

## TERMINATION AND RELEASE AGREEMENT

THIS TERMINATION AND RELEASE AGREEMENT, is made as of the 20<sup>th</sup> day of March, 2024 among:

**ARCTIC STAR EXPLORATION CORP.**  
("Arctic Star")

and

**MARGARET LAKE DIAMONDS INC.**  
("Margaret Lake", and together with Arctic Star and the Acquiror,  
the "Parties")

### WHEREAS:

- A. Arctic Star and Margaret Lake are parties to a contractual joint venture with respect to 23 mineral claims located in the Northwest Territories, Canada (the "**Diagras Property**") pursuant to the terms of an Option and Joint Venture Agreement dated November 7, 2016 (the "**JV Agreement**");
- B. Pursuant to the JV Agreement, Arctic Star and Margaret Lake are operating a joint venture with respect to the Diagras Property (the "**Joint Venture**");
- C. Margaret Lake has agreed to sell its interest in the Joint Venture to 508083 N.W.T. Ltd. (the "**Acquiror**"); and
- D. The Parties wish to enter into this Termination and Release Agreement releasing Arctic Star from any claims held by Margaret Lake in the Diagras Property or the Joint Venture.

**IN CONSIDERATION OF** the mutual covenants and promises herein contained, the Parties agree as follows:

### **Section 1**            **Definitions.**

In this Termination, Settlement Agreement and Mutual Release:

- (a) "**Acquisition Agreement**" means the joint venture acquisition agreement among the Acquiror and Margaret Lake dated March 20, 2024, with respect to the proposed purchase of the ML Interest by Acquiror;
- (b) "**Claims**" means any and all manner of claims, actions, causes of action, suits, debts, losses, due accounts, demands, covenants, contracts, damages, liabilities, interest, costs, expenses and compensation of whatsoever kind and howsoever arising, at law or in equity, whether known or unknown, suspected or unsuspected of any nature or kind whatsoever arising out of, or reasonably connected with the Diagras Property, the Joint Venture or the JV Agreement;
- (c) "**Closing**" has the meaning set out in Section 4(10);

- (d) **"Diagras Property"** has the meaning set out in the recitals to this Agreement;
- (e) **"Joint Venture"** has the meaning set out in the recitals to this Agreement;
- (f) **"JV Agreement"** has the meaning set out in the recitals to this Agreement;
- (g) **"ML Interest"** means Margaret Lake's right, title and interest in the Diagras Property, the JV Agreement, any joint venture assets and its right to the 1.5% gross overriding royalty on diamond production from the Diagras Property;
- (h) **"Parties"** means Arctic Star and Margaret Lake, and **"Party"** means any one of them;
- (i) **"Related Parties"** means, with respect to a Party: (a) its parent, affiliate and subsidiary corporations, and (b) its directors and officers; and
- (j) **"Termination and Release"** means this Termination and Release Agreement and the Schedules hereto.

## **Section 2 Representations and Warranties.**

Margaret Lake represents and warrants that:

- (1) it has not assigned any Claim to any third party.
- (2) following the Closing it will have no beneficial or legal interest in or to the Diagras Property;
- (3) acceptance of the TSX Venture Exchange is not required to complete the sale of the ML interest and the ML interest does not comprise all or substantially all of Margaret Lake's assets.

## **Section 3 Release of all Claims in Favour of Arctic Star**

Margaret Lake, on behalf of themselves and their Related Parties, hereby REMISE, RELEASE and FOREVER DISCHARGE Arctic Star of and from all Claims.

## **Section 4 Additional Terms.**

- (1) **Enurement.** This Termination and Release is binding upon and enures to the benefit of each of the Parties and their respective Related Parties.
- (2) **No Claims.** Margaret Lake agrees not to make any claims or demands or commence or threaten to commence any actions or other proceedings against any person or corporation which might claim contribution or indemnity against Arctic Star, or its Related Parties, under the provisions of any statute or otherwise, in relation to any of the Claims released herein.
- (3) **Estoppel.** If Margaret Lake or its Related Parties should hereafter make any claims or demands or commence or threaten to commence any actions or other proceedings against the Arctic Star or its Related Parties in connection with the Claims released herein, this Termination and Release may be raised as an estoppel and/or pled as a full and complete defence to any such claim, demand, action or proceeding.

- (4) **Different Facts.** The Parties expressly accept and assume the risk that if any fact or circumstance is found, suspected or claimed hereafter to be other than or different from the facts or circumstances now believed to be true, the Release contained herein shall be and remain effective notwithstanding any such difference in any such facts or circumstances.
- (5) **Legal Advice.** The Parties acknowledge that they have consulted with and have been advised by their respective solicitors regarding this Termination and Release, or have waived the right to do so, and understand the meaning and effect of this Termination and Release.
- (6) **Entire Agreement.** Conditional and effective on Closing, this Termination and Release supersedes all prior agreements, understandings, negotiations and discussions whether oral or written, express or implied. There are no conditions, warranties, representations, covenants, or other agreements between the Parties, whether oral or written, express or implied, statutory or otherwise, except as specifically set out herein.
- (7) **Construction.** The headings of sections herein are for convenience of reference only and shall not affect the meaning and interpretation of this Termination and Release.
- (8) **Governing Law.** This Termination and Release is governed by the laws of the Province of British Columbia, Canada, and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of British Columbia in respect of any dispute however related to or arising from this Termination and Release.
- (9) **Execution.** Each individual who executes this Termination and Release on behalf of any Party hereby represents and warrants that he or she does so with the knowledge and express approval of the Party on whose behalf he or she executes the Termination and Release. This Termination and Release may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same document.
- (10) **Effective Date and Escrow Release.** This Termination and Release shall only become effective upon closing of the Acquisition Agreement (the "Closing").

*[Signature Page Follows]*

**IN WITNESS WHEREOF** this Termination and Release has been executed and delivered by the Parties as of the date indicated above.

**ARCTIC STAR EXPLORATION CORP.**

By:



Name: Patrick Power  
Title: President/CEO

**MARGARET LAKE DIAMONDS INC.**

By:



Name: Yari Nieken, CEO  
Title: