work on the Property totalling at least \$725,000 as follows:
 - (i) at least \$75,000 by December 31, 2023;
 - (v) at least an additional \$100,000 by December 31, 2024; and
 - (vi) at least an additional \$150,000 by December 31, 2025; and
 - (vii) at least an additional \$200,000 by December 31, 2026; and
 - (viii) at least an additional \$200,000 by December 31, 2027.
- (collectively, the “**Exploration Expenditures**”)

4.2 **Fundamental Changes**

In the event of the issue of Shares pursuant to this Agreement after the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the Shares, or the merger, amalgamation or other corporate combination of the Optionee with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued Shares and such issued Shares are cancelled (each a “**Fundamental Change**”), in lieu of issuing the Shares which, but for such Fundamental Changes and this provision, would have been issued, the Optionee or its successor shall issue instead such number of new securities as would have been delivered as a result of the Fundamental Change in exchange for those Shares which the Optionor would have been entitled to receive if such issue had occurred prior to the Fundamental Change.

4.3 **Deemed Exercise of the Option**

The Optionee will be deemed to have exercised the Option and to have acquired an undivided 100% legal and beneficial interest in the Property free and clear of all Encumbrances, except the Permitted Encumbrances, upon it having completed the Payments and Exploration Expenditures on or before the dates contemplated under Section 4.1.

4.4 **Grant the NSR**

- (a) Upon the earlier of (i) the deemed exercise of the Option pursuant to Section 4.3, and (ii) the commencement of commercial production by the Optionee on the Property, the Optionee shall grant a 3% Net Smelter Royalty (the “**NSR Royalty**”) with one-third (i.e., 1%) of the NSR Royalty purchasable for \$1,000,000 by Optionee and the Parties shall enter into a royalty agreement (a “**NSR Agreement**”) on the terms set out in Schedule “B” attached hereto.

4.5 **Transfer of Interest**

- (a) Upon the deemed exercise of the Option, the Optionor shall take all such steps as shall be necessary, and in a timely manner, to affect the transfer of registered title to the Property and to complete the transfer of the Optionor's rights to any Business Information in the possession or control of the Optionor to the Optionee or upon the written direction of the Optionee, to an Affiliate of the Optionee.
- (b) The Optionor shall ensure that all filings required to be made with all applicable Governmental Authorities are made in a prompt and timely manner to allow for the transfer of the Property to the Optionee or its Affiliate on a basis that is in compliance with all applicable Laws.

5. **COVENANTS**

5.1 **Operations**

- (a) The Parties agree that during the Option Period, the Optionee shall be the Operator and as such shall, in its absolute discretion, conduct the Operations on the Property as it deems necessary or desirable to advance the development of the Property, subject to such activities being conducted in a sound and workmanlike manner in accordance with sound mining and engineering practices.
- (b) During the term of this Agreement, the Optionor shall permit the Optionee, and its representatives, servants, and Agents, at its own risk and expense, full and complete access to the Business Information and the Property at any and all times for the purpose of undertaking its obligations under this Agreement, including without limitations, access to the Property for undertaking Work, implementing Programs, monitoring and directing the expenditures so long as this Agreement is in effect and force.
- (c) Each Party shall promptly provide the other Parties with any and all notices and correspondence from government agencies in respect of the Property.

5.2 **Covenants of the Optionee**

- (a) The Optionee shall maintain the Property in good standing at all times during the course of this Agreement, free and clear of all Encumbrances that may arise from its Operations under this Agreement (except Permitted Encumbrances and Encumbrances contested in good faith by the Optionee), and to contest or discharge any such Encumbrance that is filed.
- (b) The Optionee shall conduct all Work in a careful and miner-like manner and in compliance with all applicable Laws.
- (c) The Optionee shall defend, indemnify and save the Optionor harmless from any and all losses, damages, expenses, claims, suits, actions or demands of any kind or nature whatsoever in any way referable to or arising out of any work done by the Optionee on or with respect to the Property.

