

MASTER AGREEMENT

THIS AGREEMENT dated as of the 31st day of October, 2017.

AMONG:

WESTERN CANADA GREENFIELDS GROUP INC., a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as “**WCG**”)

OF THE FIRST PART

- and -

2600503 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as “**Subco**”)

OF THE SECOND PART

- and -

SABLE RESOURCES LTD., a corporation incorporated under the laws of British Columbia (hereinafter referred to as “**Sable**”)

OF THE THIRD PART

WHEREAS:

1. WCG and Subco wish to amalgamate and continue as one corporation in accordance with the terms and conditions hereof;
2. Subco is a wholly-owned subsidiary of Sable, and has been incorporated solely for the purposes of amalgamating with WCG, and has not carried on any active business, in each case other than as set forth herein; and
3. The parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed Amalgamation (as defined herein).

NOW THEREFORE IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Interpretation.**

(a) **Definitions.** In this Agreement (including the recitals hereto) and each schedule hereto:

“**Act**” means the *Business Corporations Act* (Ontario) and the regulations prescribed thereunder, as the same may be varied, supplemented or amended from time to time;

“**Agreement**” means this master agreement and the schedules hereto, as may be amended, modified, restated, supplemented or replaced from time to time;

“**Amalco**” means the entity formed by the Amalgamation of the Amalgamating Parties;

“**Amalco Shares**” means the common shares of Amalco;

“**Amalgamating Parties**” means WCG and Subco;

“**Amalgamation**” means the amalgamation of WCG and Subco under the provisions of section 178 of the Act and otherwise on the terms and subject to the conditions set forth in this Agreement;

“**Amalgamation Agreement**” means the form of amalgamation agreement to be entered into between WCG, Subco and Sable in accordance with the terms hereof, in substantially the form set forth in Schedule “A” hereto;

“**Applicable Laws**” means with respect to any person, all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all applicable Canadian securities laws), and terms and conditions of any grant of approval, permission, authority or license of any court, governmental authority, statutory body or self-regulatory authority (including the TSXV), in each case, that is binding upon or applicable to such person, as amended unless expressly specified otherwise;

“**Approved Transaction**” means the acquisition by Sable, directly or indirectly, of BlueJoint Resources Inc. in consideration of an aggregate of approximately 23,333,333 Sable Shares;

“**Articles of Amalgamation**” means the articles of amalgamation of Amalco;

“**Business Day**” means a day other than a Saturday, Sunday or a civic or statutory holiday in the City of Toronto, Ontario;

“**Certificate**” means the certificate of amalgamation issued by the Director under the Act in respect of the Amalgamation;

“**Confidentiality**” means to maintain in confidence and not to disclose the applicable information to third parties, except:

- (i) employees, officers, directors, consultants, agents and other representatives that need to know or ought to know in order to discharge their respective duties in an efficient manner; or

- (ii) persons that are or may be interested in advancing, loaning, investing or otherwise providing potential debt or equity financing to a party, including banks, financial institutions, brokerage companies and their respective employees, officers, directors, consultants, agents and other representatives, provided, however, that such persons agree to maintain the information to be disclosed in confidence;

and “**Confidential**” and “**Confidence**” shall have similar meanings;

“**Confidential Information**” shall have the meaning ascribed thereto in Section 24;

“**Director**” means the Director appointed under section 278 of the Act;

“**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate;

“**Effective Time**” shall have the meaning ascribed thereto in Subsection 2(c)(iii);

“**Environmental Laws**” means all applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters;

“**Exchange Ratio**” means the number of Sable Shares to be issued upon conversion of each one WCG Share, which number shall be 0.1388889;

“**IFRS**” means the international financial reporting standards as set out in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis;

“**Sable Disclosed Information**” means all information (i) disclosed in writing to WCG (or its representatives) by Sable in connection with WCG’s due diligence review process; or (ii) otherwise made available to WCG (or its representatives) including by way of public disclosure by Sable;

“**Sable Financial Statements**” means the financial statements of Sable as filed on SEDAR;

“**Sable Material Adverse Effect**” means any change, effect, event or occurrence that, individually or taken together with any other change, effect, event or occurrence, is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, capitalization or business of Sable and the Sable Subsidiaries, considered as a whole, or would reasonably be expected to prevent, materially delay or materially impair the ability of Sable to consummate the transactions contemplated by this Agreement; provided, however, that a Sable Material Adverse Effect shall not include an adverse change or adverse effect resulting from a change, effect, event or occurrence: (i) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing to WCG or its representatives by Sable or its representatives prior to the date of this Agreement; (ii) resulting from conditions affecting the mineral exploration, exploitation, development and production industry as whole; (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or Mexico; (iv) resulting from any change in IFRS; (v) resulting from any changes or effects arising from matters permitted or contemplated by this Agreement or consented to or approved in writing by WCG; or (vi) resulting from any natural disaster or acts or war, terrorism or armed hostilities, unless, with respect to clauses (ii), (iii), (iv) and (vi), such matter has a materially disproportionate effect on Sable and the Sable Subsidiaries, considered as a whole, relative to comparable entities operating in the industries in which Sable operates. References in certain sections of this Agreement to dollar amounts are not intended to be, and

shall not be deemed to be, illustrative or interpretative for purposes of determining whether a “Sable Material Adverse Effect” has occurred;

“**Sable Shares**” means the issued and outstanding common shares in the capital of Sable;

“**Sable Shareholder**” means a registered holder of Sable Shares;

“**Sable Subsidiaries**” means, collectively: (i) Multinational Mining Inc. which exists under the federal laws of Canada; and (ii) Subco;

“**SEDAR**” means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval;

“**Subco Shares**” means the issued and outstanding common shares in the capital of Subco;

“**subsidiary**” shall have the meaning ascribed thereto in the Act;

“**Taxes**” shall have the meaning ascribed thereto in Subsection 13(n);

“**Termination Deadline**” means November 30, 2017;

“**Transfer Agent**” means Computershare Investor Services Inc., in its capacity as registrar and transfer agent for the Sable Shares;

“**TSXV**” means TSX Venture Exchange Inc.;

“**Tulameen South Royalty**” means the 1% gross metal royalty held by William C. Yeomans on the Tulameen South property (Title Number 1040375) pursuant to the Mining Option Agreement dated as of October 3, 2017 between WCG and William C. Yeomans, as amended, all forming part of the WCG Disclosed Information;

“**WCG Disclosed Information**” means all information disclosed in writing to Sable (or its representatives) by WCG in connection with Sable’s due diligence review process;

“**WCG Financial Statements**” means the financial statements of WCG as at and for the period ended October 11, 2017 comprising, in part, the WCG Disclosed Information;

“**WCG Material Adverse Effect**” means any change, effect, event or occurrence that, individually or taken together with any other change, effect, event or occurrence, is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, capitalization or business of WCG, or would reasonably be expected to prevent, materially delay or materially impair the ability of WCG to consummate the transactions contemplated by this Agreement; provided, however, that a WCG Material Adverse Effect shall not include an adverse change or adverse effect resulting from a change, effect, event or occurrence: (i) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing to Sable or its representatives by WCG or its representatives prior to the date of this Agreement; (ii) resulting from conditions affecting the mineral exploration, exploitation, development and production industry as whole; (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or Mexico; (iv) resulting from any change in IFRS; (v) resulting from any changes or effects arising from matters permitted or contemplated by this Agreement or consented to or approved in writing by Sable; or (vi) resulting from any natural disaster or acts of war, terrorism or armed hostilities, unless, with respect to clauses (ii), (iii), (iv) and (vi) such matter has a materially disproportionate effect on WCG relative to comparable entities operating in the

industries in which WCG operates. References in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a “WCG Material Adverse Effect” has occurred;

“**WCG Shareholder**” means a registered holder of WCG Shares; and

“**WCG Shares**” means the issued and outstanding common shares in the capital of WCG.

