

October 13, 2022

North American Exploration Ltd  
68 Westbrook Drive  
Komoka, Ontario, N0L 1R0

Silverwater Capital Corp.  
291 King St,  
London, ON N6B 1R8

Dear Mr. Deluce:

**Re: Option to purchase CNC West Property**

This letter agreement confirms your grant to Xander Resources Inc. (“Purchaser” and/or “We”) of the exclusive option (the “Option”) to purchase from you a 100% interest in and to 100 mineral claims (the “Property”) located in Timmins, Ontario known as the CNC West Property, and more particularly described in Schedule “A” hereto.

1. The closing of the transactions herein (the “Closing”) will occur on the fifth day following acceptance by the TSX Venture Exchange of notice of the transactions described herein. For greater certainty, Closing shall occur on or before October 31, 2022 starting the schedule of commitments.
2. We will have exercised the Option and will have acquired from you a 100% interest in and to the Property by (“Commitments”):
  - a) making all payments of cash and shares to you as set out in paragraph 3 below,
  - b) incurring all expenditures as set out in paragraph 5 below,
  - c) granting to you a royalty (the “NSR Royalty”) equal to 3% of Net Smelter Returns, as defined in Schedule “B” hereto, with respect to the Property, and
  - d) delivering to you a notice stating that we have complied with all the requirements of this paragraph.
3. We will pay or issue, as the case may be, to you:
  - a) \$50,000.00 cash to the Vendor upon the execution date of this Agreement or as soon as practicable thereafter;
  - b) 9,000,000 million shares to the Vendor or its assigns within five days of regulatory approval of this Agreement;
  - c) pay a further \$100,000 to the Vendor or its assigns on or before 6 months of the signing of this Agreement, in cash and/or Shares at the election of the Buyer, stock issued according to the value determined by the greater of the 10-day volume-weighted average price (VWAP) or discounted market price; and
  - d) pay a further \$100,000 to the Vendor or its assigns on or before 12 months of the signing of this Agreement, in cash and/or Shares at the election of the Buyer, stock issued according to

- the value determined by the greater of the 10-day VWAP or discounted market price; and
- e) pay a further \$100,000 to the Vendor or its assigns on or before 18 months of the signing of this Agreement, in cash and/or Shares at the election of the Buyer, stock issued according to the value determined by the greater of the 10-day VWAP or discounted market price.
  - f) pay a further \$100,000 to the Vendor or its assigns on or before 24 months of the signing of this Agreement, in cash and/or Shares at the election of the Buyer, stock issued according to the value determined by the greater of the 10-day VWAP or discounted market price.
4. Any Shares issued to the Vendor or its assigns will be issued at a deemed price calculated as the average of the closing prices of the Shares over the 10 trading days immediately preceding the date of issuance unless stated otherwise above. It is further agreed between the parties that Shares will only be issued by the Purchaser toward payment of any portion of the Option Price provided it will not result in the Vendor owning more than 10% of the issued shares of the Purchaser (i.e., resulting in the Vendor becoming an insider of the Purchaser) and that the balance of the funds due will be paid in cash.
  5. We will incur not less than \$500,000.00 of qualified exploration expenditures including 1,500 meters of diamond drilling on the Property within two years of the Closing, of which not less than \$50,000.00 will be incurred within one year after the Closing. These expenditures will meet the definition of being "qualified" by being approved by the MNDM (Ministry of Energy, Northern Development and Mines) as assessment work on the claims noted in Schedule A. Up to a maximum of \$400,000 of exploration expenditures may be satisfied through payments of cash or stock at the election of the Buyer, stock issued according to the value determined by the 10-day VWAP.
  6. Upon exercise of the Option, you will convey a 100% interest in and to the Property to us free and clear of all encumbrances, except for the NSR Royalty and the right to proceeds on a third-party sale (paragraph 8).
  7. We may purchase one-third of the Royalty from you at any time for the sum of \$1,000,000.00 payable to you.
  8. We agree that we shall pay you 20% of the proceeds received on the sale of the Property to a third party once the option is complete and 100% ownership is obtained.
  9. This letter agreement represents an option only. No act done, payment made or issuance of shares by us hereunder will obligate us to do any further act or make any further payment or issuance of shares, save for the performance of those of our obligations which were not satisfied on the effective date of termination of the Option.
  10. During the currency of this letter agreement, we, our servants, agents, workers and any persons duly authorized by us, shall have the right of access to and from and the exclusive right to enter upon and take possession of and prospect, explore and develop the Property in such manner as we in our sole discretion may deem advisable.

11. You are the sole registered and beneficial owner of the Property and you have due and sufficient right and authority to enter into this letter agreement on the terms and conditions herein. No person, firm, corporation other entity, other than us, has an interest in the Property or any agreement or right capable of becoming an agreement for the acquisition of an interest in the Property, and to your knowledge there is no basis for and there are no actions, suits, judgements, investigations or proceedings outstanding or pending or threatened, or charges, liens, encumbrances or obligations which might affect the Option or the Property. The Property is in good standing, free and clear of all liens, charges and encumbrances and no taxes or rentals are due in respect thereof.
12. You have the exclusive right to receive all of the proceeds from the sale of minerals, metals, ores or concentrates removed from the Property, and no person, firm, corporation or other entity is entitled to any royalty or other payment in the nature of rent or royalty on such materials removed from the Property or is entitled to take such materials in kind.
13. To the best of your knowledge and belief, after having made reasonable enquiry, reclamation and rehabilitation of those parts of the Property which have been previously explored, developed or worked has been properly completed in compliance with all applicable laws, or if not so completed, you have used your best efforts to mitigate the damage to the environment resulting from such previous work.
14. You covenant and agree with us that:
  - a) you will, within 14 days of the execution and delivery of this letter agreement, provide us with all material data and information in your possession or under your control relating to exploration activities on and in the vicinity of the Property;
  - b) until such time as the Option is exercised or otherwise terminates, you will not deal or attempt to deal with your right, title and interest in and to the Property in any way that would or might affect our right to become absolutely vested in and to the Property, free and clear of any liens, charges and encumbrances; and
  - c) you will perform such other duties and make such other filings as are reasonably required by the TSX Venture Exchange and other regulatory bodies having jurisdiction and to carry out effectually the intent of this letter agreement.
15. We covenant and agrees with you that until the Option is exercised or otherwise terminates, we will:
  - a) keep the Property clear of liens and other charges arising from our operations thereon;
  - b) carry on all operations on the Property in compliance with all applicable governmental regulations and restrictions;
  - c) pay or cause to be paid any rates, taxes, duties, royalties, assessments or fees levied with

respect to the Property or to our operations thereon;

- d) indemnify and save you harmless from any and all liabilities, costs, damages or charges arising from our failure to comply with the covenants contained in this paragraph or otherwise arising from our operations on the Property.
  - e) allow you access at all reasonable times and intervals to all factual maps, reports, assay results and other factual technical data prepared or obtained by us in connection with our operations on the Property;
  - f) maintain in good standing those licenses, mineral claims, concessions or other interests comprising the Property by the doing and filing of assessment work or the making of payments in lieu thereof and the performance of all other actions which may be necessary in that regard and in order to keep such mineral claims, concessions or other interests free and clear of all liens and other charges arising from the Purchaser's activities thereon except those at the time contested in good faith by the Purchaser; and
  - g) do or cause to be done all work on the Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any applicable governmental authority.
16. If we fail to make any payment or issue any shares, or fail to do any thing on or before the last day provided under this letter agreement, you may terminate the Option, but only if:
- a) you will have first given to us written notice of the failure; and
  - b) we have not, within 30 days following receipt of your notice, given you notice that we have cured the failure.
17. We may terminate the Option at any time upon giving notice thereof in writing to you.
18. Upon termination of the Option, we forfeit any and all interest in the Property and will cease to be liable to you in debt, damages or otherwise, save for the performance of those of our obligations which were not satisfied on the effective date of termination. Notwithstanding any other provisions of this Agreement, in the event of termination of this Agreement, Purchaser will:
- i) provide the Vendor with copies of all data and information related to the Property that were not provided to the Vendor prior to the termination of this Agreement, together with, if applicable, a final report on all work carried out by Purchaser together with all drill cores and unprocessed assay samples;
  - ii) have the right and obligation to remove from the Property within 180 days of the effective date of such termination all equipment erected, installed or brought upon the Property by or at the instance of Purchaser;

- iii) perform all reclamation work on the Property required under applicable mining, exploration and environmental laws in Ontario, as a result of exploration or operations carried out by or on behalf of Purchaser; and
  - iv) leave the mineral claims and any other mineral tenures comprising the Property free and clear of encumbrances and in good standing under applicable laws in Ontario for at least nine months after the date of termination.
19. Upon termination of the Option by us, we will deliver to you, within 30 days of the effective date of termination of the Option, copies of all factual maps, reports, assay results and other factual data and documentation relating to our operations on the Property.
20. We may at any time, prior to exercise of the Option, abandon any one or more of the claims comprising the Property, and such claims shall upon notice to you be deemed to be thereafter excluded from the Property. Any such abandoned claims shall be in good standing for a period of not less than six months at the time such notice of abandonment is provided.
21. All our obligations under this letter agreement are subject to the acceptance by the TSX Venture Exchange of notice of the transactions described herein.
22. This letter agreement is governed by and construed in accordance with the laws of the Province of Ontario which is deemed to be the proper law hereof.
23. Time is of the essence in this letter agreement.
24. Any party may dispose of all or any part of its interest in and to the Property and this letter agreement to any third party (the "Assignee") provided that the Assignee shall, prior to and as a condition precedent to such disposition, deliver to the non-assigning party its covenant with and to the non-assigning party that:
- a) to the extent of the disposition, the Assignee agrees to be bound by the terms and conditions of this letter agreement as if it had been an original party hereto; and
  - b) it will subject any further disposition of the interest acquired to the restrictions contained in this paragraph.
25. Should any part of this letter agreement be declared or held invalid for any reason, such validity shall not affect the validity of the remainder which shall continue in full force and effect and be construed as if this letter agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this letter agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.
26. No condoning, excusing or waiver by any party hereto of any default, breach or non-

observance by any other party hereto at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of that party's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of that party in respect of any such continuing or subsequent default, breach or non-observance, and no waiver shall be inferred from or implied by anything done or omitted to be done by the party having those rights.

27. This letter agreement may be executed in several parts in the same form and such parts as so executed will together constitute one original agreement, and such parts, if more than one, will be read together as if all the parties hereto had executed one copy of this letter agreement.

28. This letter agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and representations, oral or written, by and between any of the parties hereto with respect to the subject matter hereof, and there are no representations not expressly set out in this letter agreement.

If the foregoing is in accordance with your understanding and is acceptable to you, please indicate by signing this letter and returning a copy to us by October 21, 2022. The Agreement will be considered executed once it has been signed and approved by both parties.

Yours truly,



XANDER RESOURCES INC.  
per Deepak Varshney, Chief Executive Officer

Accepted and agreed to this 13 day of October, 2022 by:

NORTH AMERICAN EXPLORATION LTD.

DocuSigned by:  
  
Authorized signatory

SILVERWATER CAPITAL CORP.