- (d) Prior to commencing any Operations or activities on the Property, the Optionee shall obtain all necessary operating and environmental permits and post any required reclamation or other bonds or safekeeping agreements required by any Governmental Authority

5.3 **Covenants of the Optionor**

- (a) The Optionor shall cooperate with the Optionee in its efforts to obtain permitting and its obligations to maintain the Property in good standing.
- (b) The Optionor shall promptly deliver to the Optionee any notice, demands or other material communications it receives relating to the Property,
- (c) The Optionor shall take any action or refrain from any action, as the case may be, as may be required in furtherance of or in support of the terms of this Agreement.
- (d) The Optionor shall defend, indemnify and save the Optionee harmless from any and all losses, damages, expenses, claims, suits, actions or demands of any kind or nature whatsoever in any way referable to or arising out of any work done by the Optionor on or with respect to the Property.

6. **TERMINATION**

6.1 **Termination Causes**

- (a) Subject to the other obligations of the Parties which expressly survive the termination of this Agreement, this Agreement shall terminate:
 - (i) at any time during the Option Period, upon receipt by the Optionor of 30 days' prior written notice from the Optionee that the Optionee shall not incur any or complete all of the Payments and Exploration Expenditures in accordance with Article 4, or otherwise terminating the Option;
 - (ii) if the Optionee should fail to incur or complete the Payments and Exploration Expenditures within the time periods set out in Article 5 and such default has not then been cured within 90 days of the Optionor giving notice of such default to the Optionee; or
 - (iii) automatically if (A) the Option is deemed to be exercised, and (B) the NSR Agreement is entered into by the Parties, upon which no Party will have any further obligation to the other hereunder, except those obligations which are expressly made to survive termination of this Agreement in accordance with Section 12.10.

6.2 **Termination Effects**

- (a) Upon termination of this Agreement prior to the exercise of the Option:

- (i) any payments in cash made by the Optionee to the Optionor and the Shares issued by the Optionee to the Optionor under this Agreement will be retained by the Optionor and the Optionee will have no interest in the Property;
- (ii) no Party will have any further obligation to the other hereunder, except those obligations which are expressly made to survive termination of this Agreement in accordance with Section 12.10;
- (iii) the Optionor shall be entitled to retain the benefit of any Work incurred on, in or under or about or in respect of the Property by the Optionee or its Agents to such date and the Optionee shall provide the Optionor with all Business Information regarding the Property resulting from Work on the Property;
- (iv) the Optionee shall reclaim and restore in compliance with all applicable Laws (including Environmental Laws) any disturbance of the Property, any other property or the natural environment caused by the Optionee or its Agents during the term of this Agreement;
- (v) the Optionee shall execute and deliver to the Optionor all documents or instruments reasonably requested by the Optionor (in form reasonably satisfactory to the Optionor) necessary to release, quit claim and relinquish to the Optionor all right, title or interests of the Optionee and its Agents in the Property, if any;
- (vi) the Optionee shall within 90 days of the date of termination enter on, in or under the Property at its and its Agents' sole risk in order to remove therefrom all such equipment, tools, materials, structures, apparatus or supplies brought thereon or thereunder by the Optionee or its Agents or otherwise on its behalf and, to the extent the Optionee does not remove such items within such 90 days, they shall, at the sole option of the Optionor, become the property of the Optionor; and
- (vii) the Optionee shall perform all rehabilitation, reclamation or pollution abatement or control on, in, under or about or in respect of the Property which is required as a result of the activities of the Optionee or its Agents thereon or thereunder or in respect thereof, to the standard required in accordance with all applicable Laws (including Environmental Laws).

7. **ARBITRATION**

7.1 **Dispute Resolution; Arbitration**

- (a) In the event of any dispute, controversy or claim between or among any of the Parties arising out of, relating to or in connection with any provision of this Agreement, or the rights or obligations of the Parties hereunder (a “**Dispute**”), the Parties shall attempt to

settle the Dispute amicably between or among themselves in accordance with this Article.

- (b) A disputing Party shall initiate the attempted amicable settlement process by sending written notice of the Dispute to the other Parties, and within 10 Business Days after such notice, representatives of each of the Optionee and the Optionor shall meet, in person or by telephone, for attempted resolution by negotiations. Each of the Parties' representatives set forth in this Section 7.1(b) shall be empowered and authorized to bind their respective companies with respect to the Dispute and to settle the Dispute on behalf of their respective companies. If for any reason the Dispute is not resolved within 20 Business Days of the date of the written notice of the Dispute, the Dispute shall be resolved in accordance with the provisions of Section 7.1(c).
- (c) Any Dispute not otherwise resolved pursuant to Section 7.1(b) shall be referred to and finally resolved by the award of three arbitrators to be named as follows:
 - (i) the Party or Parties sharing one side of the dispute shall name an arbitrator and give notice thereof to the Party or Parties sharing the other side of the dispute;
 - (ii) the Party or Parties sharing the other side of the dispute shall, within 14 days of receipt of the notice, name an arbitrator; and
 - (iii) the two arbitrators so named shall, within 15 days of the naming of the latter of them, select a third arbitrator.
- (d) The decision of the majority of the arbitrators referenced in (c) above shall be made within 30 days after the selection of the latter of them. If the Parties on either side of the dispute fail to name their arbitrator within the time limited or proceed with the arbitration, then the sole arbitrator named may decide the question. The arbitration shall be conducted in accordance with the provisions of the *Commercial Arbitration Act* of British Columbia, as amended, and the decision of the arbitrator or a majority of the arbitrators, as the case may be, shall be conclusive and binding upon all the Parties and from which there shall be no appeal. The rules and procedures for the arbitration shall be procedures established by the *Commercial Arbitration Act*, or as may be determined by the arbitration panel, and the appointing authority, if the two arbitrators appointed under Sections 9.1(c)(i) and (ii) cannot agree on the third arbitrator, shall be the Supreme Court of British Columbia.
- (e) The seat of arbitration shall be Vancouver, British Columbia, Canada.
- (f) The language to be used in the arbitral proceedings shall be English.

8. **FORCE MAJEURE**

8.1 **Force Majeure**

Notwithstanding anything to the contrary contained herein, 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 wars, acts of God, inability to access the Property, acts of public

insurrection, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from any Governmental Authority having jurisdiction (provided the failure to obtain the approval is not a result of the Party's failure, delay, or neglect in applying for the approval required, interference or blockade by Persons primarily concerned about aboriginal or environmental issues or environmental 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, unavailability of funds or changes in economic markets, 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 shall require the applicable Party to settle any labour dispute or to test the constitutionality of any enacted Law. In the event that either Party asserts that an event of force majeure has occurred, it shall complete such reasonable actions or cause such reasonable actions to be completed (including seeking court injunctions in the case of such interference or such blockades by Persons primarily concerned about environmental issues or by environmental groups) 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:

- (a) the cause and nature of the alleged event of force majeure;
- (b) a summary of the actions it or its Agents have taken to the date of such notice to correct the alleged event of force majeure;
- (c) confirmation as to all acts, actions and things done by it or its Agents to terminate the event of force majeure; and
- (d) the reasonably expected duration of the period of force majeure.

A Party asserting an event of force majeure shall provide ongoing periodic notice in writing to the other Party with respect to such events of force majeure, including the matters set out above, within 15 days of the end of each calendar month during the period of force majeure and shall provide prompt notice in writing to the other Party upon the termination of the event of force majeure.

9. RELATIONSHIP AND OTHER OPPORTUNITIES - GENERAL

9.1 Relationship of 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, agency or a trust of any kind or as imposing upon the Parties any partnership duty, obligation or liability.

9.2 Other Opportunities

Each of the Parties 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 Parties

or inviting or allowing the other Parties to participate therein. None of the Parties shall be under any fiduciary or other duty to the other Parties which shall prevent it from engaging in or enjoying the benefits of competing endeavours within the general scope of endeavours contemplated by this Agreement. The legal doctrine of “corporate opportunity” sometimes applied to Persons engaged in a joint venture or having fiduciary status shall not apply in the case of the Parties. Each Party hereby waives its rights to partition of the Property and agrees that it shall not seek or be entitled to partition of the Property, whether by way of physical partition, judicial sale or otherwise.

