

SECOND AMENDMENT TO SHARE EXCHANGE AGREEMENT

THIS SECOND AMENDMENT TO SHARE EXCHANGE AGREEMENT is made as of the 15th day of September, 2017 and is

AMONG

DRAWONE PTY LIMITED, an Australian corporation, having an address at Unit 3, 6th Floor, 2 Collins Street, Melbourne, Victoria, 3000, Australia

(“Drawone”)

AND

JOHN NEWTON

and

GAYE NEWTON

both having an address at Unit 3, 6th Floor, 2 Collins Street, Melbourne, Victoria, 3000, Australia

(together the “Principals”)

AND

PAN ANDEAN CAPITAL PTY LIMITED, an Australian corporation, having an address at Unit 3, 6th Floor, 2 Collins Street, Melbourne, Victoria, 3000, Australia

(“Pan Andean”)

AND

LIONS BAY CAPITAL INC., a British Columbia company, having an address at Unit 101 – 4705 Wayburne Drive, Burnaby, British Columbia V5G 3L1

(“Lions Bay”)

BACKGROUND

- A. The parties entered into a Share Exchange Agreement made as of the 6th day of March, 2017 providing for Lions Bay to acquire all of the issued and outstanding shares of Pan Andean (the “Acquisition”), as amended to extend the date by which the Acquisition is to close by an Amendment to Share Exchange Agreement made as of the 20th day of June, 2017.

- B. References in this Agreement to the Share Exchange Agreement are to the Share Exchange Agreement as amended by the Amendment to Share Exchange Agreement. Capitalized terms that are defined in the Share Exchange Agreement and not otherwise defined herein have the meanings so defined.
- C. The parties now wish to further amend the Share Exchange Agreement to reflect that since entering into the Share Exchange Agreement Pan Andean has entered into the following two agreements (the “New Agreements”) for the purchase of publicly traded shares to be paid for by some of the Payment Shares to be issued by Lions Bay as consideration for the Acquisition:
- (a) the agreement made the 19th day of May 2017 between Drawone Pty Limited ATF Newton Investment Trust as the “Vendors” and Pan Andean as the “Purchaser” for the purchase by Pan Andean of 7,500,000 shares of Verdant Minerals Limited for the price of AUD\$210,000 to be paid by the issue of Payment Shares; and
 - (b) the agreement made the 19th day of May 2017 between John Newton and Gaye Newton ATF Drawone Super fund as the “Vendors” and Pan Andean as the “Purchaser” for the purchase by Pan Andean of 625,000 shares of Golden Reign Resources Limited for the price of CAD\$156,250 to be paid by the issue of Payment Shares.

IN CONSIDERATION of the mutual agreements herein contained and of other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree with one another as follows:

1. The Share Exchange Agreement shall be amended as follows:
 - (a) the New Agreements shall be included as Material Contracts of Pan Andean and the Schedule B attached to the Share Exchange Agreement shall be deleted and the Schedule B attached to this Agreement shall be substituted therefor;
 - (b) the Vendors under each of the New Agreements shall be included as Pan Andean Creditors and Schedule F attached to the Share Exchange Agreement shall be deleted and the Schedule F attached to this Agreement shall be substituted therefor;

and, accordingly:

- (c) the parties confirm that the shares of Verdant Minerals Limited and Golden Reign Resources Limited acquired by Pan Andean pursuant to the New Agreements shall be included in determining the Portfolio Value of the publicly traded shares owned by Pan Andean on the Valuation Date;
- (d) in addition to and without in anyway derogating from the representations and warrants given by the Sellers and Pan Andean to Lions Bay in the

Share Exchange Agreement, the Sellers and Pan Andean further represent and warrant to Lions Bay as follows:

- (i) Schedule F is a true and complete list of all of the creditors of Pan Andean (the "Pan Andean Creditors") and the amounts owing to each of them as of the date of this Agreement, and
- (ii) except as listed in Schedule B, Pan Andean is not a party to or bound by any Material Contract or commitment whether oral or written;

and such representations and warranties shall be deemed to be representations and warranties contained in the Share Exchange Agreement and, without limitation, shall be included for the purposes of Clauses 4.3 and 6.2(a) of the Share Exchange Agreement.

- 2. The Share Exchange Agreement as amended by this Amendment Agreement is hereby confirmed.
- 3. This Amendment Agreement may be executed in as many counterparts as are necessary. It will be binding on each party when each party hereto has signed and delivered one such counterpart. Delivery may be made by facsimile or other electronic transmission. When a counterpart of this Amendment Agreement has been executed by each party, all counterparts together will constitute one agreement.

THE PARTIES, intending to be contractually bound, have executed this Amendment Agreement as of the date and year first above written.

DRAWONE PTY LIMITED

By:

(signed) "Authorized Signatory"
(Authorized Signatory)

(signed) "John Newton"
JOHN NEWTON

(signed) "Gaye Newton"
GAYE NEWTON

PAN ANDEAN CAPITAL PTY LIMITED

By:

(signed) “*Authorized Signatory*”
(Authorized Signatory)

LIONS BAY CAPITAL INC.