- (b) The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereby” and “hereunder” and similar expressions refer to this Agreement (including the appendices hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.
- (c) Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.
- (d) If any date on which any action is required to be taken hereunder by any of the parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.
- (e) Unless otherwise stated, all sums of money which are referred to in this Agreement are expressed in lawful money of Canada.
- (f) Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.
- (g) In this Agreement, whenever a representation or warranty is made on the basis of the knowledge or awareness of a party, such knowledge or awareness consists only of the actual collective knowledge or awareness, as of the date hereof, of the senior officers of such party, in their capacity as senior officers of such party and not in their personal capacity and without personal liability, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge; provided that the party making the representation and warranty shall have conducted a reasonable investigation as to the subject matter relating thereto and the level of such investigation shall be that of a reasonably prudent person investigating a material consideration in the context of a material transaction and the use of such phrase shall constitute a representation and warranty by the party making the representation and warranty in each case that such investigation has actually been made.
- (h) References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- (i) The following Appendix is annexed to this Agreement and is hereby incorporated by reference into the Agreement and forms part hereof:

Schedule “A” Amalgamation Agreement

2. **Amalgamation.** The Amalgamating Parties hereby agree to amalgamate and continue as one corporation under the provisions of the Act upon the terms and conditions hereinafter set out. Each of Sable and WCG acknowledge and agree that the Amalgamation and the matters related thereto as contemplated hereby are subject to (a) the receipt of all regulatory approvals, including without limitation the approval of the TSXV; and (b) the approval of the Amalgamation by the shareholders of each of WCG and Subco, all in accordance with Applicable Laws. In furtherance of the foregoing, subject to the terms and conditions herein set forth and on the basis of the covenants, representations, warranties and agreements of the parties herein contained, each of WCG, Subco and Sable covenant and agree to:
- (a) enter into the Amalgamation Agreement forthwith after receipt of all applicable third party and regulatory approvals and the requisite approvals of the securityholders of each of WCG and Subco to the Amalgamation, all as further set forth herein;
 - (b) co-operate with each other, as promptly as reasonably practicable, in the preparation of all documents required by applicable legislation and/or regulation in connection with all securityholder and regulatory approvals required in respect of the Amalgamation and the other matters contemplated hereby, and in connection therewith, each party shall provide such other parties with such information and material concerning its affairs as the other parties shall reasonably request;
 - (c) use all commercially reasonable efforts and do all things necessary or reasonably desirable on its part to facilitate the implementation of the Amalgamation and all related matters in connection therewith as set forth herein prior to the Termination Deadline, including, without limiting the generality of the foregoing, applying for, obtaining and/or effecting as applicable:
 - (i) the approval of the TSXV for the Amalgamation and the listing thereon of the Sable Shares to be issued in connection therewith;
 - (ii) obtaining such other consents, orders or approvals as counsel to WCG, Subco and Sable may advise are necessary or desirable to be obtained for the implementation of the Amalgamation, and preparing and delivering all necessary documents in connection therewith; and
 - (iii) subject to obtaining the approval of the holders WCG Shares, the approval of Sable as sole the shareholder of Subco, and all applicable regulatory and third party approvals: (A) the filing with the Director of the Articles of Amalgamation to be made effective at 12:01 a.m. (Toronto time) on the Effective Date (the “**Effective Time**”); and (B) the obtaining of the Certificate in that regard; and
 - (d) take and cause to be taken such other steps and actions and execute such other documents, agreements and instruments as may be reasonably necessary or desirable in connection with the consummation of the transactions contemplated hereby.
3. **Effect of Amalgamation.** Subject to the terms and conditions of this Agreement, on the Effective Date, in accordance with section 178 of the Act:
- (a) the Amalgamation shall be effective;

- (b) Amalco shall be authorized to issue an unlimited number of shares designated as common shares which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation;
 - (c) there shall be no restrictions on the business that Amalco may carry on;
 - (d) the property of each of the Amalgamating Parties shall continue to be the property of Amalco;
 - (e) Amalco shall continue to be liable for the obligations of each of the Amalgamating Parties;
 - (f) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Parties shall be unaffected;
 - (g) any civil, criminal or administrative action or proceeding pending by or against any of the Amalgamating Parties may be continued to be prosecuted by or against Amalco;
 - (h) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Parties may be enforced by or against Amalco;
 - (i) the by-laws of Subco shall be the by-laws of Amalco;
 - (j) the Articles of Amalgamation will be deemed to be the articles of incorporation of Amalco; and
 - (k) each of the existing employees, directors and officers of WCG shall resign and be replaced by nominees of Sable.
4. **Treatment of Securities.** Subject to the terms and conditions of this Agreement, on the Effective Date:
- (a) each issued and outstanding Subco Share shall be converted into one fully paid and non-assessable Amalco Share; and
 - (b) each one (1) issued and outstanding WCG Share shall immediately be converted into the right to receive such number of Sable Shares as shall be calculated based on the Exchange Ratio, resulting in the issuance of up to 1,777,778 Sable Shares in the aggregate to be distributed proportionately amongst the holders of such WCG Shares, and all such WCG Shares shall be cancelled.
5. **Issuance of Amalco Shares to Sable.** On the Effective Date, in consideration of Sable issuing the Sable Shares to the holders of WCG Shares as provided for in Subsection 4(b), Amalco shall allot and issue to Sable one fully paid and non-assessable Amalco Share for each WCG Share outstanding immediately before the Effective Date.
6. **Fractional Shares.** Notwithstanding Section 4 of this Agreement, no fractional Sable Shares will be issuable to WCG Shareholders pursuant to the Amalgamation, and no cash payment or other form of consideration will be payable in lieu thereof. Any such fractional Sable Share interest to which a WCG Shareholder would otherwise be entitled pursuant to the Amalgamation will be

rounded down to the nearest whole Sable Share. Notwithstanding the foregoing, each WCG Shareholder shall receive a minimum of one (1) Sable Share.

7. **Certificates.**

(a) At the Effective Time:

- (i) the WCG Shareholders shall be deemed to be the registered holders of the Sable Shares to which they are entitled hereunder. All WCG Shareholders shall be required to deliver and surrender to the Transfer Agent the certificates representing all of their respective WCG Shares which have been exchanged for Sable Shares in accordance with Subsection 4(b) hereof, and such other documentation as may be required by the Transfer Agent, following which the Transfer Agent shall, as soon as practicable, issue to such WCG Shareholders certificates representing the number of Sable Shares to which such WCG Shareholders are entitled;
- (ii) Sable, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and, upon surrender of the certificates representing such Subco Shares to Amalco, Sable shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in Section 5 hereof; and
- (iii) share certificates evidencing WCG Shares shall cease to represent any claim upon or interest in WCG or Amalco other than the right of the registered holders of WCG Shares to receive pursuant to the terms hereof and the Amalgamation, Sable Shares in accordance with Section 4 hereof, all as further set forth herein.

8. **Stated Capital.** The stated capital of Amalco immediately following the Amalgamation but prior to giving effect to the issuance of Amalco Shares as provided for in Section 5 of this Agreement, shall be as set forth in the Amalgamation Agreement or as may otherwise be agreed upon between the parties hereto.

9. **Articles of Amalgamation.** Upon the WCG Shareholders and Sable, as the sole shareholder of Subco, approving the Amalgamation on the terms and subject to the conditions set forth in this Agreement, in each case in accordance with Applicable Laws, and provided that the conditions to the completion of the Amalgamation specified in Sections 16, 17 and 18 hereof have then been satisfied or waived (to the extent such waiver is permitted hereunder), WCG and Subco shall jointly file, in duplicate, with the Director appointed under the Act, the Articles of Amalgamation and such other documents as may be required pursuant to the Act.

10. **Covenants of WCG.** WCG hereby covenants and agrees with Subco and Sable that it will:

- (a) use its commercially reasonable efforts to obtain, on or prior to the Effective Date, the consent of its shareholders of the Amalgamation by way of a consent resolution executed by WCG Shareholders holding voting rights attaching to 100% of all issued and outstanding WCG Shares, all in accordance with Applicable Laws;
- (b) act in good faith use its commercially reasonable efforts to cause each of the conditions precedent to the Amalgamation set forth in Sections 16 and 17 hereof to be complied with, in each case on or prior to the Effective Date;

- (c) unless Sable otherwise agrees in writing, such consent not to be unreasonably withheld, until the earlier of the Effective Date and the date that this Agreement is terminated by its terms,
- (i) conduct its business only in the usual and ordinary course of business, and consistent with past practice, and use all commercially reasonable efforts to maintain and preserve, in all material respects, its property interests and advantageous business relationships;
 - (ii) not: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, shares or property) in respect of its outstanding securities; (iii) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (iv) split, combine or reclassify any of its securities; (v) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; (vi) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing; (vii) effect any financing transaction whether by means of debt, equity or otherwise, or issue, grant, sell, pledge, lease, dispose of or encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber, any WCG Shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, WCG Shares; or (viii) solicit, initiate or take any other action, directly or indirectly, which may result in WCG becoming a “reporting issuer” (or the equivalent) under the securities laws of any province or territory of Canada;
 - (iii) not directly or indirectly, through any officer, director, affiliate, agent or advisor of WCG, solicit, initiate, knowingly encourage, or enter into any agreements in respect of any new property acquisitions by WCG, without the prior written consent of Sable;
 - (iv) not directly or indirectly sell, pledge, dispose of or encumber any of its property interests;
 - (v) not make any payment to any employee, officer or director outside of their ordinary and usual compensation for services provided;
 - (vi) not grant any officer, director or employee an increase in compensation in any form, grant any general salary increase, take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers or employees, nor adopt or amend any stock option or other employee compensation plans, nor make any loan to any officer, director or any other party not at arm’s length;
 - (vii) not adopt or amend or make any contribution to any bonus, cost plus employee benefit plan, profit sharing, option, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