DocuSigned by:  
  
Authorized signatory

**SCHEDULE "A"**

**Mineral Claims Comprising the Property**

<b>CNC West Property</b>				
<b>Township / Area</b>	<b>Tenure ID</b>	<b>Anniversary Date</b>	<b>Tenure Status</b>	<b>Work Required</b>
WILHELMINA	687946	2023-11-28	Active	400
WILHELMINA	687945	2023-11-28	Active	400
WILHELMINA	687944	2023-11-28	Active	400
WILHELMINA	687943	2023-11-28	Active	400
WILHELMINA	687942	2023-11-28	Active	400
WILHELMINA	687941	2023-11-28	Active	400
WILHELMINA	687940	2023-11-28	Active	400
WILHELMINA	687939	2023-11-28	Active	400
WILHELMINA	687938	2023-11-28	Active	400
WILHELMINA	687937	2023-11-28	Active	400
WILHELMINA	687936	2023-11-28	Active	400
WILHELMINA	687935	2023-11-28	Active	400
WILHELMINA	687934	2023-11-28	Active	400
WILHELMINA	687933	2023-11-28	Active	400
WILHELMINA	687932	2023-11-28	Active	400
WILHELMINA	687931	2023-11-28	Active	400
GEARY	687930	2023-11-28	Active	400
GEARY,WILHELMINA	687929	2023-11-28	Active	400
WILHELMINA	687928	2023-11-28	Active	400
GEARY	687927	2023-11-28	Active	400
GEARY,WILHELMINA	687926	2023-11-28	Active	400
WILHELMINA	687925	2023-11-28	Active	400
WILHELMINA	687924	2023-11-28	Active	400
GEARY	687923	2023-11-28	Active	400
GEARY	687922	2023-11-28	Active	400
WILHELMINA	687921	2023-11-28	Active	400
WILHELMINA	687920	2023-11-28	Active	400
WILHELMINA	687919	2023-11-28	Active	400
GEARY	687918	2023-11-28	Active	400
GEARY	687917	2023-11-28	Active	400
GEARY	687916	2023-11-28	Active	400
GEARY,WILHELMINA	687915	2023-11-28	Active	400
WILHELMINA	687914	2023-11-28	Active	400

WILHELMINA	687913	2023-11-28	Active	400
WILHELMINA	687912	2023-11-28	Active	400
GEARY	687911	2023-11-28	Active	400
GEARY	687910	2023-11-28	Active	400
GEARY	687909	2023-11-28	Active	400
WILHELMINA	687908	2023-11-28	Active	400
WILHELMINA	687907	2023-11-28	Active	400
WILHELMINA	687906	2023-11-28	Active	400
WILHELMINA	687905	2023-11-28	Active	400
GEARY	687904	2023-11-28	Active	400
GEARY	687903	2023-11-28	Active	400
GEARY,WILHELMINA	687902	2023-11-28	Active	400
WILHELMINA	687901	2023-11-28	Active	400
WILHELMINA	687900	2023-11-28	Active	400
GEARY	687899	2023-11-28	Active	400
GEARY	687898	2023-11-28	Active	400
WILHELMINA	687897	2023-11-28	Active	400
GEARY	687896	2023-11-28	Active	400
GEARY	687895	2023-11-28	Active	400
WILHELMINA	687894	2023-11-28	Active	400
WILHELMINA	687893	2023-11-28	Active	400
WILHELMINA	687892	2023-11-28	Active	400
WILHELMINA	687891	2023-11-28	Active	400
GEARY	687890	2023-11-28	Active	400
WILHELMINA	687889	2023-11-28	Active	400
GEARY	687888	2023-11-28	Active	400
GEARY	687887	2023-11-28	Active	400
WILHELMINA	687886	2023-11-28	Active	400
WILHELMINA	687885	2023-11-28	Active	400
WILHELMINA	687884	2023-11-28	Active	400
GEARY,WILHELMINA	687883	2023-11-28	Active	400
GEARY	687882	2023-11-28	Active	400
WILHELMINA	687881	2023-11-28	Active	400
WILHELMINA	687880	2023-11-28	Active	400
WILHELMINA	687879	2023-11-28	Active	400
WILHELMINA	687878	2023-11-28	Active	400
WILHELMINA	687877	2023-11-28	Active	400
WILHELMINA	687876	2023-11-28	Active	400
WILHELMINA	687875	2023-11-28	Active	400
WILHELMINA	687874	2023-11-28	Active	400