By:

(signed) “*Authorized Signatory*”
(Authorized Signatory)

SCHEDULE B

PAN ANDEAN MATERIAL CONTRACTS

The Daniels County Oil Leases Option (which is in the process of being assigned to Pan Andean as of the date of this Agreement).

Letter Agreement dated October 31, 2014 between Pan Andean and Twenty-Second Yeneb Pty. Ltd. pursuant to which Twenty-Second Yeneb Pty. Ltd. agreed to loan Pan Andean A\$1,060,000 with interest of 10% per annum, to be used by Pan Andean to grant a secured loan to Enhanced Systems Technologies Limited (now renamed Kalina Power Limited). This loan has now been repaid by Kalina Power Limited by way of issue of shares in Kalina Power Limited on February 26, 2015.

Letter Agreement dated August 2, 2016 between Pan Andean and Twenty-Second Yeneb Pty. Ltd. pursuant to which Twenty-Second Yeneb Pty. Ltd. agreed to loan Pan Andean up to A\$500,000 to underwrite a rights issue by Kalina Power Limited.

Agreement made February 23, 2017 between Kalina Power Limited and Pan Andean pursuant to which Pan Andean agreed to purchase 6,690,560 shares of Aqua Guardian and indebtedness of A\$670,066 owing by Aqua Guardian in consideration of A\$2 and a loan from Pan Andean to Aqua Guardian of A\$200,000. The Agreement provided for Pan Andean and Aqua Guardian to enter into a loan agreement which was executed on March 3, 2017.

Deed of Assignment made February 28, 2017 between Arcourt Resources NL and Pan Andean pursuant to which Pan Andean agreed to purchase indebtedness of A\$58,282 owing by Aqua Guardian in consideration of Payment Shares.

Agreement made February 28, 2017 between Arcourt Resources NL, John Joseph Byrne<John Byrne Prvte Pen Fund A/c> and Camtan Pty Limited as the Vendors and Pan Andean as the Purchaser pursuant to which Pan Andean agreed to purchase 1,971,000 shares of Golden Reign Resources Limited for the price of \$492,750 to be paid by Payment Shares.

Agreement made February 28, 2017 between John Joseph Byrne <John Byrne Prvte Pen Fund A/c> and Pan Andean pursuant to which Pan Andean agreed to purchase 5,445,336 shares of Jervois Mining Limited for the price of A\$2,94,048.14 to be paid by Payment Shares.

Agreement made May 19, 2017 between John Newton and Gaye Newton ATF Drawone Super fund as the Vendors and Pan Andean as the Purchaser pursuant to which Pan Andean agreed to purchase 625,000 shares of Golden Reign Resources Limited for the price of \$156,250 to be paid by Payment Shares.

Agreement made May 19, 2017 between Drawone Pty Limited ATF Newton Investment Trust as the Vendors and Pan Andean as the Purchaser pursuant to which Pan Andean

agreed to purchase 7,500,000 shares of Verdant Minerals Limited for the price of A\$210,000 to be paid by Payment Shares.

SCHEDULE F**PAN ANDEAN CREDITORS**

<u>Creditor</u>	<u>Amount Owning</u>	<u>Description</u>
Arcourt Resources NL	A\$58,282	for the purchase of short term debt owing by Aqua Guardian
Arcourt Resources NL	C\$135,727.75	for the purchase of Golden Reign Resources Limited shares
John Byrne <John Byrne Private Pension Fund>	A\$294,048.14	for the purchase of Jervois Mining Limited shares
John Byrne <John Byrne Private Pension Fund>	C\$332,022.25	for the purchase of Golden Reign Resources Limited shares
Camtan PtyLtd.	C\$25,000	for the purchase of Golden Reign Resources Limited shares
Twenty Second Yeneb Pty	A\$1,508,301	for the purchase of Kalina Power Limited shares
Twenty Second Yeneb Pty	A\$154,439.98	for the purchase of long term debt owing by Aqua Guardian
Alwyn Davey	A\$4,587.53	for the purchase of long term debt owing by Aqua Guardian
Kesh Thurairasa	A\$5,097.25	for the purchase of long term debt owing by Aqua Guardian
Cornelius Horgan	A\$20,389.00	for the purchase of long term debt owing by Aqua Guardian

<u>Creditor</u>	<u>Amount Owing</u>	<u>Description</u>
1029258 BC Limited	A\$25,486.25	for the purchase of long term debt owing by Aqua Guardian
Twenty Second Yeneb Pty Limited	A\$500,000, or such smaller number as represents the Cash held by Pan Andean as at the Valuation Date.	
Arcourt Resources NL	A\$27,926	Daniels County Oil Option as directed by Sellers and John Byrne
Drawone Pty Limited ATF Newton Investment Trust	A\$210,000	for the purchase of Verdant minerals Limited shares
John Newton and Gaye Newton ATF Drawone Super fund	C\$156,250	for the purchase of Golden Reign Resources Limited shares