- (viii) maintain in force its current policies of insurance and pay all premiums in respect of such insurance policies that become due after the date hereof; and
- (ix) not take any action or refrain from taking any action inconsistent with this Agreement which might reasonably be expected to directly or indirectly interfere with or affect the consummation of the Amalgamation;
- (d) subject to approval of the shareholders of each of WCG and Subco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, including the conditional approval of the TSXV, thereafter jointly with Subco, file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement; and
- (e) use its commercially reasonable efforts to assist Sable in connection with the preparation of all documents required by Applicable Laws in connection with all regulatory approvals required in respect of the Amalgamation and the other matters contemplated hereby.

11. **Covenants of Sable.** Sable hereby covenants and agrees with WCG that it will:

- (a) sign a special resolution, on or prior to the Effective Date, as the sole shareholder of Subco in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the Act;
- (b) act in good faith and use its commercially reasonable efforts to cause each of the conditions precedent set forth in Section 16 and 18 hereof to be complied with, in each case on or prior to the Effective Date;
- (c) other than in respect of the Approved Transaction, or unless WCG otherwise agrees in writing, such consent not to be unreasonably withheld, until the earlier of the Effective Date and the date that this Agreement is terminated by its terms,
 - (i) conduct its business only in the usual and ordinary course of business, and consistent with past practice (it being acknowledged that Sable purchases and sells its property interests in the ordinary course of business), and use all commercially reasonable efforts to maintain and preserve, in all material respects, its business and advantageous business relationships;
 - (ii) not: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, shares or property) in respect of its outstanding securities; (iii) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (iv) split, combine or reclassify any of its securities; (v) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; or (vi) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing; and
 - (iii) not take any action or refrain from taking any action inconsistent with this Agreement which might reasonably be expected to directly or indirectly interfere with or affect the consummation of the Amalgamation or any of the matters related thereto as contemplated hereby; and

- (d) subject to the approval of the shareholders of WCG being obtained for the completion of the Amalgamation, and the obtaining of all applicable regulatory approvals, including the conditional approval of the TSXV, issue that number of Sable Shares as required by Subsection 4(b) hereof.

12. **Covenants of Subco.** Subco hereby covenants and agrees with WCG that it will:

- (a) on the Effective Date, be a corporation which has, at no time, carried on any active business (other as is necessary to effect the Amalgamation and/or in connection with the Approved Transaction);
- (b) use its commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 16 and 18 hereof to be complied with on or prior to the Effective Date;
- (c) unless WCG otherwise agrees in writing or otherwise in connection with the Approved Transaction, until the earlier of the Effective Date and the date that this Agreement is terminated by its terms,
 - (i) not conduct any business (other than as required in connection with the Amalgamation and the Approved Transaction), and shall use all commercially reasonable efforts to maintain and preserve its corporate existence; and
 - (ii) not directly or indirectly, amend its constating documents, declare, set aside or pay any dividend or other distribution or payment or otherwise to or for the benefit of its shareholders or reduce its stated capital; and
- (d) subject to the approval of the shareholders of WCG and Subco being obtained with respect to the Amalgamation and subject to the obtaining of all applicable regulatory approvals, including the conditional approval of the TSXV, thereafter jointly with WCG file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

13. **Representations and Warranties of Sable.** Sable represents and warrants to and in favour of WCG as follows, and acknowledges that WCG is relying upon such representations and warranties:

- (a) Sable is a corporation existing under the laws of British Columbia and has the corporate power, capacity and authority to carry on its business as currently conducted; own, lease and operate its property and assets; enter into and perform its obligations under this Agreement in accordance with the provisions hereof; and to issue and deliver the Sable Shares in connection with the Amalgamation;
- (b) this Agreement has been duly authorized, executed and delivered by Sable and constitutes a valid and binding obligation of Sable enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally);

- (c) the Amalgamation has been authorized by all necessary corporate action on the part of Sable and the issue and delivery of the Sable Shares on the Effective Date pursuant to the Amalgamation will be authorized by all necessary corporate action on the part of Sable prior to the Effective Date;
- (d) there is no requirement to make any filing with, give any notice to, or obtain any authorization of, any governmental authority, or to obtain any consent, approval or authorization of any other party or person (other than the approval of the shareholders of each of WCG and Subco), as a condition to the lawful completion of the transactions contemplated by this Agreement, including specifically the Amalgamation, except for the filing of the Articles of Amalgamation giving effect to the Amalgamation, and other filings, notifications and authorizations required under applicable securities laws and the rules of the TSXV;
- (e) Sable is not in default of any requirement of Applicable Laws which would reasonably be expected to have a Sable Material Adverse Effect;
- (f) on the Effective Date, the Sable Shares will be duly and validly issued and outstanding as fully paid and non-assessable;
- (g) Sable has no direct or indirect subsidiaries or branches, other than the Sable Subsidiaries;
- (h) to the best knowledge of Sable after due inquiry and other than any violation or other matter referred to in this Subsection that does not result in a Sable Material Adverse Effect:
 - (i) Sable and the Sable Subsidiaries are not in violation of any Environmental Laws;
 - (ii) Sable and the Sable Subsidiaries each holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business as currently operated, and the ownership and use of its assets as currently used, and all such licenses, permits and approvals are in full force and effect; and
 - (iii) there are no pending, or to the knowledge of Sable, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against Sable, which if determined adversely, would reasonably be expected to have a Sable Material Adverse Effect;
- (i) the authorized capital of Sable consists of an unlimited number of Sable Shares, of which 87,898,289 Sable Shares are issued and outstanding as of the date of this Agreement, all of which shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor issued in violation of, any pre-emptive rights;
- (j) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of Sable, or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, option or right for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of Sable, other than (A) options granted by Sable pursuant to its stock option plan to acquire an aggregate of

5,000,000 Sable Shares; (B) warrants to acquire an aggregate of 12,437,482 Sable Shares; (C) the right to issue 500,000 Sable Shares as bonus shares in the event Sable completes a technical report on the Tulox gold project, located in south-central British Columbia, that contains a measured and indicated resource of at least 500,000 ounces of gold within five years of the related agreement; (D) the right to issue 500,000 Sable Shares as bonus shares in the event Sable completes a technical report on the Bot Deal project located in north-central British Columbia, that contains a measured and indicated resource of at least 500,000 ounces of gold within five years of the related agreement; and (E) the right to issue (i) 200,000 Sable Shares upon TSXV approval of the option agreement regarding the Margarita silver project; (ii) \$500,000 worth of Sable Shares on or before the first anniversary of the option agreement, valued at the date of issue, less the value of the 200,000 Sable Shares issued upon TSXV approval; (iii) \$1,000,000 worth of Sable Shares on or before the second anniversary of the option agreement, valued at the date of issue; and (iv) \$2,000,000 worth of Sable Shares on or before the third anniversary of the option agreement, valued at the date of issue; and (E) as contemplated hereby in connection with the Amalgamation and the Approved Transaction;

- (k) the authorized capital of Subco consists of an unlimited number of Subco Shares. An aggregate of 100 Subco Shares are issued and outstanding, all of which are owned by Sable. All outstanding Subco Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor issued in violation of, any pre-emptive rights. No person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of Subco, or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, option or right for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of Subco, other than in connection with the Approved Transaction;
- (l) since June 30, 2017, except as has been publicly disclosed: (i) there has been no Sable Material Adverse Effect (or any condition, event or development involving a prospective change that would result in a Sable Material Adverse Effect); and (ii) each of Sable and the Sable Subsidiaries has conducted its businesses only in the ordinary and normal course (it being acknowledged that Sable purchases and sells its property interests in the ordinary course of business);
- (m) other than as has been publicly disclosed, each of Sable and the Sable Subsidiaries is the absolute beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those reflected or reserved against in the Sable Financial Statements and subject to the usual qualifications on title in respect of ground leases to utilities, municipal agreements, railway siding agreements, easements for streets, alleys, highways, telephone lines, gas pipelines, power lines and railways, and no other property rights are necessary for the conduct of the businesses of Sable and the Sable Subsidiaries as currently conducted, and Sable does not know of any claim or basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and neither Sable nor the Sable Subsidiaries have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof other than as set forth in the Sable Disclosed Information;