WILHELMINA	687873	2023-11-28	Active	400
WILHELMINA	687872	2023-11-28	Active	400
WILHELMINA	687871	2023-11-28	Active	400
WILHELMINA	687870	2023-11-28	Active	400
WILHELMINA	687869	2023-11-28	Active	400
WILHELMINA	687868	2023-11-28	Active	400
WILHELMINA	687867	2023-11-28	Active	400
WILHELMINA	687866	2023-11-28	Active	400
WILHELMINA	687865	2023-11-28	Active	400
WILHELMINA	687864	2023-11-28	Active	400
WILHELMINA	687863	2023-11-28	Active	400
GEARY	687862	2023-11-28	Active	400
GEARY	687861	2023-11-28	Active	400
GEARY	687860	2023-11-28	Active	400
GEARY	687859	2023-11-28	Active	400
GEARY	687858	2023-11-28	Active	400
GEARY	687857	2023-11-28	Active	400
GEARY	687856	2023-11-28	Active	400
GEARY	687855	2023-11-28	Active	400
GEARY	687854	2023-11-28	Active	400
GEARY	687853	2023-11-28	Active	400
GEARY	687852	2023-11-28	Active	400
GEARY,WILHELMINA	687851	2023-11-28	Active	400
GEARY	687850	2023-11-28	Active	400
GEARY	687849	2023-11-28	Active	400
GEARY	687848	2023-11-28	Active	400
GEARY	687847	2023-11-28	Active	400

**Total:** \$ 40,000

## SCHEDULE "B"

### Net Smelter Returns Royalty

1. The Purchaser shall pay to the Vendors a 3% NSR Royalty on all Mineral Products sold from the Property to the Vendor.
2. For the purposes of the NSR Royalty, Net Smelter Returns shall be calculated as follows:

Gross Revenue from the sale of Mineral Products less,

  - (a) Transportation costs incurred in connection with the transportation of Mineral Products,
  - (b) All umpire charges which the purchaser of Mineral Products may require or be required to pay,
  - (c) All charges, costs and commissions of marketing and selling Mineral Products,
  - (d) All taxes (excluding for certainty, income taxes) and assessments enacted both before and after the date hereof including without limitation, any severance, royalty, net proceeds tax, production, or other similar or related charge, payment or fee that is or may in the future be assessed by any federal, provincial, territorial, municipal or other government, entity or other authority with respect to the sale of Mineral Products,
  - (e) Sampling and assay costs,
  - (f) Insurance costs,
  - (g) Smelter and refining charges, ore treatment charges, penalties and all charges made by the purchaser of Mineral Products if not deducted directly by the Purchaser.
3. The accounting records of the Purchaser shall be maintained to provide data for items set out in paragraph 2 in this Schedule "B".
4. A year-end statement shall be provided by the Purchaser providing a detailed summary of the aggregate amount of NSR Royalty payable to the Vendor during the relevant year certified correct by a senior officer of the Purchaser.
- ~~5.~~ The NSR Royalty shall be paid on a quarterly basis within forty-five days after the end of each quarter in respect of the proceeds received in such quarter.
6. The NSR Royalty shall be paid by cheque or certified cheque in Canadian currency. An NSF cheque shall be a non-payment. Any overpayment shall be deducted from any future NSR Royalty payments.

7. The NSR Royalty shall become effective at the Effective Date of this Agreement.
8. The NSR Royalty incorporates and is subject to all the terms and conditions of this Agreement.
9. To the extent permitted under applicable law, the NSR Royalty creates a direct real property interest in the Property and constitutes a covenant running with the Property. The holder of the NSR Royalty shall be entitled to register the NSR Royalty against the Property. Any expense associated with establishing, registering or perfecting the NSR Royalty as a real property interest shall be for the account of the Vendor.
10. The Vendor and the Purchaser may assign their interest in the NSR Royalty upon written approval of the other Party, and such approval shall not be unreasonably withheld.