9.3 **Option Only**

This is an option only and nothing herein will be construed as obligating the Optionee to do any acts or make any payments (including the Payments) hereunder and any acts or payments as are made hereunder will not be construed as obligating the Optionee to do any further act or make any further payment.

10. **CONFIDENTIALITY**

10.1 **Confidentiality**

All Confidential Information received or generated by any Party as a result of or in connection with the Property or this Agreement, shall be confidential, shall be treated as confidential and shall not be disclosed to any other Person without the prior written consent of the other Party unless required by Law or by a Governmental Authority having jurisdiction.

10.2 **Permitted Disclosures**

The consent required by Section 10.1 shall not apply to a disclosure: (i) by a Party to its directors or officers or to an Agent that has a bona fide need to be informed and whom is bound by the same confidentiality provisions set out in this Article 10; (ii) by a Party to any third Person to whom the disclosing Party bona fide and in good faith contemplates a Transfer of all or any part of its interest in or to the Property and/or this Agreement; (iii) by a Party to its auditors, legal counsel, lenders, brokers, underwriters and investment bankers and to Persons with whom it is considering or intends to enter into a transaction for whom such Confidential Information would be relevant, provided that such Persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such Persons to perform the services for which they were, or are proposed to be, retained by such Party or to consider or effect the applicable transaction, as applicable; and (iv) in accordance with Section 10.4. Only such Confidential Information as such third Person shall have a legitimate business need to know shall be disclosed and such third Person shall first agree in writing with the other Party to protect the Confidential Information from further disclosure to the same extent as the Party is obligated under this Article 10. The provisions of this Article 10 shall continue to apply to any Party notwithstanding any termination of the Options or this Agreement. No Party shall be liable to the disclosing Party or any other Person in respect of any interpretations, opinions, findings, conclusions or other factual or non-factual information included by the disclosing Party in any report or other document provided to the third Person, whether included by negligence or otherwise.

10.3 **Disclosure Required by Law or Governmental Authority**

Prior to any disclosure of Confidential Information under Section 10.1 required by Law or by a Governmental Authority having jurisdiction the disclosing Party shall give the other Party, to the extent legally permitted, at least five (5) Business Days prior written notice (unless less time is permitted by such Laws or Governmental Authority) of the content and timing of such disclosure. The disclosing Party shall disclose only that portion of Confidential Information required to be disclosed and shall take all reasonable steps to preserve the confidentiality thereof, including, without limitation, obtaining protective orders and supporting the other Party in intervention in any proceeding.

10.4 **Press Releases**

Each Party may publicly announce and disclose information under applicable laws and regulations or under the rules and regulations of any stock exchange on which the shares of such Party, or the parent or affiliates of such Party, is listed. Each Party agrees to inform the other Party of the content of the announcement or disclosure in sufficient time to permit the other to simultaneously make a similar public announcement or disclosure. Subject to compliance with the preceding sentence, nothing in this Agreement shall restrict the Optionee from publicly disclosing information regarding the results of its exploration and development activities or other matters that relate to or affect the Property (whether or not such disclosure is required by law, rule or regulation).

11. **NOTICE**

11.1 **Notices**

All notices, requests, demands or other communications which by the terms hereof are permitted or required to be given by any Party to another shall be given in writing by personal delivery or by fax or by e-mail, addressed to such other Parties or delivered to such other Parties as follows:

To the Optionor at:
E-mail: cbrookes@telus.net
Attention: Clive Brookes

To the Optionee at:
Goldcana Resources Inc.
E-mail: aa.capital1@gmail.com
Attention: Art Balikin

or at such other addresses and to such other Person that may be given by any of them to the others in writing from time to time on 10 days' prior written notice and such notices, requests, demands or other communications shall be deemed to have been received when delivered.

12. GENERAL

12.1 **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.

12.2 **Governing Law**

This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the Province of British Columbia and Canada.

12.3 **Further Assurances**

The Parties shall sign such further and other documents and do such further acts or things as may be necessary or desirable in order to give full force and effect to this Agreement and every part hereof.

12.4 **Amendment**

This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties of the same formality as this Agreement.

12.5 **Entire Agreement**

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and 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.

12.6 **Enurement/Successors and Assigns**

- (a) This Agreement shall enure to the benefit of and be binding upon the Parties and each of their successors and permitted assigns. No Party shall have the right to Transfer, mortgage, charge, or assign or grant any right, title or interest in and to this Agreement or the Property to any Person without the prior written consent of the other Party except that a Party may Transfer its interest in and to this Agreement or the Property to an Affiliate to comply with applicable Laws, for tax reasons or for other legitimate corporate structuring purposes. Such prior written consent shall not be unreasonably withheld and shall be subject to the sole discretion of the other Party and shall be subject to any such permitted Transferee, mortgagee, charge, assignee or grantee having covenanted in writing with the other Party in advance on terms satisfactory to the other Party, to assume and be bound by the terms of this Agreement.
- (b) No Party shall encumber its interest in this Agreement without the prior written consent of the other Party except as specifically permitted hereunder.

12.7 **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 or other breach.

12.8 **Costs and Expenses**

Each of the Parties shall pay its own fees and expenses (including the fees of any lawyers, financial advisors, accountants, appraisers or others engaged by such Party) in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

12.9 **Counterparts**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall together constitute one and the same instrument, and delivery of an executed copy of this Agreement by facsimile or email transmission or by other means of electronic communication capable of producing a printed copy shall be deemed to be execution and delivery of this Agreement as of the date first written above.

12.10 **Survival**

Notwithstanding any other terms of this Agreement, Articles 5, 7, 8 and 11 and Sections 12.2, 12.6 and 12.9 shall survive the termination of this Agreement. The representations and warranties of the Parties in Article 3 shall survive termination of this Agreement pursuant to Section 6.1(a)(iii) for a period of two years.

THE EXECUTION PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

“Clive Brookes”

CLIVE GERRARD BROOKES

GOLDCANA RESOURCES INC.

Per: “Art Balikin”

Name: Art Balikin

Title: Director

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SCHEDULE “A”
DESCRIPTION OF PROPERTY

Title No.	Name	August	Good to Date	Size Ha
1074593	Tadpole Lake	082L	August 31, 2023	41.53
1074594	Flap	082L	August 28, 2023	83.05
1074595	FLIP	082L	August 14, 2023	62.30
1074596	FLOP	082L	August 14, 2023	41.52
1102823	FLAP1	082L	March 24, 2024	124.58
1103434	FLAP2	082L	March 30, 2023	311.44
1104480	[none]	82L	May 26, 2024	83.08
1104482	Flap South	82L	May 26, 2023	103.78
			Total Area Ha	851.28

SCHEDULE "B"
TERMS OF NSR ROYALTY

1. The term "**Net Smelter Returns**" shall, subject to paragraphs 2, 3, 4 and 5 below, mean gross revenues received from the sale by the Optionee of all metallic minerals derived from operating the Property as a mine ("**Mineral Products**"), after deduction of the following:
 - (a) all smelting and refining costs, sampling, assaying, umpire assaying and treatment charges and penalties including without limitation mineral losses, penalties for impurities and charges for refining, selling and handling by the mint, smelter, refinery or other purchaser (including price participation charges by mints, smelters, refiners and/or other purchasers);
 - (b) all costs of handling, transporting, securing, and insuring such material from the Property or from a concentrator, whether situated on or off the Property, to a mint, smelter, refinery or other place of treatment, and security costs;
 - (c) all ad valorem taxes and taxes based upon sales or production, but not income taxes;
 - (d) all costs related to insurance on such Mineral Products.
2.
 - (a) Where revenue otherwise to be included in Net Smelter Returns is received by the Optionee in a transaction with a party with whom it is not dealing at arm's length, the revenue to be included shall be based on the fair market value under the circumstances and at the time of the transaction.
 - (b) Where a cost otherwise deductible from Net Smelter Returns is incurred by the Optionee in a transaction with a party with whom it is not dealing at arm's length, the cost to be deducted shall be the fair market cost under the circumstances and at the time of the transaction.
3. For the purposes of determining Net Smelter Returns, all receipts and disbursements in a currency other than Canadian shall be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian shall be converted into Canadian currency at the average rate for the month of disbursement determined using the Bank of Canada daily exchange rate.
4. The Optionee and the Optionor hereby expressly agree that in no event shall the Optionee have any liability to the Optionor as the result of the amount of revenues received by the Optionee from any forward sales or other hedging activities engaged in and by the Optionee with respect to Mineral Products. In addition, the Optionee and the Optionor agree that the

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Optionee shall have no obligation, express or implied, to engage in (or not engage in) any forward sales or other hedging activities with respect to Mineral Products. For greater certainty the Optionor will be paid for the amount of Mineral Product actually produced from the Property calculated according to paragraph 1 above regardless of the hedging practices of the Optionee.

5. If the Property is brought into commercial production, it may be operated as a single operation with other mining properties owned by third parties or in which the Optionee has an interest, in which event the parties agree that (notwithstanding separate ownership thereof) ores mined from the mining properties (including the Property) may be blended at the time of mining or at any time thereafter; provided, however, that the respective mining properties shall bear and have allocated to them their proportionate part of costs described in paragraphs 1(a) to 1(d) above incurred relating to the single operation, and shall have allocated to each of them the proportionate part of the revenues earned relating to such single operation. In making any such allocation, effect shall be given to the tonnages of ore and other material mined and beneficiated and the characteristics of such material including the mineral content of ore removed from, and to any special charges relating particularly to ore, concentrates or other products or the treatment thereof derived from, any of such mining properties. The Optionee shall ensure that reasonable practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors.
6. Payments of the NSR Royalty shall be made within 60 days after the end of each calendar quarter in which Net Smelter Returns, as determined on the basis of final adjusted invoices, are received by the Optionee. All such payments shall be made in Canadian dollars.
7. After the year in which operation of the Property is commenced, the Optionor shall be provided within 120 days after the end of each year in which Mineral Products are sold, with a copy of the calculation of Net Smelter Returns, determined in accordance herewith, for such year. The Optionor shall have the right within six months after the end of a year, upon serving 30 days' notice to the Optionee, to conduct one independent audit for such year, at its sole cost, and the Optionee will provide such materials and information as reasonably necessary to allow the audit to be performed.
8. The Optionee shall be entitled to:
 - (i) make all operational decisions with respect to the methods and extent of mining and processing of Mineral Products (for example, without limitation, the decision to process by a particular method);
 - (ii) make all decisions relating to sales of Mineral Products; and
 - (iii) make all decisions concerning temporary or long-term cessation of operations.
9. The NSR Royalty shall be inclusive of all royalties existing on the date the Optionor and Optionee entered into the Option Agreement between them in respect of the Property (the **"Option Agreement"**). For greater certainty, the Optionor and Optionee agree that the NSR Royalty the Optionor shall receive will be equal to the difference, if any, between (i)

the sum of all overriding royalties burdening the Property on the date of the Option Agreement, and (ii) 3% of Net Smelter Returns from Mineral Products produced from the Property (subject to adjustment pursuant to paragraph 10). The NSR Royalty shall be proportionately reduced if and to the extent any of the Property burdened by the NSR Royalty covers less than the entire mineral estate in the land covered thereby.

10. At any time, the Optionee may purchase one-third of the NSR Royalty, to reduce the rate of the NSR Royalty by 1%, by payment to the Optionee of \$1,000,000. This Section 10 will be adjusted as needed for any reduction made in accordance with Section 9.
11. Notwithstanding anything to the contrary provided herein or in the Option Agreement, the Optionor shall have the right, without requiring the consent of the Optionee, to transfer, sell, mortgage, charge, or assign or grant any right, title or interest in and to the NSR Royalty to any person, at any time.