- (n) except in any case which would not result in a Sable Material Adverse Effect, (i) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any arrears, penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted, by Sable and the Sable Subsidiaries have been paid, collected or withheld and remitted, as applicable; and (ii) all tax returns, declarations, remittances and filings required to be filed by Sable and the Sable Subsidiaries have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom that would make any of them misleading;
- (o) Sable is now, and on the Effective Date will be, a reporting issuer in the provinces of British Columbia and Alberta. The issued and outstanding Sable Shares are listed and posted for trading on the TSXV and Sable is in material compliance with the policies of the TSXV;
- (p) Sable is not in default or breach of this Agreement, and none of the execution and delivery of, and the compliance with the terms of, this Agreement by Sable, the completion of the Amalgamation in accordance with the terms hereof, or the issue and delivery of the Sable Shares in connection with the Amalgamation, will result in a breach, violation, conflict, default, termination or acceleration of, or create a state of facts which, after notice or lapse of time or both, will result in a breach, violation, conflict, default, termination or acceleration of, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Sable or any of the Sable Subsidiaries under: (i) any of the terms, conditions or provisions of the constating documents or by-laws or resolutions of the directors or shareholders of Sable or any of the Sable Subsidiaries; (ii) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument, obligation or document to which Sable or any of the Sable Subsidiaries is a party or will be contractually bound as of the Effective Date or to which their respective properties or assets may be subject; (iii) any statute, rule, judgment, ruling, decree, order, injunction, determination, award, ordinance, or regulation, applicable to or binding on Sable or any of the Sable Subsidiaries, or their respective assets (except, in the case of each of clauses (i), (ii) and (iii) above, for such breaches, violations, conflicts, defaults, terminations or accelerations which would not have a Sable Material Adverse Effect);
- (q) the execution and delivery of, and the compliance with the terms of, this Agreement by Sable, the completion of the Amalgamation in accordance with the terms hereof, or the issue and delivery of the Sable Shares in connection with the Amalgamation, will not cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Sable Material Adverse Effect;
- (r) the Sable Financial Statements: (i) are, in all material respects, consistent with the books and records of Sable and the Sable Subsidiaries, for the periods covered thereby; (ii) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial condition of the business of Sable and the Sable Subsidiaries for the periods covered thereby; and (iii) present fully, fairly and correctly, in accordance with IFRS, the assets and financial condition of Sable and the Sable Subsidiaries as at the

dates thereof and the results of operations and the changes in financial position for the periods then ended;

- (s) there are no actions, suits, proceedings or inquiries, including, to the knowledge of Sable, pending or threatened, against or affecting Sable or the Sable Subsidiaries at law or in equity or before or by any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way could reasonably be expected to result in a Sable Material Adverse Effect;
- (t) no order ceasing or suspending trading in securities of Sable or prohibiting the sale of securities by Sable has been issued that remains outstanding and, to its knowledge, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commission, stock exchange or self-regulatory organization;
- (u) since the date of its incorporation, Subco has not conducted any active business (other than any business required in connection with the Amalgamation and the Approved Transaction), and has no material assets and no liabilities;
- (v) no agent, broker, investment banker or other firm or person is or will be entitled to claim against Sable for any broker's or finder's fee or other commission or similar fee incurred by Sable in connection with any of, or the consummation of any of, the transactions contemplated hereby or the Amalgamation;
- (w) other than as disclosed in the Sable Disclosed Information, neither Sable nor any of the Sable Subsidiaries is party to any material contract or commitment; or a party to or bound by any guarantee, indemnification, surety or similar obligations; or a party to any (i) material joint venture or similar agreement; (ii) any note, bond, mortgage, instalment obligation, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument, obligation or document relating to the borrowing of money by the relevant company; or (iii) contract which will limit in any respect the freedom of any such company to compete in any line of business or with any person in any way, except in any case which would not reasonably be expected to result in a Sable Material Adverse Effect;
- (x) no director, officer, employee, insider of Sable or other non-arm's length party to Sable is indebted to Sable;
- (y) Sable is not indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates, except for amounts due as reimbursement for ordinary business expenses incurred within the previous 90 days;
- (z) the data and information in respect of Sable's and the Sable Subsidiaries' assets, liabilities, business and operations provided by Sable or its advisors to WCG or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof;
- (aa) the minute books, books of account and other records of Sable and the Sable Subsidiaries have (whether of a financial or accounting nature or otherwise) been maintained in

accordance with, in all material respects, all Applicable Laws and are complete and accurate in all material respects;

- (bb) except as publicly disclosed, no director, officer, insider or other party not at arm's length to Sable has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any properties of Sable or the Sable Subsidiaries;
- (cc) except as publicly disclosed, neither Sable nor the Sable Subsidiaries has any rights to purchase any material assets, properties or undertakings of third parties nor has any obligation to sell any material assets, properties or undertakings under any agreements to purchase or sell that have not closed, other than in connection with the Approved Transaction;
- (dd) Sable maintains no insurance with respect to its assets; and
- (ee) Sable and each of the Sable Subsidiaries has not, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction other than as required or permitted by applicable laws; or (ii) made any contribution to any candidate for public office, in either case, where either would be prohibited under the *Corruption and Foreign Public Officials Act*, S.C. 1998, c. 34, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17 or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to Sable and each of the Sable Subsidiaries and their respective operations.

14. **Representation and Warranties of WCG.** WCG represents and warrants to and in favour of Sable and Subco as follows, and acknowledges that Sable and Subco are relying upon such representations and warranties:

- (a) WCG is a corporation existing under the laws of the Province of Ontario and has the power, capacity and authority to carry on its business as currently conducted; own, lease and operate its property and assets; and to enter into and perform its obligations under this Agreement in accordance with the provisions hereof;
- (b) this Agreement has been duly authorized, executed and delivered by WCG and constitutes a valid and binding obligation of WCG enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other proceeding on the part of WCG, other than the approval of the Amalgamation by the holders of the WCG Shares is necessary to authorize the transactions contemplated under this Agreement;
- (c) there is no requirement to make any filing with, give any notice to, or obtain any authorization of, any governmental authority, or to obtain any consent, approval or authorization of any other party or person (other than the approval of shareholders of WCG and Subco as required by the Act), as a condition to the lawful completion of the transactions contemplated by this Agreement, including specifically the Amalgamation,

except for the filing of the Articles of Amalgamation giving effect to the Amalgamation and other filings, notifications and authorizations required under applicable securities laws and the rules of the TSXV;

- (d) WCG is not in default of any requirement of Applicable Laws which would reasonably be expected to have a WCG Material Adverse Effect;
- (e) WCG has no direct or indirect subsidiaries or branches;
- (f) to the best knowledge of WCG after due inquiry and other than any violation or other matter referred to in this Subsection that does not result in a WCG Material Adverse Effect:
 - (i) WCG is not in violation of any Environmental Laws;
 - (ii) WCG holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business as currently operated, and the ownership and use of its assets as currently used, and all such licenses, permits and approvals are in full force and effect; and
 - (iii) there are no pending, or to the knowledge of WCG, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against WCG, which if determined adversely, would reasonably be expected to have a WCG Material Adverse Effect;
- (g) the authorized capital of WCG consists of an unlimited number of WCG Shares, of which 12,800,000 WCG Shares are issued and outstanding as of the date hereof, all of which shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor issued in violation of, any pre-emptive rights;
- (h) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of WCG or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, option or right for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of WCG;
- (i) since October 11, 2017, except as has been disclosed in writing to Sable or its advisors: (i) there has been no WCG Material Adverse Effect (or any condition, event or development involving a prospective change that would result in a WCG Material Adverse Effect); (ii) WCG has conducted its businesses only in the ordinary and normal course; and (iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to WCG has been incurred other than in the ordinary and normal course of business;
- (j) WCG is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than the Tulameen South Royalty and those reflected or reserved against in the WCG Financial Statements and subject to the usual qualifications on title in respect of ground leases to utilities, municipal agreements, railway siding agreements, easements for streets, alleys,

highways, telephone lines, gas pipelines, power lines and railways, and no other property rights are necessary for the conduct of the businesses of WCG as currently conducted. WCG does not know of any claim or basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and WCG does not have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof other than as set forth in the WCG Disclosed Information (including, for greater certainty, the Tulameen South Royalty);

- (k) (i) all Taxes due and payable or required to be collected or withheld and remitted, by WCG have been paid, collected or withheld and remitted, as applicable; (ii) all tax returns, declarations, remittances and filings required to be filed by WCG have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom that would make any of them misleading; (iii) no examination of any tax return of WCG is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by WCG; and (iv) there are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to WCG;
- (l) WCG is not a reporting issuer or the equivalent in any jurisdiction. The issued and outstanding WCG Shares do not trade on any stock exchange;
- (m) WCG is not in default or breach of this Agreement, and none of the execution and delivery of, and the compliance with the terms of, this Agreement by WCG, or the completion of the Amalgamation in accordance with the terms hereof, will result in a breach, violation, conflict, default, termination or acceleration of, or create a state of facts which, after notice or lapse of time or both, will result in a breach, violation, conflict, default, termination or acceleration of, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of WCG under: (i) any of the terms, conditions or provisions of the constating documents or by-laws or resolutions of the directors or shareholders of WCG; (ii) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument, obligation or document to which WCG is a party or will be contractually bound as of the Effective Date or to which their respective properties or assets may be subject; (iii) any statute, rule, judgment, ruling, decree, order, injunction, determination, award, ordinance, or regulation, applicable to or binding on WCG, or their respective assets (except, in the case of each of clauses (i), (ii) and (iii) above, for such breaches, violations, conflicts, defaults, terminations or accelerations which would not have a WCG Material Adverse Effect);
- (n) neither the execution and delivery of, and the compliance with the terms of, this Agreement by WCG, nor the completion of the Amalgamation in accordance with the terms hereof, will cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a WCG Material Adverse Effect;
- (o) the WCG Financial Statements: (i) are, in all material respects, consistent with the books and records of WCG for the periods covered thereby; (ii) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial

condition of the business of WCG for the periods covered thereby; and (iii) present fully, fairly and correctly, in accordance with IFRS, in all material respects, the assets and financial condition of WCG as at the dates thereof and the results of operations and the changes in financial position for the periods then ended;

- (p) there are no actions, suits, proceedings or inquiries, including, to the knowledge of WCG, pending or threatened, against or affecting WCG at law or in equity or before or by any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way could reasonably be expected to result in a WCG Material Adverse Effect;
- (q) no order ceasing or suspending trading in securities of WCG or prohibiting the sale of securities by WCG has been issued that remains outstanding and, to its knowledge, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commission or self-regulatory organization, and WCG is not in default of any material requirement of any applicable securities legislation;
- (r) WCG has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do any of the foregoing;
- (s) WCG has sufficiently accrued in its WCG Financial Statements an adequate reserve related to present or future abandonment costs, in accordance with IFRS;
- (t) WCG is not aware of any of the directors or officers of WCG receiving any objections from securities regulatory authorities to their serving in their respective current corporate capacities;
- (u) the operations of WCG are and have been conducted in accordance with good mining industry practices and WCG has obtained and is in compliance with Applicable Laws, rules, regulations, orders, directions, licences, permits, certificates, consents, grants and other authorizations of or from any government and other competent authorities necessary to conduct its business as now being or are proposed to be conducted, except where the absence of which or non-compliance would not reasonably be expected to have a WCG Material Adverse Effect;
- (v) WCG has not received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to mineral assets to which it is a party or by or to which it or any such assets are bound or subject, except to the extent that such defaults would not in the aggregate have a WCG Material Adverse Effect;
- (w) to its knowledge:
 - (i) it is in good standing under all, and is not in default under any; and
 - (ii) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice, would constitute a default under any;

leases and other title and operating documents or any other agreements and instruments pertaining to its mineral assets to which it is a party or by or to which it or such assets are bound or subject and, to their knowledge, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults would not in the aggregate have a WCG Material Adverse Effect;

- (x) WCG has no assets other than as set forth in the WCG Financial Statements. Other than as disclosed to Sable in writing, WCG has no liabilities other than as set forth in the WCG Financial Statements or as incurred in connection with the transactions contemplated hereby, other than liabilities which would not reasonably be expected to result in a WCG Material Adverse Effect;
- (y) no agent, broker, investment banker or other firm or person is or will be entitled to claim against WCG for any broker's or finder's fee or other commission or similar fee incurred by WCG in connection with any of, or the consummation of any of, the transactions contemplated hereby or the Amalgamation;
- (z) other than as disclosed in the WCG Disclosed Information, WCG is not a party to any material contract or commitment; or a party to or bound by any guarantee, indemnification, surety or similar obligations; or a party to any (i) material joint venture or similar agreement; (ii) any note, bond, mortgage, instalment obligation, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument, obligation or document relating to the borrowing of money by the relevant company; or (iii) contract which will limit in any respect the freedom of any such company to compete in any line of business or with any person in any way, except in any case which would not reasonably be expected to result in a WCG Material Adverse Effect;
- (aa) no director, officer, employee, insider of WCG or other non-arm's length party to WCG is indebted to WCG;
- (bb) WCG is not indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates, except for amounts due as reimbursement for ordinary business expenses incurred within the previous 90 days;
- (cc) WCG does not have in effect any bonus plan, commission plan, profit sharing plan, pension plan, royalty plan or arrangement, defined benefit plan or employee benefit plan for the benefit of any of its employees, officers, directors or shareholders, and has made no agreements or promises with respect to any such plans;
- (dd) the aggregate severance obligation to management and employees of WCG in connection with the Amalgamation is nil;
- (ee) since the date of WCG Financial Statements, WCG has not purchased, leased or otherwise acquired, or agreed to purchase, lease or otherwise acquire, any additional properties or assets;
- (ff) the data and information in respect of WCG's assets, liabilities, business and operations provided by WCG or its advisors to Sable or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any

information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof;

- (gg) the minute books, books of account and other records of WCG have (whether of a financial or accounting nature or otherwise) been maintained in accordance with, in all material respects, all Applicable Laws and are complete and accurate in all material respects;
- (hh) no director, officer, insider or other party not at arm's length to WCG has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any properties of WCG, other than the Tulameen South Royalty;
- (ii) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which WCG is a party or by which it is otherwise bound that would now or hereafter in any way may limit the business or operations of WCG in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of WCG from engaging in its business or from competing with any person or in any geographic area;
- (jj) WCG does not have any rights to purchase any assets, properties or undertakings of third parties nor have any obligation to sell assets, properties or undertakings under any agreements to purchase or sell that have not closed;
- (kk) the policies of insurance in force at the date hereof naming WCG as an insured are in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated herein;
- (ll) WCG has all intellectual property necessary to permit it to conduct its business as presently conducted and as proposed to be conducted;
- (mm) WCG is not a party to and, prior to the Effective Date, WCG will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire WCG Shares or other securities of WCG or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the Amalgamation; and
- (nn) WCG has not, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction other than as required or permitted by applicable laws; or (ii) made any contribution to any candidate for public office, in either case, where either would be prohibited under the *Corruption and Foreign Public Officials Act*, S.C. 1998, c. 34, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17 or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to WCG and its operations.

15. **Representations and Warranties of Subco.** Subco represents and warrants to and in favour of WCG as follows, and acknowledges that WCG is relying upon such representations and warranties:
- (a) Subco is a corporation existing under the laws of the Province of Ontario;
 - (b) Subco has the power and capacity and is duly authorized to execute and deliver, and perform its obligations under, this Agreement and this Agreement is a valid and binding agreement, enforceable against Subco in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other proceeding on the part of Subco, other than the approval of the Amalgamation by Sable, as sole shareholder of Subco, is necessary to authorize the transactions contemplated under this Agreement;
 - (c) Subco has been incorporated solely for the purpose of the Amalgamation and the Approved Transaction and has never carried on any active business (other than such business required in connection with the Amalgamation and the Approved Transaction), and has no material assets and no liabilities;
 - (d) there is no requirement to make any filing with, give any notice to, or obtain any authorization of, any governmental authority, or to obtain any consent, approval or authorization of any other party or person (other than the approval of the shareholders of WCG and Subco as required by the Act), as a condition to the lawful completion of the transactions contemplated by this Agreement, including specifically the Amalgamation, except for the filing of Articles of Amalgamation giving effect to the Amalgamation and other filings, notifications and authorizations required under applicable securities laws and the rules of the TSXV;
 - (e) there are no actions, suits, proceedings or inquiries, including, to the knowledge of Subco, pending or threatened, against or affecting Subco at law or in equity or before or by any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality; and
 - (f) the authorized capital of Subco consists of an unlimited number of Subco Shares. An aggregate of 100 Subco Shares are issued and outstanding, all of which are owned by Sable. All outstanding Subco Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor issued in violation of, any pre-emptive rights. No person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of Subco, or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, option or right for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of Subco, other than in connection with the Approved Transaction.
16. **General Conditions Precedent.** The respective obligations of the parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be

waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions, subject to the last paragraph of this Section 16:

- (a) the Amalgamation shall be approved by Sable as the sole shareholder of Subco by way of written resolution executed by such sole shareholder, all in accordance with the applicable provisions of the Act;
- (b) the Amalgamation shall be approved by the WCG Shareholders by written resolution executed by WCG Shareholders holding in the aggregate, 100% of the voting rights attaching to all issued and outstanding WCG Shares, all in accordance with the applicable provisions of the Act;
- (c) the Articles of Amalgamation to be filed with the Director in accordance with the Amalgamation shall be in form and substance satisfactory to each of Sable and WCG, acting reasonably;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Amalgamation;
- (e) all necessary third party, regulatory and governmental approvals, waivers and consents in respect of the transactions contemplated herein shall have been obtained on terms and conditions satisfactory to Sable and WCG, each acting reasonably, including, without limitation, the conditional approval of the TSXV to the listing thereon of Sable Shares to be issued in connection with the Amalgamation;
- (f) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing Applicable Law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;
- (g) this Agreement shall not have been terminated pursuant to Section 21 hereof; and
- (h) the Effective Time shall have occurred on or prior to the Termination Deadline.

The conditions described above are for the mutual benefit of Sable, WCG and Subco and may be asserted by Sable, WCG and Subco regardless of the circumstances, and such conditions (other than the condition set forth in Subsections 16(a) and 16(b) above) may be waived by Sable, WCG and Subco in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Sable, WCG and Subco may have.

17. **Conditions to Obligations of Sable and Subco.** The obligations of Sable and Subco to consummate the transactions contemplated hereby and in particular the issue of the Sable Shares

in connection with the Amalgamation, are subject to the satisfaction, on or before the Effective Date (or such other time specified in respect thereof), of the following conditions:

- (a) each of the covenants, acts and undertakings of WCG to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and there shall have been no WCG Material Adverse Effect from and after the date hereof to the Effective Date;
- (b) Sable and Subco shall have received a certificate from a senior officer of WCG confirming that the conditions set forth in Sections 16 and 17 hereof have been satisfied;
- (c) the representations, warranties, covenants and agreements of WCG set forth in this Agreement (without giving effect to any materiality qualifiers) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Date as if made by WCG immediately preceding the Amalgamation on the Effective Date, except where the failure of such representations and warranties to be true and complete, individually or in the aggregate, would not result or would not reasonably be expected to result in a WCG Material Adverse Effect;
- (d) Sable shall have received duly executed resignations and releases from each of the employees, directors and officers of WCG, and no termination payments shall be due and owing in respect thereof;
- (e) the board of directors of WCG shall have adopted all necessary resolutions to permit the consummation of the Amalgamation and all related matters contemplated in connection therewith as set forth herein; and
- (f) WCG shall have furnished Sable with certified copies of:
 - (i) the resolutions, duly passed by the board of directors of WCG approving the Amalgamation, this Agreement and the consummation of the transactions contemplated hereby; and
 - (ii) the resolution of the WCG Shareholders approving the Amalgamation in accordance with the terms hereof.

The conditions described above are for the exclusive benefit of Sable and Subco and may be asserted by Sable and Subco regardless of the circumstances, and such conditions (other than the condition set forth in Subsection 17(e) above) may be waived by Sable and Subco in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Sable and Subco may have.

18. **Conditions to Obligations of WCG.** The obligations of WCG to consummate the transactions contemplated hereby and in particular the Amalgamation are subject to the satisfaction, on or before the Effective Date (or such other time specified in respect thereof), of the following conditions:

- (a) each of the covenants, acts and undertakings of Sable and Subco to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by them and there shall have been no Sable Material Adverse Effect from and after the date hereof to the Effective Date;

- (b) WCG shall have received a certificate from a senior officer of each of Sable and Subco confirming that the conditions set forth in Sections 16 and 18 hereof have been satisfied;
- (c) the representations, warranties, covenants and agreements of Sable and Subco set forth in this Agreement (without giving effect to any materiality qualifiers) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Date as if made by Sable or Subco, as the case may be, immediately preceding the Amalgamation on the Effective Date, except where the failure of such representations and warranties to be true and complete, individually or in the aggregate, (i) would not result or would not reasonably be expected to result in a Sable Material Adverse Effect;
- (d) the board of directors of each of Sable and Subco shall have adopted all necessary resolutions to permit the consummation of the Amalgamation, this Agreement and all related matters contemplated in connection therewith as set forth herein; and
- (e) Sable shall have furnished WCG with certified copies of:
 - (i) the resolutions, duly passed by the board of directors of Sable: (A) approving the Amalgamation, this Agreement and the consummation of the transactions contemplated hereby; and (B) conditionally allotting for issuance the aggregate number of Sable Shares that may be required to be issued in accordance with the terms of this Agreement upon the Amalgamation taking effect; and
 - (ii) the written resolution of the sole shareholder of Subco approving the Amalgamation in accordance with the terms hereof.

The conditions described above are for the exclusive benefit of WCG and may be asserted by WCG regardless of the circumstances, and such conditions (other than the condition set forth in Subsection 18(d) above) may be waived by WCG in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which WCG may have.

19. **Notice and Effect of Failure to Comply with Conditions.** Each of WCG and Sable (on its behalf and on behalf of Subco) shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of any party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder provided, however, that no such notification will affect the representations or warranties of the parties or the conditions to the obligations of the parties hereunder.
20. **Amendment.** This Agreement may at any time and from time to time be amended by written agreement of the parties hereto without, subject to Applicable Law, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:
- (a) change the time for performance of any of the obligations or acts of the parties hereto;
 - (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

- (c) waive compliance with or modify any of the covenants contained herein and waive or modify performance of any of the obligations of the parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by WCG Shareholders in exchange for their WCG Shares without approval by the shareholders of WCG given in the same manner as required for the approval of the Amalgamation.

21. **Termination.** This Agreement may be terminated:

- (a) at any time prior to the issuance of the Certificate, by mutual written agreement of the respective boards of directors of the parties hereto, without further action on the part of the shareholders of WCG, Sable or Subco;
- (b) at any time after the Termination Deadline, by either WCG or Sable (on its behalf and on behalf of Subco), provided that such terminating party is not in material breach of this Agreement, if the Certificate has not been issued by the Director on or before such date, without further action on the part of the shareholders of WCG, Sable or Subco;
- (c) provided Sable and Subco are not in material breach of this Agreement, upon written notice by Sable (on its behalf and on behalf of Subco) to WCG, at any time prior to the Effective Date: (i) if any of the conditions required to be satisfied hereunder pursuant to Section 16 or 17 hereof have not been satisfied (or waived by Sable, on its own behalf and on behalf of Subco, to the extent permitted hereunder) prior to the Effective Date; or (ii) if WCG is in breach of any of its representations or warranties made in this Agreement (without giving effect to any materiality qualifiers contained therein) or covenants made in this Agreement which breach individually or in the aggregate causes or would be reasonably expected to cause a WCG Material Adverse Effect;
- (d) provided WCG is not in material breach of this Agreement, upon written notice by WCG to Sable (on its own behalf and on behalf of Subco), at any time prior to the Effective Date: (i) if any of the conditions required to be satisfied hereunder pursuant to Section 16 or 18 hereof have not been satisfied (or waived by WCG, to the extent permitted hereunder) prior to the Effective Date; or (ii) if Sable or Subco is in breach of any of its representations or warranties made in this Agreement (without giving effect to any materiality qualifiers contained therein) or covenants made in this Agreement which breach individually or in the aggregate causes or would be reasonably expected to cause a Sable Material Adverse Effect; or
- (e) by either WCG or Sable, provided such party is not in material breach of this Agreement, upon written notice by such party to the other party (in the case of a notice given to or by Sable, on its own behalf and on behalf of Subco), at any time prior to the Effective Date, if the WCG Shareholders fail to approve the Amalgamation as contemplated herein.

Following the termination of this Agreement in accordance with any of the above provisions, this agreement will terminate but the provisions in Sections 22 (Costs and Expenses) and 24 (Confidentiality) shall remain binding and enforceable and in full force and effect. If this Agreement is terminated pursuant to any provision of this Agreement, the parties shall return all

materials and copies of all materials delivered to WCG or Sable, as the case may be, or their respective representatives.

22. **Costs and Expenses.** The parties acknowledge and agree that, whether or not the transactions contemplated hereby are completed, all costs and expenses relating to the transactions contemplated by this Agreement will be paid by the party incurring same.
23. **Binding Effect.** This Agreement shall be binding upon and enure to the benefit of the parties hereto.
24. **Confidentiality.**

- (a) **“Confidential Information”** means any information relating to the disclosing party’s businesses, operations, assets, liabilities, plans, prospects or affairs, or to the transactions contemplated hereby, which has been or is disclosed to or acquired by the receiving parties regardless of whether such information is in oral, visual, electronic, written or other form and whether or not it is identified as “confidential”.

Confidential Information does not include any information that:

- (i) is or becomes generally available to the public other than as a result of disclosure directly or indirectly by the receiving parties or their directors, officers, employees, agents, representatives or advisors (the **“Representatives”**);
- (ii) is or becomes available to the receiving parties on a non-confidential basis from a source other than the disclosing party unless the receiving parties know after reasonable inquiry that such source is prohibited from disclosing the information to the receiving parties by a contractual, fiduciary or other legal obligation to the disclosing party; or
- (iii) the receiving parties can show was independently acquired or developed by the receiving parties prior to the disclosure by the other party and without the use of any Confidential Information;
- (b) The receiving parties shall keep confidential the Confidential Information, shall not disclose the Confidential Information in any manner whatsoever, in whole or in part, except as permitted by this Section 24, and shall use the Confidential Information solely to evaluate the transactions contemplated hereby and not directly or indirectly for any other purpose.
- (c) The receiving parties shall not disclose to any person the fact that the Confidential Information has been made available, this Agreement has been entered into, discussions or negotiations are taking place or have taken place concerning a possible transaction, or any of the terms, conditions or other facts with respect to the foregoing, including the status thereof, except as permitted by this Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that Sable shall be required to disclose the terms hereof in accordance with the applicable timely disclosure obligations and the regulations of the TSXV.
- (d) The receiving parties may disclose Confidential Information to their Representatives but only to the extent that such Representatives need to know the Confidential Information for the purposes of evaluating the transactions contemplated hereby, have been informed of the confidential nature of the Confidential Information, are directed to hold the

Confidential Information in the strictest confidence, and agree to act in accordance with the terms and conditions of this Agreement. Each party shall cause its Representatives to observe the terms of this Agreement and is responsible for any breach by its Representatives of any of the provisions of this Agreement.

- (e) The disclosure restrictions contained in this Agreement do not apply to disclosure that is required by Applicable Laws, unless the receiving parties are permitted or required by Applicable Law to refrain from making such disclosure for confidentiality or other reasons, or that the disclosing party gives the receiving parties prior written consent to disclose. Prior to making any disclosure pursuant to Applicable Laws, the receiving parties shall, to the extent not prohibited by Applicable Laws:
 - (i) give the disclosing party prompt notice of the requirement and the proposed content of any disclosure;
 - (ii) at the disclosing party's request and expense, co-operate with the disclosing party in limiting the extent of the disclosure and in obtaining an appropriate protective order or pursuing such legal action, remedy or assurance as the disclosing party deems necessary to preserve the confidentiality of the Confidential Information, at the disclosing party's cost; and
 - (iii) if a protective order or other remedy is not obtained or the disclosing party fails to waive compliance with the provisions of this Agreement, disclose only that portion of the Confidential Information that it is required to disclose and exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment is given to the Confidential Information disclosed.
- (f) The receiving parties shall make the same efforts to safeguard the Confidential Information as they make to safeguard their own confidential and proprietary business information, or all commercially reasonable efforts to safeguard the Confidential Information if such efforts would impose on it a higher standard of care.
- (g) If this Agreement is terminated pursuant to Section 21, each party shall, subject to Section 24(h), within seven Business Days of such termination:
 - (i) return all Confidential Information to the other party without retaining any copies; or
 - (ii) destroy or permanently erase all copies of the Confidential Information; and
 - (iii) certify to the other party in writing that this Section 24(g) has been complied with.Return or destruction of Confidential Information shall not minimize the receiving party's obligation to protect and maintain the Confidential Information in the strictest confidence as provided for herein.
- (h) Despite 24(g), Sable and WCG may each retain data or electronic records containing the Confidential Information solely for the purposes of backup, recovery, contingency planning or business continuity planning so long as such data or records are not accessible in the ordinary course of business and are not accessed except as required for backup, recovery, contingency planning or business continuity purposes. Each party shall keep such retained Confidential Information confidential, subject to the terms of this

Agreement. Sable and WCG shall permanently delete any data or records that are restored or otherwise become accessible in the ordinary course of business.

25. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supercedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect to the subject matter hereof.
26. **Assignment.** No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the other parties, other than pursuant to the Approved Transaction.
27. **Press Releases.** Notwithstanding any other provision hereof, all press releases issued by any of Subco, Sable and/or WCG in connection with the Amalgamation or other matters contemplated hereby must be provided to each of Sable and WCG for approval and comment prior to their release, provided however that this Section 27 shall not be interpreted so as to prohibit any party from complying with its timely disclosure obligations under Applicable Laws.
28. **Further Assurances.** Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.
29. **Notice.** Any notice which a party may desire to give or serve upon another party shall be in writing and may be delivered, mailed by prepaid registered mail, return receipt requested or sent by facsimile transmission to the following addresses:

(a) **WESTERN CANADA GREENFIELDS GROUP INC.**

Suite 806
390 Bay Street
Toronto, ON M5H 2Y2
Attention: Chief Executive Officer

Telephone No.: (416) 777-6772
Facsimile No.: (416) 352-5693

(b) **SABLE RESOURCES LTD. OR SUBCO**

999 West Hastings Street
Suite 900
Vancouver, BC V6C 2W2
Attention: Chief Executive Officer

Telephone No.: (416) 985-7140
Facsimile No.: (416) 642-7136

or to such other address as the party to or upon whom notice is to be given or served has communicated to the other parties by notice given or served in the manner provided for in this Section. In the case of delivery or facsimile transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

30. **Time of Essence.** Time shall be of the essence of this Agreement.
31. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF this Master Agreement has been duly executed by the parties hereto as of the date first written above.

**WESTERN CANADA GREENFIELDS GROUP
INC.**

Per: “Robert Shaw”
Name: Robert Shaw
Title: President

SABLE RESOURCES LTD.

Per: “Tom Obradovich”
Name:
Title:

2600503 ONTARIO INC.

Per: “Tom Obradovich”
Name:
Title:

SCHEDULE "A"

AMALGAMATION AGREEMENT

THIS AGREEMENT made as of the ● day of ●, 2017

AMONG:

WESTERN CANADA GREENFIELDS GROUP INC.

a corporation incorporated under the laws of the Province of Ontario ("WCG")

- and -

2600503 ONTARIO INC.

a corporation incorporated under the laws of the Province of Ontario ("Subco")

- and -

SABLE RESOURCES LTD.

a corporation incorporated under the laws of British Columbia
("Sable")

RECITALS:

WHEREAS Sable, Subco and WCG have entered into a master agreement dated as of October 31, 2017 pursuant to which the parties thereto have agreed that the business and assets of WCG will be combined with those of Sable (the "**Master Agreement**");

AND WHEREAS it is desirable for Subco and WCG to amalgamate (the "**Amalgamation**") under the OBCA (as hereinafter defined) upon the terms and conditions hereinafter set out;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto do hereby agree as follows:

Interpretation

In this Agreement including the recitals:

"**Acquisition**" means the acquisition by Sable of WCG pursuant to the terms of the Master Agreement;

"**Agreement**" means this agreement and any amendment made to this Agreement;

"**Amalco**" means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations;

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalgamating Corporation**" means each of Subco and WCG and "**Amalgamating Corporations**" means both of them;

"**Amalgamation**" means the amalgamation of the Amalgamating Corporations pursuant to the provisions of section 178 of the OBCA in the manner contemplated in and pursuant to this Agreement;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation;

"**Director**" means the director appointed under section 278 of the OBCA;

"**Effective Date**" means the date shown on the Certificate of Amalgamation;

"**Effective Time**" has the meaning ascribed to it in Section 10;

"**Exchange Ratio**" means the number of Sable Shares to be issued upon conversion of each one WCG Share, which number shall be 0.1388889;

"**Government Authority**" means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the TSX Venture Exchange;

"**Master Agreement**" has the meaning ascribed thereto in the recitals to this Agreement;

"**OBCA**" means the *Business Corporations Act* (Ontario), as the same has been and may hereafter from time to time be amended;

"**Paid-up Capital**" means paid-up capital within the meaning of subsection 89(1) of the *Income Tax Act* (Canada);

"**Parties**" means Sable, Subco and WCG;

"**Person**" includes any individual, sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Government Authority, syndicate or other entity, whether or not having legal status;

"**Sable Shares**" means common shares in the capital of Sable;

"**Subco Shares**" means the issued and outstanding common shares in the capital of Subco;

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**WCG Shares**" means common shares in the capital of WCG; and

"**WCG Shareholder**" means a registered holder of WCG Shares, from time to time, and "**WCG Shareholders**" means all of such holders.

1. Paramountcy

In the event of any conflict between the provisions of this Agreement and the provisions of the Master Agreement, the provisions of the Master Agreement shall prevail.

2. Agreement to Amalgamate

Each of the Parties hereby agrees to the Amalgamation. The Amalgamating Corporations shall amalgamate to create Amalco on the terms and conditions set out in this Agreement.

3. Amalgamation Events

The Parties shall cause the Articles of Amalgamation to be filed pursuant to section 178 of the OBCA to effect the Amalgamation. Under the Amalgamation:

- (a) WCG and Subco will amalgamate and continue as Amalco;
- (b) the WCG Shareholders shall receive such number of Sable Shares as shall be calculated based on the Exchange Ratio, resulting in the issuance of up to 1,777,778 Sable Shares in the aggregate to be distributed proportionately amongst the WCG Shareholders, and all WCG Shares shall be cancelled;
- (c) each issued and outstanding Subco Share shall be converted into one fully paid and non-assessable Amalco Share;
- (d) as consideration for the issuance of the Sable Shares to effect the Amalgamation, Sable will receive one Amalco Share for each one WCG Share outstanding immediately prior to the Effective Time;
- (e) all of the property and assets of each of the Amalgamating Corporations will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of the Amalgamating Corporations; and
- (f) Amalco will be a wholly-owned subsidiary of Sable.

4. Delivery of Securities Following Amalgamation

In accordance with normal commercial practice, as soon as practicable following the Effective Date, Sable, directly or through the Transfer Agent, shall issue certificates representing the appropriate number of Sable Shares to the former holders of WCG Shares.

5. Negative Covenants

From the date hereof to and including the Effective Date, each of WCG and Subco covenants that it will not:

- (a) reserve, allot, create, issue or distribute any of its securities;
- (b) declare or pay dividends on any of its shares or make any other issue, payment or distribution to the holders of its securities including, without limitation, the issue, payment or distribution of any of its assets or property to such holders;

- (c) other than as contemplated in this Agreement, authorize or take any action to amalgamate, merge, reorganize, effect an arrangement, liquidate, dissolve, wind-up or transfer all or substantially all of its undertaking or assets to another corporation or entity;
- (d) reclassify any outstanding securities or change such securities into other shares or securities or subdivide, redivide, reduce, combine or consolidate such securities into a greater or lesser number of securities, effect any other capital reorganization or amend the designation of or the rights, privileges, restrictions or conditions attaching to such securities;
- (e) other than as contemplated in this Agreement, amend its Articles; or
- (f) other than as contemplated in this Agreement, enter into any transaction, or take any other action, out of the ordinary course of its business.

6. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction, on or before the Effective Date, of the following conditions precedent, each of which is for the benefit of each of the parties hereto and may be waived by any of the parties hereto at any time, in whole or in part, in its sole discretion without prejudice to any other right that it may have:

- (a) the issuance of the Sable Shares pursuant to the transactions contemplated in the Master Agreement shall have been accepted by the TSX Venture Exchange;
- (b) all conditions precedent to the completion of the Amalgamation shall have been obtained or waived in accordance with the Master Agreement;
- (c) the Sable, WCG and Subco boards of directors, respectively, shall have adopted all necessary resolutions and obtained all necessary shareholder approvals required to be obtained to permit the consummation of the transactions contemplated by this Agreement and the Master Agreement including without limitation, the authorization of the Amalgamation and, in the case of Sable and Subco, the issuance of the Sable Shares, and all other necessary corporate actions shall have been taken by Sable and Subco;
- (d) the representations and warranties of each of Sable, WCG and Subco contained in the Master Agreement shall be deemed to have been made again on the Effective Date and shall be true and correct in all material respects as of that date as if made on that date; and
- (e) Sable and Subco shall be in compliance with their obligations under this Agreement and the Master Agreement.

A certificate signed by a senior officer of each of Sable, WCG and Subco confirming the satisfaction or waiver of such conditions shall be conclusive evidence that such conditions have been satisfied and that Sable, WCG and Subco may amalgamate in accordance with Section 3 hereof.

7. Fractional Shares

No fractional Sable Shares will be issued or delivered to any WCG Shareholders otherwise entitled thereto as a result of the Amalgamation, if any. Instead, the number of Sable Shares issued to each exchanging holder of WCG Shares will be rounded down to the nearest whole number. Notwithstanding the foregoing, each WCG Shareholder shall receive a minimum of one (1) Sable Share.

8. Filing of Articles of Amalgamation

If this Agreement is adopted by each of the Amalgamating Corporations as required by the OBCA, the Amalgamating Corporations agree that they will, jointly and together, file with the Director, agreed upon Articles of Amalgamation in the form prescribed under the OBCA.

9. Effective Time

The Amalgamation shall take effect and go into operation at 12:01 a.m. on the effective date of the Articles of Amalgamation (the “**Effective Time**”), if this Agreement has been adopted as required by law and all necessary filings have been made with the Director before that time, or at such later time, or time and date, as may be determined by the directors or by special resolutions of the Amalgamating Corporations when this Agreement shall have been adopted as required by law; provided, however, that if the respective directors of either of the Amalgamating Corporations determine that it is in the best interests of the Amalgamating Corporations, or either of them, or of Amalco, not to proceed with the Amalgamation, then either of the Amalgamating Corporations may, by written notice to the other parties, terminate this Agreement at any time prior to the Amalgamating Corporations being amalgamated, and in such event, the Amalgamation shall not take place notwithstanding the fact that this Agreement may have been adopted by the shareholders of the Amalgamating Corporations.

10. Registered Office

The registered office of Amalco shall be in the Province of Ontario.

11. Activities

There will be no limitations on the activities of Amalco. The directors of Amalco shall be authorized to borrow money on the credit of Amalco. The articles of Subco shall be the articles of Amalco.

12. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of common shares without nominal or par value.

13. Capital

The amount to be added to the stated capital in respect of the Amalco Shares issuable by Amalco pursuant to Sections 4(c) and 4(d) of this Agreement shall be the aggregate of: (i) the Paid-up Capital, determined before the Effective Time, of the Subco Shares converted into Amalco Shares pursuant to section 4(c); and (ii) the Paid-up Capital, determined before the Effective Time, of all of the issued and outstanding WCG Shares immediately before the Effective Time (other than any WCG Shares held by Subco, if any).

14. Number of Directors

The board of directors of Amalco shall consist of not less than one and not more than 10 directors, the exact number of which shall be determined by the directors from time to time.

15. Initial Director

The first director of Amalco shall be the person whose names and residential addresses appear below:

<u>Name</u>	<u>Prescribed Address</u>
Tom Obradovich	25 Valleycrest Drive RR#1 Shanty Bay, Ontario L0L 2L0

The above director will hold office from the Effective Date until the first annual meeting of shareholders of Amalco or until his successor is elected or appointed.

16. Termination

This Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation and following the termination of the Master Agreement, without, except as provided in the Master Agreement, any recourse by any Party hereto or any of their shareholders or other Persons.

17. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

18. Further Assurances

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

19. Time of the Essence

Time shall be of the essence of this Agreement.

20. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

21. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile or other electronic transmission), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

IN WITNESS WHEREOF the Parties have executed this Agreement.

**WESTERN CANADIAN GREENFIELDS
GROUP INC.**

By: _____
Name:

Title:

2600503 ONTARIO INC.

By:

Name:

Title:

SABLE RESOURCES LTD.

By:

Name:

Title: