

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made effective as of October 5, 2017,

AMONG:

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.,
a corporation, incorporated under the laws of Alberta
(the "**Seller**")

- and -

GRYPHON ENTERPRISES, LLC,
a company formed under the laws of the State of Oklahoma
(the "**Purchaser**")

- and -

WEST HIGH YIELD MINING INC.,
a corporation, incorporated under the laws of Alberta
(the "**Corporation**")

RECITALS:

- A. The Seller is the owner of all of the Assets.
- B. The Seller will be the registered and beneficial owner of all of the outstanding shares of the Corporation.
- C. The Assets of the Seller will be conveyed to the Corporation prior to the Closing.
- D. The Purchaser wishes to purchase and the Seller wishes to sell all of the Sale Shares on and subject to the terms and conditions of this Agreement.

NOW THEREFORE the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

1.1.1 "**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person. A Person shall be deemed to "**control**" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "**controlled**" shall have a similar meaning;

1.1.2 "**Agreement**" means this agreement and all schedules attached to this agreement, in each case as they may be amended or supplemented from time to time, and the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this agreement and unless otherwise indicated, references to Articles and Sections are to Articles and Sections in this agreement;

1.1.3 "**Applicable Environmental Laws**" means all Applicable Laws and Environmental Permits relating to the Environment, the transportation of dangerous goods and occupational health and safety;

1.1.4 "**Applicable Laws**" means, in respect of any Person, property, transaction, event or course of conduct, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

1.1.5 "**Applicable Privacy Laws**" means all Applicable Laws relating to the collection, use, disclosure and storage of Personal Information, including the *Personal Information Protection and Electronic Documents Act* (Canada);

1.1.6 "**Approvals**" means all governmental permits, licenses, approvals and authorizations required to be obtained under Applicable Laws, in connection with any of the Assets and any mining operations carried on in connection therewith and all deposits and security made or given in connection with the foregoing and all consents, authorizations and approvals required under Applicable Laws in connection with the completion of the transactions herein contemplated.

1.1.7 "**Assets**" means the Mineral Properties, the Permits, the Tangibles, all supply agreements and marketing and sales agreements, the Miscellaneous Interests, and an undivided 102/200th interest in Lot 678 and an undivided 51/100th interest in Lot 82 also known as "The Record Ridge South and Midnight, O.K. Properties";

1.1.8 "**Business**" means, with respect to the Corporation, the exploration, development and mining of mineral properties in the Rossland Gold Camp near Rossland British Columbia, Canada, specifically The Record Ridge South and Midnight, O.K. Properties;

1.1.9 "**Business Day**" means any day, other than Saturday, Sunday or any statutory holiday in the Province of Alberta;

1.1.10 "**Canadian GAAP**" means generally accepted accounting principles as defined by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accounts;

1.1.11 "**Claims**" means claims, losses, actions, suits, proceedings, causes of action, demands, damages, (incidental, direct, indirect, special, consequential or otherwise), fines, duties, interests, penalties, judgments, executions, liabilities, responsibilities, costs, charges, payments and expenses including, without limitation, any professional, consultant and legal fees on a complete indemnity basis;

1.1.12 "**Closing**" means the completion of the purchase and sale of the Sale Shares pursuant to this Agreement;

1.1.13 "**Closing Date**" means date of Closing which shall be on or before the date that is 90 days from date of satisfaction of the conditions provided for in Section 5.1.1.6, unless otherwise agreed upon in writing between the Purchaser and the Seller;

1.1.14 "**Closing Time**" means 2:00 p.m., Calgary time, on the Closing Date, or such other time on the Closing Date as may be agreed upon in writing between the Purchaser and the Seller;

1.1.15 "**Commissioner of Competition**" means the Commissioner of Competition appointed under the *Competition Act* (Canada);

1.1.16 "**Competition Act Approval**" means, if the transactions contemplated by this Agreement are subject to pre-merger notification under Part IX of the *Competition Act*, in respect of the transactions contemplated by this Agreement, that either: (i) an advance ruling certificate issued by the Commissioner of Competition under section 102 of the *Competition Act* has been issued by the Commissioner; or (ii) a "no action letter" has been received from the Commissioner of Competition indicating that he does not, at that time, intend to make an application under section 92 of the *Competition Act*, and either the waiting period has expired or been terminated by the Commissioner of Competition under subsections 123(1) or 123(2), respectively, of the *Competition Act*, or the obligation to provide a pre-merger notification in accordance with Part IX of the *Competition Act* has been waived by the Commissioner of Competition under subsection 113(c) thereof;

1.1.17 "**Corporation**" means West High Yield Mining Inc., a corporation incorporated under the laws of Alberta;

1.1.18 "**Deposit**" has the meaning attributed to such term in Section 2.2;

1.1.19 "**Employee Plans**" means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings, whether formal or informal, funded or not, with respect to current or former directors, officers, employees, independent contractors or agents of the Corporation which provide for or relate to:

1.1.19.1 bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, share compensation, share purchase or share option purchase, share appreciation rights, phantom stock, vacation or vacation pay, sick pay, employee loans, or any other compensation in addition to salary;

1.1.19.2 pensions, retirement or retirement savings, including registered or unregistered pension plans, supplemental pension plans, registered retirement savings plans and retirement compensation arrangements; or

1.1.19.3 insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including sick leave, short or long term disability, maternity or parental leave supplements and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental or similar expenses, life or dependent life insurance, accident, death or survivor benefits, supplementary unemployment benefit, day care, tuition or professional reimbursements or expenses or any other similar benefits;

1.1.20 "**Encumbrance**" means any security interest, lien, charge, pledge, encumbrance, mortgage, adverse claim or title retention agreement of any nature or kind whatsoever;

1.1.21 "**Environment**" means the ambient air, all layers of the atmosphere, surface water, underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matter and living organisms;

1.1.22 "**Environmental Permits**" means all permits, licences, approvals, consents, authorizations, registrations and certificates issued by a Governmental Authority pursuant to an Applicable Environmental Law;

1.1.23 "**Governmental Authority**" means any (a) federal, provincial, state, regional, municipal, local or other government, domestic or foreign; (b) governmental or quasi-governmental authority of any nature (including any agency, branch, department, commission, board, court or tribunal);

(c) body exercising any administrative, executive, judicial, legislative, police, regulatory, expropriation or taxing authority, domestic or foreign; or (d) self-regulatory organization or stock exchange having jurisdiction in the relevant circumstances;

1.1.24 "**Interim Period**" means the period from the date of the Agreement to the Closing Date;

1.1.25 "**Investment Canada Act Approval**" means, if the transactions contemplated by this Agreement are subject to review under Part IV of the *Investment Canada Act*, that the responsible Minister under the *Investment Canada Act* shall have sent a notice to the Purchaser stating that the Minister is satisfied that the transactions contemplated by this Agreement are likely to be of a net benefit to Canada, or the responsible Minister shall have been deemed to be satisfied that the transactions contemplated by this Agreement are likely to be of net benefit to Canada;

1.1.26 "**Governmental Charges**" means all Taxes, assessments, reassessments and other charges, together with all related penalties, interest and fines, payable to any Governmental Authority;

1.1.27 "**Lands**" means the lands under which the Mineral Properties are situated;

1.1.28 "**Lease**" means any lease, agreement to lease, license or other agreement pursuant to which the Corporation occupies or is entitled to occupy any lands or premises;

1.1.29 "**Leased Real Property**" means any real or immovable property leased by the Corporation pursuant to a Lease;

1.1.30 "**Loss**" means any loss, injury, liability, damage, cost, expense (including reasonable legal expenses) or deficiency of any kind or nature, whether direct, indirect or consequential, but excluding punitive damages, suffered or incurred by a party;

1.1.31 "**Lot 678**" means the fee simple estate in District Lot 678 in the Kootenay District in the Province of British Columbia;

1.1.32 "**Lot 82**" means the fee simple estate in Assigned Sublot 82 (see DF Plan 3683) Section 28, Township 9A, Kootenay District Plan X62;

1.1.33 "**Material Adverse Change**" or "**Material Adverse Effect**" means any change, effect, event, occurrence, circumstance or state of facts that, individually or in the aggregate, is, or could reasonably be expected to be, material and adverse to the business, operations or financial condition, property, assets, liabilities (contingent or otherwise) or prospects of the Corporation or that would prevent or significantly impede the sale of the Sale Shares or the completion of the other transactions contemplated by this Agreement and the Transaction Documents, other than any change, effect, event, development, occurrence, circumstance or state of facts relating to (i) any change in general economic conditions in Canada or the United States or any change in Canadian or United States financial, banking or currency exchange markets; (ii) any change or development resulting from any act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof) or any natural disaster; or (iii) any change or development affecting the mining industry generally or the specific industries in which the Corporation operates; provided, however, that any such change referred to in clause (i), (ii) or (iii) above does not primarily relate only to (or have the effect of primarily relating only to) the Corporation, or disproportionately adversely affect the Corporation, compared to other entities of similar size operating in the industries in which the Corporation operates;

1.1.34 "**Mine Permit**" means a mining or quarry mine permit issued under the *Mines Act* of British Columbia to the Seller or the Corporation as the case may be, permitting the Seller or the Corporation as the case may be, to commence mining operations on all or some of the Mineral Properties.

1.1.35 "**Mineral Grants**" means the crown grants in the Province of British Columbia more particularly described and set out in Schedule "A" attached hereto;

1.1.36 "**Mineral Properties**" means the Mineral Grants and the Mineral Tenures;

1.1.37 "**Mineral Tenures**" means the mineral tenures in the Province of British Columbia as more particularly described and set out in Schedule "B" attached hereto;

1.1.38 "**Miscellaneous Interests**" means the entire interest of the Seller in all property, assets and rights that relate to the Mineral Properties, the Tangibles, Lot 678 or Lot 82 including, without limitation:

1.1.38.1 all subsisting rights to enter upon, use and occupy the surface of any of the Lands or any lands on which the Tangibles are situated or any lands to be traversed in order to gain access to the foregoing;

1.1.38.2 all subsisting rights to enter upon, use and occupy any mines in order to gain access to the Mineral Properties;

1.1.38.3 all accounting records, land records, geological and engineering records, reports and data that relate directly to the Assets whether in the form of (i) electronic records, computer software or computer data, (ii) maps, reports, agreements, contracts, correspondence and other documents or (iii) microfilm or microfiche;

1.1.38.4 all core samples;

1.1.38.5 all assay reports;

1.1.38.6 all Approvals in respect of the Assets, in respect of the use thereof and in respect of all operations relating thereto; and

1.1.38.7 all mine related vehicles and equipment;

1.1.39 "**Owned Real Property**" means any real or immovable property owned by the Corporation;

1.1.40 "**Permits**" has the meaning attributed to such term in Section 3.1.22;

1.1.41 "**Permitted Encumbrances**" means:

1.1.41.1 the reservations, limitations, provisos and conditions expressed in the original grant from the Crown;

1.1.41.2 liens or charges for which a claim has been registered or notice has been given, but which relate to obligations neither due nor delinquent and which the Corporation is contesting in good faith, provided that the Corporation has provided security therefor which in the opinion of the Purchaser, acting reasonably, is adequate;

1.1.41.3 easements, servitudes, party wall agreements, rights of way and other similar rights and agreements (including easements, rights of way and agreements for highways or other roads, railways, trails, sewers, drains, gas and water mains, electric light and power, telephone, telecommunications or cable conduits, poles, wires and cables);

1.1.41.4 registered municipal agreements and registered agreements with publicly regulated utilities, provided that such agreements have been complied with;

1.1.41.5 defects or irregularities in title which are of a minor nature and do not and will not, in the aggregate materially adversely affect the value of the real property or impair the use of the real property for the purpose for which it is used;

1.1.41.6 liens for Taxes not yet due or liens for Taxes which are due but the validity of which are being contested in good faith by the Corporation, provided that the Corporation has provided security which in the opinion of the Purchaser, acting reasonably, is necessary to avoid any Encumbrance arising with respect thereto;

1.1.41.7 zoning and building by-laws and ordinances, municipal by-laws and regulations, development agreements and restrictive covenants which do not and will not materially adversely affect or impair the use of the real property for the purpose for which it is used, provided that they have been complied with;

1.1.41.8 fee simple estates in mines or minerals which underlie and have priority to Mineral Tenures of the Corporation;

1.1.41.9 legacy claims in mines or minerals which underlie and have priority to Mineral Tenures of the Corporation.

1.1.41.10 net smelter returns, overriding royalties and similar encumbrances; and

1.1.41.11 the right reserved to or vested in any Government Authority by the terms of any lease, license, franchise, grant or permit or by any Applicable Law to terminate such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

1.1.42 "**Person**" means any individual, sole proprietorship, partnership, limited partnership, joint venture, syndicate, body corporate with or without share capital, unincorporated association, trust or Governmental Authority and, where the context requires, any of the foregoing when acting as trustee, executor, administrator or other legal representative;

1.1.43 "**Premises**" means the Owned Real Property, the Leased Real Property and other real and immoveable property, buildings and facilities occupied by the Corporation in connection with the Business;

1.1.44 "**Proof of Financial Capability**" shall mean correspondence from a reputable financial institution confirming a commitment, contingent only upon successful completion of standard practice due diligence, to provide the financial resources to the Purchaser required to satisfy the Purchase Price, such Proof of Financial Capability to be in a form acceptable to the Seller, acting reasonably;

1.1.45 "**Purchase Price**" has the meaning attributed to such term in Section 2.2;

1.1.46 "**Purchaser's Counsel**" means the law firm of Baker & McKenzie, or such other legal counsel as the Purchaser may appoint with respect to this Agreement and the matters contemplated hereby;

1.1.47 "**Sale Shares**" means 100% of the issued and outstanding shares in the capital of the Corporation;

1.1.48 "**Seller's Counsel**" means the law firm of Tingle Merrett LLP, or such other legal counsel as the Seller may appoint with respect to this Agreement and the matters contemplated hereby;

1.1.49 "**Seller's Knowledge**" means to the best of the knowledge, information and belief of the Seller's senior officer, namely Frank Marasco;

1.1.50 "**subsidiary**" means, with respect to any Person, (a) a "**subsidiary body corporate**" within the meaning of the *Canada Business Corporations Act* and (b) any partnership, limited partnership, joint venture or other entity over which such Person exercises direction or control or which is in a like relationship to such Person;

1.1.51 "**Substance**" means any substance or material which under any Applicable Environmental Law is defined to be "hazardous", "toxic", "deleterious", "caustic", "dangerous", a "contaminant", a "pollutant", a "dangerous good", a "waste", a "source of contamination" or a source of a "pollutant";

1.1.52 "**Tangibles**" means the entire interest of the Seller, in and to all tangible depreciable property and assets situated in or on or under the Lands and used or useful in connection with the exploration, development, production, processing, gathering, transportation, treating, injection enhanced recovery or removal operations and relating to the Lands or the Mineral Properties; and including without limitation, all vehicles, equipment, tools and core bins owned by the Corporation;

1.1.53 "**Tax**" and "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits), windfall profits taxes, gross receipts taxes, withholding or similar taxes, branch taxes, net worth taxes, surtaxes, production taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, excise taxes, goods and services tax, harmonized sales tax, capital taxes, stamp taxes, occupation taxes, premium taxes, property taxes, occupation taxes, land transfer taxes, mining taxes, environmental taxes, franchise taxes, license taxes, health taxes, payroll taxes, employment taxes, severance taxes, social security premiums, employment insurance or compensation premiums, Canada or Quebec Pension Plan premiums, workers' compensation premiums, mandatory pension and other social fund taxes or premiums, alternative or add-on minimum taxes, custom duties or other governmental taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind whatsoever imposed by any Governmental Authority in respect of the relevant entity, together with any interest, penalties or additions thereto and any interest in respect of such penalties or additions, and any liability, including under any agreements or arrangements, for any such amounts imposed by any Governmental Authority in respect of the relevant entity and with respect to any other Person including any predecessor of or transferor to the relevant entity;

1.1.54 "**Tax Returns**" means all returns, reports, declarations, elections, information statements and forms, including any schedules thereto, required by any Governmental Authority to be made, prepared or filed in respect of Taxes by the relevant entity;

1.1.55 "**Transaction Documents**" means, collectively, the agreements, documents and instruments to be made or entered into pursuant to this Agreement;

1.1.56 "**TSXV**" means the TSX Venture Exchange; and

1.1.57 "**Unaudited Financial Statements**" means the unaudited balance sheet of the Corporation as at a date which is after the date hereof and prior to Closing, together with the accompanying statements of earnings, retained earnings and changes in financial position, including the notes thereto, for the period then ended.

1.2 Interpretation

In this Agreement:

1.2.1 Headings and Table of Contents. The inclusion of headings and a table of contents is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.2.2 Gender and Number. Except where the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.2.3 Including. Where the word "including" or "includes" is used, it means including or includes "without limitation".

1.2.4 Material. Where the term "material" or "materially" is used, it shall be construed, measured or assessed on the basis of whether the matter would materially affect a party and its subsidiaries, taken as a whole, or would prevent or significantly impede the purchase or sale of the Sale Shares or the completion of the other transactions contemplated by this Agreement and the Transaction Documents.

1.2.5 No Strict Construction. The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party proposing any such language.

1.2.6 Statutory References. A reference to a statute includes all rules and regulations made pursuant to such statute and, unless expressly provided otherwise, the provisions of any statute, rule or regulation which amends, supplements or supersedes any such statute, rule or regulation.

1.2.7 Currency. Except where expressly provided otherwise herein, all references to "\$" or "Dollars" herein are references to United States Dollars and all amounts shall be paid in United States Dollars.

1.2.8 Time Periods. Except where expressly provided otherwise herein, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of the period is not a Business Day.

1.2.9 Subsidiaries. To the extent any representations, warranties, covenants or agreements contained herein relate, directly or indirectly, to a subsidiary of any party, each such provision shall be construed as a covenant by such party to cause (to the fullest extent to which it is legally capable) such subsidiary to perform the required action.

1.2.10 Accounting Principles. Except to the extent expressly provided otherwise herein, all accounting terms used herein shall have the respective meanings attributed thereto under Canadian GAAP and all determinations of an accounting nature in respect of the Corporation required to be made herein shall be made in a manner consistent with Canadian GAAP and on a basis consistent with the Unaudited Financial Statements.

1.3 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the transactions contemplated by this Agreement and the Transaction Documents. There are no representations, warranties, covenants, agreements, conditions, indemnities or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the transactions contemplated by this Agreement and the Transaction Documents, except as expressly contained in this Agreement.

1.4 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Laws, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect.

1.5 Amendments, Waivers

Except as expressly provided otherwise herein, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless expressly provided otherwise herein. No investigation or waiver made by or on behalf of any party shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by any other party pursuant to this Agreement or any Transaction Document.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.7 Choice of Forum

1.7.1 Any suit, action or proceeding arising out of or relating to this Agreement shall be brought in any court in the Province of Alberta, having jurisdiction over the subject matter thereof and the parties irrevocably and unconditionally attorn and submit to the jurisdiction of such court. The parties irrevocably waive and agree not to raise any objection that either might now or hereafter have to the bringing of any such suit, action or proceeding in any such court, including any objection that the place where such court is located is an inconvenient forum or that there is any other suit, action or proceeding in any other place relating in whole or in part to the same subject matter. Each party agrees that any judgment or order against it in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon it and consents to any such judgment or order being recognized and enforced in the courts of its jurisdiction of incorporation or any other jurisdiction where it carries on business or has assets.

1.7.2 Without prejudice to any other means of service of process permitted under Applicable Laws, the Purchaser: (i) irrevocably appoints the Purchaser's Counsel as its agent for service of process in respect of any suit, action or proceeding before the courts of the Province of Alberta arising out of or relating to this Agreement; and (ii) agrees that failure by its agent for service of process to notify it of service of process will not invalidate the proceeding concerned.

1.8 Schedules

The schedules to this Agreement are incorporated in this Agreement and form an integral part of this Agreement.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase and Sell

Subject to the terms of this Agreement, the Purchaser shall purchase and the Seller shall sell the Sale Shares for the Purchase Price at the Closing Time.

2.2 Purchase Price

2.2.1 The aggregate purchase price (the "**Purchase Price**") to be paid by the Purchaser to the Seller for the Sale Shares shall be Seven Hundred and Fifty Million United States Dollars (\$750,000,000.00 USD), which sum shall be qualified, proven or fully bonded for benefit of Seller by the Purchaser, and released in accordance with and subject to the terms of this Agreement.

2.2.2 On or before the date of execution of this Agreement, the Purchaser shall have provided to the Seller the Proof of Financial Capability in a form acceptable to the Seller, acting reasonably.

2.2.3 On or before the date that is 30 days from the date of this Agreement, the Purchaser shall deliver to the Seller a non-refundable deposit in the amount of Five Hundred Thousand United States Dollars (\$500,000.00 USD) by wire transfer in immediately available funds (the "**Deposit**"). Upon Closing, the Deposit shall be credited towards the full payment of the Purchase Price. In the interim, the Deposit shall be used by the Seller to reimburse the Seller for any and all legal fees and other reasonable expenses incurred by the Seller in respect of the transactions contemplated herein.

2.2.4 The Purchase Price shall be paid to the Seller on Closing by wire transfer in immediately available funds. If the Purchaser does not pay the Purchase Price to the Seller as provided for in this Agreement, then the Seller may terminate this Agreement on written notice to the Purchaser, in which event this Agreement shall cease to have any further force or effect and neither Party hereto shall have any further rights or obligations hereunder, unless the parties mutually agree upon an extension of the Closing. Notwithstanding the above, in the event the Seller terminates this Agreement as provided for herein, the Deposit shall be retained by the Seller as a reasonable and genuine estimate of all damages that will have been suffered by the Seller as a result of Closing not occurring due to the Purchaser's default.

2.3 Deliveries at the Closing

Subject to Article 5, at the Closing:

2.3.1 the Seller shall deliver to the Purchaser.

2.3.1.1 share certificates representing the Sale Shares duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank representing one hundred percent (100%) ownership interest of the then issued and outstanding securities of the Corporation;

2.3.1.2 the minute books, corporate seals (if any) and all other corporate records of the Corporation (provided, however, such records must remain at the registered office of the Corporation in Alberta);

2.3.1.3 resignations of all directors and officers of the Corporation and a release from such directors and officers pursuant to which they release all Claims against the Corporation related to their being officers and directors of the Corporation; and

2.3.1.4 such other documents as are reasonably requested by the Purchaser or Purchaser's Counsel in order to give effect to the transactions contemplated herein.

Subject to Article 5, at the Closing:

2.3.2 the Purchaser shall deliver to the Seller:

2.3.2.1 the Purchase Price as contemplated in Section 2.2; and

2.3.2.2 such other documents as are reasonably requested by the Seller or Seller's Counsel in order to give effect to the transactions contemplated herein.

2.4 Location and Time of the Closing.

The Closing shall take place at the Closing Time on the Closing Date at the offices of Tingle Merrett LLP, Suite 1250, 639 – 5th Avenue S.W., Calgary, Alberta T2P 0M9.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 By the Seller and the Corporation

The Seller and the Corporation represent and warrant to the Purchaser as follows and acknowledge that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Sale Shares:

3.1.1 Incorporation of the Seller and the Corporation. The Seller and the Corporation are duly incorporated and validly existing under the laws of Alberta. The Seller and the Corporation are duly registered, licensed or qualified to carry on business and are in good standing in each jurisdiction in which the character of their properties and assets owned or leased or the nature of their business makes such registration, licensing or qualification necessary, except where the failure to be so registered, licensed or qualified or in good standing would not have a Material Adverse Effect.

3.1.2 Corporate Power and Authorization of the Seller and the Corporation. The Seller and the Corporation have the corporate power and capacity to carry on their businesses as they are currently conducted, to own and lease their property and assets, and to enter into and perform their obligations under this Agreement and each of the Transaction Documents to which they are a party. This Agreement has been duly executed and delivered by the Seller and the Corporation.

At the Closing Time, each of the Transaction Documents to which the Seller or the Corporation is a party will be duly executed and delivered by the Seller or the Corporation, as the case may be.

3.1.3 Enforceability against the Seller and the Corporation. This Agreement is a legal, valid and binding obligation of the Seller and the Corporation, enforceable against the Seller and the Corporation in accordance with its terms, subject to the usual exceptions as to creditor's rights and the availability of equitable remedies. At the Closing Time, each of the Transaction Documents to which the Seller or the Corporation is a party will be a legal, valid and binding obligations of the Seller or the Corporation as the case may be, enforceable against the Seller or the Corporation as the case may be in accordance with its terms, subject to the usual exceptions as to creditors' rights and the availability of equitable remedies.

3.1.4 Non-Contravention by the Seller and the Corporation. Except or as contemplated in Section 3.1.7 (Right to Sell Sale Shares) or 3.1.8 (Approvals and Consents), the execution, delivery and performance of this Agreement and the Transaction Documents by the Seller and the Corporation, and the completion by the Seller and the Corporation of the transactions contemplated by this Agreement and the Transaction Documents, do not and will not:

3.1.4.1 contravene any provision of their constating documents;

3.1.4.2 result in the imposition of, give rise to or trigger any Encumbrance upon any of the assets of the Corporation, or restrict, hinder, impair or limit the ability of the Corporation to conduct its business as now conducted , except where such Encumbrance or restriction would not have a Material Adverse Effect; or

3.1.4.3 contravene in any material respect any Applicable Law, except where such contravention would not have a Material Adverse Effect.

3.1.5 Capitalization of the Corporation. The Corporation is authorized to issue an unlimited number of common shares. All of the Sale Shares have been or will be issued to the Seller. No other shares have been or will be issued by the Corporation prior to Closing. All of the Sale Shares have been or will be validly issued and are or will be outstanding as fully paid and non-assessable shares. There are no options, warrants, purchase rights, subscription rights, conversion privileges, exchange rights, pre-emptive rights or other rights, agreements or commitments of a similar nature to which the Corporation is bound relating to the outstanding or unissued share capital of the Corporation or obligating the Corporation to issue any shares of, or other equity interest in, the Corporation or securities or obligations of any kind convertible into or exchangeable for any shares of the Corporation, nor are there outstanding any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or any other attribute of the Corporation. There are no outstanding bonds, debentures or other evidences of indebtedness of the Corporation having the right to vote (or that are convertible for, exercisable into or exchangeable for securities having the right to vote) on any matter on which the holders of shares may vote. There are no outstanding contractual obligations of the Corporation to repurchase, redeem or otherwise acquire any outstanding shares of the Corporation or any agreements or other arrangements regarding the voting or disposition of any outstanding shares of the Corporation.

3.1.6 Subsidiaries. There are no subsidiaries of the Corporation.

3.1.7 Right to Sell Sale Shares. At Closing, the Seller will be the sole registered and beneficial owner of the Sale Shares with good and marketable title thereto, free of all Encumbrances. There are no agreements or restrictions which in any way limit or restrict the transfer to the Purchaser of any of the Sale Shares, except for share transfer restrictions contained in the Corporation's articles

and except for certain provisions of Applicable Laws which require that the Seller obtain a special resolution of its shareholders approving the transactions herein contemplated.

3.1.8 Approvals and Consents. Except for the approval of the TSXV or as otherwise contemplated herein, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or other Person is required by the Seller or the Corporation in connection with the execution, delivery or performance of this Agreement and the Transaction Documents or the completion of the transactions contemplated by this Agreement and the Transaction Documents, except where failure to obtain such authorization, consent or approval or to make such filing or give such notice would not have a Material Adverse Effect.

3.1.9 Seller Resident of Canada. Each of the Seller and the Corporation is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

3.1.10 Investment Canada Act. With respect to Part IV of the *Investment Canada Act*, the value of the assets of the Corporation is less than \$369 million, all as determined in accordance with the *Investment Canada Act* and the regulations thereunder.

3.1.11 Competition Act. With respect to Part IX of the *Competition Act*, each of the value of the assets of the Corporation and the gross revenues from sales in and from Canada of such assets is less than \$88 million, all as determined in accordance with the *Competition Act* and the regulations thereunder.

3.1.12 Financial Statements. The Unaudited Financial Statements have been prepared in accordance with Canadian GAAP applied on a consistent basis throughout the periods indicated and fairly, completely and accurately present the financial position of the Corporation and the results of its operations as of the dates and throughout the periods indicated.

3.1.13 Indebtedness. The Corporation does not have any outstanding bonds, debentures, notes, mortgages or other indebtedness of any kind.

3.1.14 Liabilities and Guarantees. The Corporation does not have any outstanding liabilities (whether absolute, contingent, accrued or otherwise), and the Corporation is not a party to or bound by any agreement of guarantee, support, indemnification or assumption, comfort letter, or other agreement or commitment of a similar nature with respect to the obligations, liabilities (whether absolute, contingent, accrued or otherwise) or indebtedness of any Person:

3.1.15 Taxes.

3.1.15.1 Each of the Corporation and the Seller have duly filed all material Tax Returns required to be filed by them when due in accordance with Applicable Laws, and all such Tax Returns are true, correct and complete in all material respects;

3.1.15.2 Each of the Corporation and the Seller have duly and timely paid all Taxes, including all instalments on account of Taxes for the current year, that are due and payable by it, whether or not assessed by the applicable Governmental Authority or shown on an Tax Return.

3.1.16 Contracts. Except as contemplated herein, the Corporation is not a party to or bound by or subject to any contract, agreement or commitment;

3.1.17 Compliance with Laws. The Corporation and the Seller are in compliance in all material respects with all Applicable Laws, except where such non-compliance would not have a Material Adverse Effect.

3.1.18 Corrupt Practices. Neither the Corporation nor the Seller nor, to the Seller's Knowledge, any officer, director, employee, advisor or agent of the Corporation or the Seller, has made any payment, directly or indirectly, on behalf of or to the benefit of the Corporation or the Seller, in violation of any Applicable Laws prohibiting the payment of undisclosed commissions or bonuses or the making of bribe or incentive payments or other arrangements of a similar nature, including the *Corruption of Foreign Public Officials Act* (Canada).

3.1.19 Title to Assets. Upon execution of this Agreement, all of the Assets are owned and controlled by the Seller and prior to the Closing all of the Assets will be transferred, assigned and conveyed by the Seller to the Corporation so that the Corporation will be on Closing the absolute and beneficial owner of, and will have good title to, the Assets, free of all Encumbrances, except for Permitted Encumbrances.

3.1.20 Expropriation. There are no expropriation or similar proceedings, actual or threatened, of which the Seller has received notice or is otherwise aware against the Owned Real Property or the Leased Real Property, or any part thereof;

3.1.21 Environmental Matters.

3.1.21.1 Neither the Corporation nor, to the Seller's Knowledge, any other Person has emitted, discharged, deposited or released or caused or permitted to be emitted, discharged, deposited or released, any Substances on the Lands, or in connection with the operation of the Business, except in compliance in all material respects with Applicable Environmental Laws;

3.1.21.2 The soil and subsoil, and the surface and ground water in, on or under the Lands do not, to the Seller's Knowledge, contain any Substances in contravention or Applicable Environmental Laws, nor do the Lands contain any underground storage tanks; all Substances which have been or are being treated or stored on the Premises have been generated, treated and stored in compliance in all material respects with Applicable Environmental Laws;

3.1.21.3 The Corporation has not permitted the Premises to be used for the disposal of any Substance; and

3.1.21.4 There are no proceedings (as defined in Section 3.1.24 (Litigation and other Proceedings)) against or involving the Corporation either in progress, pending or, to the Seller's Knowledge, threatened, which allege the violation of, or non-compliance with, any Applicable Environmental Law.

3.1.22 Permits. The Seller holds or will hold all permits, licenses, approvals, consents, authorizations, registrations, certificates or franchises, including all Environmental Permits and Mine Permits, which are required, or which they are required to have, to own their property and assets and to carry on the Business as presently conducted by them (collectively, the "**Permits**"). The Corporation is in compliance in all material respects with all the terms and conditions relating to the Permits; and there are no proceedings (as defined in Section 3.1.24 (Litigation and other Proceedings)) in progress, pending or threatened which may result in revocation, cancellation, suspension, rescission or any adverse modification of any of the Permits nor, to the Seller's Knowledge, are there any facts upon which such proceedings could reasonably be based. Neither

the terms and conditions relating to such permits nor the legislation or regulations pursuant to which the same were issued require that any consent or approval of, or filing with or notice to, any Governmental Authority or other Person be made to assure the continued holding by the Corporation of such permits after completion of the transactions contemplated by this Agreement and the Transaction Documents.

3.1.23 Employment Matters. The Corporation does not have any employees or Employee Plans.

3.1.24 Litigation and Other Proceedings. There is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal); arbitration or other dispute settlement procedure; investigation or inquiry by any Governmental Authority; or any similar matter or proceeding (collectively "**proceedings**") against or involving the Corporation (whether in progress or threatened) which, if determined adversely to the Corporation, would have a Material Adverse Effect. To the Seller's Knowledge, no event has occurred which might give rise to any proceedings and there is no judgment, decree, injunction, rule, award or order of any Governmental Authority to which the Corporation is subject.

3.1.25 Corporate Records. The corporate records and minute books of the Corporation contain complete and accurate minutes of all meetings of directors thereof and of shareholders or holders of other ownership interests thereof, held since the date of incorporation or formation of the Corporation, and all such meetings were duly called and held. The share certificate books, registers of shareholders or holders of other ownership interests, registers of transfers and registers of directors of the Corporation are complete and accurate.

3.1.26 Books of Account. The books and records of the Corporation fairly, completely and accurately present and disclose the financial position of the Corporation as at the relevant dates and all material financial transactions of the Corporation have been accurately recorded in such books and records.

3.1.27 Bank Accounts. The Corporation has no bank accounts.

3.2 By the Purchaser

The Purchaser represents and warrants to the Seller and the Corporation as follows and acknowledges that the Seller and the Corporation are relying upon the following representations and warranties in connection with the sale of the Sale Shares:

3.2.1 Incorporation of the Purchaser. The Purchaser is duly incorporated and validly existing under the laws of the State of Oklahoma.

3.2.2 Corporate Power and Authorization of the Purchaser. The Purchaser has the corporate power and capacity to enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. The Purchaser has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Transaction Documents to which the Purchaser is a party. This Agreement has been duly executed and delivered by the Purchaser. At the Closing Time, each of the Transaction Documents to which the Purchaser is a party will be duly executed and delivered by the Purchaser.

3.2.3 Enforceability against the Purchaser. This Agreement is a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the usual exceptions as to creditors' rights and the availability of equitable remedies. At the Closing Time, each of the Transaction Documents to which the Purchaser is party will be a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its

terms, subject to the usual exceptions as to creditors' rights and the availability of equitable remedies.

3.2.4 Non-Contravention by the Purchaser. None of the execution, delivery or performance of this Agreement or the Transaction Documents by the Purchaser will contravene any provision of its constating documents nor will it contravene in any material respect any Applicable Law that would prevent or significantly impede the purchase of the Sale Shares by the Purchaser or the completion of the other transactions contemplated by this Agreement and the Transaction Documents.

3.2.5 Approvals and Consents. No authorization, consent or approval of, or filing with or notice to, any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement or the Transaction Documents by the Purchaser.

3.2.6 Compliance with Competition Act and Investment Canada Act. The Purchaser will comply with the *Competition Act* and the *Investment Canada Act* in respect of the transactions contemplated by this Agreement.

3.2.7 Investment Canada Act. The Purchaser is a "WTO investor" within the meaning of the *Investment Canada Act*.

3.2.8 Acquiring as Principal. The Purchaser is acquiring the Sale Shares and Assets as principal and not on behalf of any third party;

3.3 Survival of Representations, Warranties and Covenants

To the extent that they have not been fully performed at or prior to the Closing Time, the representations, warranties, covenants and agreements contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing and shall continue for the limitation period under Applicable Laws provided, however, that no claim for breach of any representation or warranty shall be valid unless the party against whom such claim is made has been given notice thereof before the date on which the applicable representation or warranty shall have terminated in accordance with this Section 3.3.

ARTICLE 4 COVENANTS

4.1 By the Seller

4.1.1 Purchaser Access to Information. Until the Closing Time, the Seller shall cause the Corporation to give to the Purchaser and its representatives, accountants, legal counsel and advisors during normal business hours full access to its Premises and the books and records relating to its Business and shall furnish them with all such information relating to the Business and the Corporation's affairs and assets as the Purchaser may reasonably request. No investigation made by the Purchaser or its representatives shall affect the Purchaser's right to rely on any representation or warranty made by the Seller or the Corporation in this Agreement or in any document contemplated by this Agreement or in any Transaction Document.

4.1.2 Conduct of Business. Except as expressly provided in this Agreement or except with the prior written consent of the Purchaser, prior to the Closing Time, the Seller and the Corporation shall:

4.1.2.1 operate the Business only in the ordinary course;

4.1.2.2 maintain its books, records and accounts in the ordinary course on a basis consistent with past practice; and

4.1.2.3 do or refrain from doing all acts and things in order to ensure that the representations and warranties in Section 3.1 remain true and correct at the Closing Time as if such representations and warranties were made at and as of such date and to satisfy or cause to be satisfied the conditions in Section 5.1 which are within its control.

4.1.3 Restricted Activities. Except as expressly provided in this Agreement or except with the prior written consent of the Purchaser, prior to the Closing Time, the Seller shall ensure that the Corporation does not:

4.1.3.1 amend its constating documents;

4.1.3.2 amalgamate, merge or consolidate with, or acquire all or substantially all the shares or assets of, any Person;

4.1.3.3 transfer, lease, license, sell or otherwise dispose of its properties or assets; or

4.1.3.4 make or file any election, designation or similar filing relating to Taxes, or enter into any agreement or other arrangement in respect of Taxes, that has effect for any period ending after the Closing Date.

4.1.4 Compliance. Except as expressly provided in this Agreement or except with the prior written consent of the Purchaser, prior to the Closing Time, the Seller shall do or refrain from doing all acts and things in order to ensure that the representations and warranties in Section 3.1 remain true and correct at the Closing Time as if such representations and warranties were made at and as of such date and to satisfy or cause to be satisfied the conditions in Section 5.1 which are within its control.

4.2 By the Purchaser

4.2.1 Seller Access to Information. Until the Closing Time, the Purchaser shall provide to the Seller and its representatives, accountants, legal counsel and advisors with all such information relating to the Purchaser's affairs as the Seller may reasonably request. No investigation made by the Seller or its representatives shall affect the Seller's right to rely on any representation or warranty made by the Purchaser in this Agreement or in any document contemplated by this Agreement or in any Transaction Document.

4.2.2 Compliance. Except as expressly provided in this Agreement or except with the prior written consent of the Seller, prior to the Closing Time, the Purchaser shall do or refrain from doing all acts and things in order to ensure that the representations and warranties in Section 3.2 remain true and correct at the Closing Time as if such representations and warranties were made at and as of such date and to satisfy or cause to be satisfied the conditions in Section 5.2 which are within its control.

ARTICLE 5 CONDITIONS

5.1 Conditions for the Benefit of the Purchaser

5.1.1 The obligation of the Purchaser to complete the purchase of the Sale Shares and the other transactions contemplated by this Agreement and the Transaction Documents is subject to satisfaction, at or prior to the Closing Time, of each of the following conditions:

5.1.1.1 Accuracy of Representations and Warranties and Compliance with Covenants. The representations and warranties of the Seller and the Corporation made in or pursuant to this Agreement which are qualified by the expression "material" or "Material Adverse Effect" shall be true and correct at the Closing Time as if made at and as of the Closing Time and all other representations and warranties other than those representations set forth in Sections 3.1.10 and 3.1.11 shall be true and correct in all material respects at the Closing Time as if made at and as of the Closing Time (except to the extent such representations and warranties expressly speak of an earlier date in which case such representations and warranties shall be true and correct as of such earlier date); the covenants and agreements contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects; and the Purchaser shall have received a certificate confirming the foregoing, signed for and on behalf of the Seller by a senior officer of the Seller or other person acceptable to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's Counsel, acting reasonably. Notwithstanding the foregoing, to the extent that the representations set forth in Section 3.1.10 or Section 3.1.11 are not accurate as at the Closing Date, the Seller and the Corporation shall use reasonable commercial efforts to obtain the Investment Canada Act Approval or the Competition Act Approval, as applicable, prior to the Closing Date.

5.1.1.2 Closing Documents and Proceedings. All documents relating to the due authorization and completion of the transactions contemplated by this Agreement and the Transaction Documents and all actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Purchaser and to the Purchaser's Counsel, both acting reasonably, and the Purchaser shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request.

5.1.1.3 Investment Canada Act. The Purchaser has not received a notice under subsection 25.2(1) of the *Investment Canada Act* and the Governor in Council has not made an order under subsection 25.3(1) of the *Investment Canada Act* in relation to the transactions contemplated by this Agreement or, if such a notice has been sent or such an order has been made, the Purchaser has subsequently received (i) a notice under paragraph 25.2(4)(a) of the *Investment Canada Act* indicating that a review of the transactions contemplated by this Agreement on grounds of national security will not be made; or (ii) a notice under paragraph 25.3(6)(b) of the *Investment Canada Act* indicating that no further action will be taken in respect of the transactions contemplated by this Agreement; or (iii) a copy of an order under paragraph 25.4(1)(b) authorizing the transactions contemplated by this Agreement; and, if applicable, the Investment Canada Act Approval has been obtained.

5.1.1.4 Competition Act Approval. If applicable, the Competition Act Approval has been obtained.

5.1.1.5 Consents and Approvals. The following consents and approvals shall have been delivered to the Purchaser:

5.1.1.5.1 resolutions of the boards of directors of the Seller and the Corporation approving the transfer of the Sale Shares to the Purchaser and the transactions contemplated herein;

5.1.1.5.2 as required by Applicable Laws, a special resolution of the shareholders of the Seller approving the transfer of the Sale Shares to the Purchaser; and

5.1.1.5.3 TSXV approval and all other Approvals required to complete the transactions contemplated herein.

5.1.1.6 Take or Pay Agreements. On or before the Closing Date, the Seller or the Corporation as the case may be, shall have entered into take and pay agreements in the form and on terms and conditions acceptable to the Purchaser, acting reasonably.

5.1.2 The conditions contained in this Section 5.1 are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser in writing at any time prior to the date for satisfaction of such condition or conditions. If any of such conditions shall not be satisfied, or waived by the Purchaser by the applicable date above specified, then this Agreement shall terminate. Upon termination of this Agreement pursuant to this Section 5.1.2, the obligations of the Seller and the Purchaser under this Agreement, other than the obligations contained in Section 7.1 (Public Statements), Section 7.2 (Confidentiality) and Section 7.3 (Expenses), shall terminate. In either case, the Purchaser may bring an action in a court of law against the Seller for damages suffered by the Purchaser where the non-satisfaction of a condition is as a result of a breach of representation, warranty, covenant or agreement by the Seller. Any condition may be waived in whole or in part by the Purchaser without prejudice to any claims it may have for breach of representation, warranty, covenant or agreement.

5.2 Conditions for the Benefit of the Seller

5.2.1 The obligation of the Seller to complete the sale of the Sale Shares and the other transactions contemplated by this Agreement and the Transaction Documents is subject to satisfaction, at or prior to the Closing Time, of each of the following conditions:

5.2.1.1 Payment of the Purchase Price. The Purchaser shall have paid the Purchase Price to the Seller as contemplated in Section 2.2.

5.2.1.2 Accuracy of Representations and Warranties and Compliance with Covenants. The representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and correct at the Closing Time as if made at and as of the Closing Time and all other representations and warranties shall be true and correct in all material respects at the Closing Time as if made at and as of the Closing Time; the covenants and agreements contained in this Agreement to be performed by the Purchaser at or prior to the Closing Time shall have been performed in all material respects; and the Seller shall have received a certificate confirming the foregoing, signed for and on behalf of the Purchaser by a senior officer of the Purchaser or other person acceptable to the Seller in form and substance satisfactory to the Seller and the Seller's Counsel, acting reasonably.

5.2.1.3 Closing Documents and Proceedings. All documents relating to the due authorization and completion of the transactions contemplated by this Agreement and the Transaction Documents and all actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Purchaser of its obligations under this Agreement shall be satisfactory to the Seller and to the Seller's Counsel, both acting reasonably, and the Seller shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance satisfactory to the Seller and the Seller's Counsel, acting reasonably.

5.2.1.4 Consents and Approvals Obtained. The following consents and approvals shall have been delivered to the Seller:

5.2.1.4.1 resolutions of the boards of directors of the Purchaser approving the acquisition of the Sale Shares and the transactions contemplated herein;

5.2.1.4.2 as required by Applicable Laws, a special resolution of the shareholders of the Seller approving the transfer of the Sale Shares to the Purchaser pursuant hereto; and

5.2.1.4.3 TSXV approval and all other Approvals required to complete the transactions contemplated herein.

5.2.2 The conditions contained in this Section 5.2 are for the exclusive benefit of the Seller and may be waived in whole or in part by the Seller in writing at any time. If any of such conditions shall not be satisfied, or waived by the Seller by the applicable date above specified, then this Agreement shall terminate. Upon termination of this Agreement pursuant to this Section 5.2.2, the obligations of the Purchaser and the Seller under this Agreement, other than the obligations contained in Section 7.1 (Public Statements), Section 7.2 (Confidentiality) and Section 7.3 (Expenses), shall terminate. In either case, the Seller may bring an action in a court of law against the Purchaser for damages suffered by the Seller where the non-satisfaction of a condition is as a result of a breach of representation, warranty, covenant or agreement by the Purchaser. Any condition may be waived in whole or in part by the Seller without prejudice to any claims it may have for breach of representation, warranty, covenant or agreement.

5.3 Notice of Breach

Each of the Purchaser and the Seller shall give prompt notice to the other of the occurrence, or failure to occur, at any time prior to the Closing Time of any event or state of facts where such occurrence or failure to occur would, or could reasonably be expected to:

5.3.1 cause any of its representations or warranties contained herein to be untrue or incorrect on the Closing Date;

5.3.2 result in its failure to comply with or satisfy in any material respect any covenant or agreement contained herein prior to the Closing Date; or

5.3.3 result in the failure to satisfy any of the conditions in the other party's favor contained in Section 5.1 or 5.2, as applicable.

Any such notice shall set out particulars of the untrue or inaccurate representation and warranty and details of any actions being taken by the party giving such notice to rectify the untrue or inaccurate representation and warranty. No such notice will relieve any party of any right or remedy provided for in this Agreement.

ARTICLE 6 TERMINATION

6.1 Rights of Termination

The mutual obligations set forth herein may be terminated as follows.

6.1.1 by any party in the event that any applicable regulatory authority has indicated to any party that it shall not permit the transactions contemplated herein to proceed;

6.1.2 by the Seller in the event that Closing has not occurred on or before March 31, 2018;

6.1.3 by the Seller upon the breach by the Purchaser of a material representation, warranty or covenant of the Purchaser set forth in this Agreement;

6.1.4 by the Purchaser upon the breach by any of the Seller or the Corporation of a material representation, warranty or covenant of the Seller or the Corporation set forth in this Agreement;

6.1.5 by the Seller in accordance with Section 2.2.3 or Section 5.2.2;

6.1.6 by the Purchaser in accordance with Section 5.1.2; or

6.1.7 as otherwise agreed in writing by the parties hereto;

provided, however, that the obligations contained in Section 7.1 (Public Statements), Section 7.2 (Confidentiality) and Section 7.3 (Expenses) shall survive any such termination.

ARTICLE 7 GENERAL MATTERS

7.1 Public Statements

No public announcement or statement concerning the transactions contemplated by this Agreement and the Transaction Documents shall be made by the Seller or its affiliates without the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed) nor by the Purchaser or its affiliates without the prior written consent of the Seller (such consent not to be unreasonably withheld or delayed), unless such disclosure is required by Applicable Laws or the TSXV. If such disclosure is required by Applicable Laws or the TSXV, each party shall use commercially reasonable efforts to enable the other party to review and comment on such disclosure prior to the release thereof and, if such prior review and consultation is not possible, to give oral and written notice of such disclosure immediately following the making of such disclosure.

7.2 Confidentiality

Each party covenants and agrees that it shall abide by and comply with the Confidentiality Provisions attached as Schedule "C" to this Agreement.

7.3 Expenses

Subject to Section 2.2.3, each party shall be responsible for the expenses (including fees and disbursements of its advisors and agents) incurred by it in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated by this Agreement and the Transaction Documents, whether or not Closing occurs.

7.4 Time of Essence

Time is of the essence of this Agreement.

7.5 Further Assurances

The Purchaser and the Seller shall, from time to time and at all times hereafter, at the request of the other but without further consideration, do all such other acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent of this Agreement.

7.6 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, legal representatives and permitted assign(s).

7.7 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party shall be in writing and may be given by sending same by facsimile, email, prepaid first-class mail or by delivery by hand addressed to the party to which the notice is to be given at the applicable address noted below. Any such notice, consent, waiver, direction or other communication, if sent by facsimile or email, shall be deemed to have been given and received at the time of receipt (if a Business Day or, if not, the next succeeding Business Day) unless actually received after 4:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been received on the next succeeding Business Day; if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lock-out of otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof; or, if delivered by hand, shall be deemed to have been received on the day on which it is delivered (if a Business Day, if not, the next succeeding Business Day). Any such notice, consent, waiver, direction or other communication sent by email shall contain a subject line "Urgent – Project Rossland". Notice of change of address shall also be governed by this section. In the event of general discontinuance of postal service due to strike, lock-out or otherwise, notices, consents, waivers, directions or other communications shall be given by facsimile or email or by delivery by hand and shall be deemed to have been received in accordance with this Section 7.7. The parties acknowledge that electronic communications via email(s) and facsimile can be used as a form of contact(s) and submission(s) and any such communication will be deemed confidential and proprietary for the benefit of all parties.

The address for each of the parties shall be as follows:

- (a) if to the Seller or the Corporation:

West High Yield (W.H.Y.) Resources Ltd.
PO Box 68121
Calgary, AB T3G 3N8

Attention: Frank Marasco
Facsimile number: 403.206-7113
Email: frank@marasco.ca

with a copy to the Seller's Counsel at:

Tingle Merrett LLP
Suite 1250, 639 – 5th Avenue SW
Calgary, AB T2P 0M9

Attention: Jeff Helper
Facsimile number: (403) 571-8008
Email: jhelper@tinglemerrett.com

(b) if to the Purchaser:

Gryphon Enterprises, LLC
255 Sears Lane
Swanton, Maryland 21561

Attention: Stephen D. Cummins, Chairman and CEO
Fax: (301) 287-8088
Email: sdcassociates@aol.com

with a copy to the Purchaser's Counsel at:

Baker & McKenzie LLP
Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto, ON M5J 2T3

The failure to send or deliver to any party's counsel a copy of any notice, consent, waiver, direction or other communication given under this Section 6.4 shall not invalidate any such notice, consent, waiver, direction or other communication.

7.8 Remedies Generally

No failure on the part of a party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy under Applicable Law or otherwise conferred.

7.9 Assignment

7.9.1 Except as provided in this Section 7.9.2, no party may assign any of its rights or obligations under this Agreement except with the other party's prior written consent.

7.9.2 The Purchaser may, at any time prior to the Closing Time assign all (but not less than all) of its rights and obligations under this Agreement to any affiliate of the Purchaser who executes and delivers to the Seller a written undertaking that it is bound by and shall perform all of the obligations of the Purchaser under this Agreement as if it were an original party hereto. No assignment pursuant to this Section 7.9.2 shall (i) relieve the Purchaser of its obligations under this Agreement; (ii) require any consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, or permit from, any Governmental Authority or other Person; or (iii) result in any delay in the completion of the transactions contemplated by this Agreement and the Transaction Documents. In the event of an assignment pursuant to this Section 7.9.2, any reference in this Agreement to "Purchaser" shall be deemed to include the assignee.

7.10 Invalidity of Provisions

In case any of the provisions of this Agreement are determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining, provisions contained herein shall not in any way be affected or

impaired thereby, save and except if such severance would materially and adversely affect the substance of the bargain of the parties set forth herein.

7.11 Counterparts

This Agreement may be executed by the parties in counterparts and may be delivered by facsimile or other means of electronic communication and all such counterparts, taken together, shall constitute one and the same agreement.

REMAINDER OF THE PAGE IS BLANK WITH SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

GRYPHON ENTERPRISES, LLC

Per: "Stephen D. Cummins"
Stephen D. Cummins
Managing Member

**WEST HIGH YIELD (W.H.Y.)
RESOURCES LTD.**

Per: "Frank Marasco"
Frank Marasco
President and Chief Executive Officer

WEST HIGH YIELD MINING INC.

Per: "Frank Marasco"
Frank Marasco
President

EXECUTION PAGE - PURCHASE AND SALE AGREEMENT

Schedule "A"
MINERAL GRANTS

Name	Lot	PID	Equity	Right⁽¹⁾
Midnight	1186	016-396-855	100%	SR/MR
June	1216	-	100%	MR
Golden Butterfly	1217	-	100%	MR
Golden Butterfly Fr.	1943	-	100%	MR
Little Dallas	1215	024-636-096	100%	MR
OK Fraction	2675	-	100%	MR
OK	678	011-543-281	51% ⁽²⁾	SR/MR
IXL	679	010-222-413	100%	SR/MR
Golden Drip	539	-	100%	MR
Sub Lot 82 Midnight	Plan 82	010-040-153	51% ⁽²⁾	SR

10 Titles

Notes:

- (1) "SR" = surface title and "MR" – mineral rights.
- (2) The remaining 49% interest is held by parties arms length to the Corporation.

Schedule "C"

CONFIDENTIALITY PROVISIONS

1. Definitions

In these Confidentiality Provisions:

"**Affiliate**" has the meaning ascribed thereto in the Agreement;

"**Agreement**" means the purchase and sale agreement to which these Confidentiality Provisions are attached;

"**Confidential Information**" means any and all information disclosed or to be disclosed to the Recipient Party or any agent, employee or professional advisor of the Recipient Party by the Disclosing Party or any of its shareholders, directors, officers, employees, agents, counsel, advisors or other representatives concerning or related to the business, operations, assets or affairs of the Disclosing Party and its affiliates (including not only information transmitted in written, electronic, magnetic or other form but, also, information transmitted orally, visually or by any other means), and any and all information which is developed or created, in whole or in part, directly or indirectly, from such information and all notes, reports, analyses and compilations whether prepared by the Recipient Party or its Representatives or others that contain, are based upon, or otherwise reflect such information;

"**Confidentiality Provisions**" means these Confidentiality Provisions;

"**Disclosing Party**" means the Party that is disclosing Confidential Information;

"**Party**" means any of the Purchaser, the Seller or the Corporation and "**Parties**" means both of them;

"**Proposed Transaction**" means the proposed purchase and sale of the Sale Shares and all related and ancillary transactions as contemplated in the Agreement;

"**Recipient Party**" means the Party that is receiving Confidential Information; and

"**Representatives**" means such of the Recipient Party's or its affiliates' shareholders, directors, officers, employees, secondees to, subsidiaries, professional advisors (including without limitation, financial advisors, investment bankers and consultants), lawyers, accountants, contractors, consultants and agents who have a need to know for the purpose of evaluating or contributing to the evaluation of the Proposed Transaction.

2. Provision of Information

The Disclosing Party may provide (or may have previously provided) to the Recipient Party and its Representatives information to allow the Recipient Party to investigate the Proposed Transaction.

3. Proprietary

The Recipient Party agrees that all Confidential Information made available is confidential and proprietary to the Disclosing Party (whether such Confidential Information was made available prior to the date of the Agreement or after such date) and will be so treated by the Recipient Party and its Representatives and shall remain the property of the Disclosing Party.

4. Confidentiality Restrictions

The Recipient Party agrees that all Confidential Information shall be kept in strict confidence and shall not be used, dealt with or exploited for any purpose other than evaluating, negotiating and completing the Proposed Transaction and not for any other business or competitive purpose and none of the Confidential Information shall be disclosed to any person other than Representatives, and may only be disclosed to Representatives if each of such persons agrees to keep such information in strict confidence and to be bound by the confidentiality and non-disclosure provisions of these Confidentiality Provisions to the same extent as if they were Parties hereto and in respect of whom the Recipient Party agrees that any Confidential Information will be kept in strict confidence and shall not be used, dealt with, exploited or disclosed other than as contemplated herein and in strict accordance herewith. The Recipient Party shall be liable for any breach of these Confidentiality Provisions by its Representatives.

5. Ensurance of Representative Compliance

The Recipient Party shall, before disclosing any Confidential Information to any Representative as contemplated by paragraph 4 of these Confidentiality Provisions, take all such reasonable steps as are necessary to ensure that the terms and conditions of these Confidentiality Provisions are and will be fully complied with by any such person. At the request of the Disclosing Party, the Recipient Party agrees to provide the Disclosing Party with a list of all Representatives to whom Confidential Information has been provided.

6. Exceptions to Confidentiality Restrictions

The obligations of confidentiality and restrictions on use imposed by these Confidentiality Provisions shall not apply to any information which:

- a. is, at the time of disclosure, or thereafter becomes, a part of the public record through no violation or breach of these Confidentiality Provisions;
- b. was, as evidenced by its records, in the lawful possession of the Recipient Party prior to its disclosure hereunder;
- c. is hereafter lawfully acquired by the Recipient Party through a third party, which, to the best of the Recipient Party's knowledge, is not under an obligation of confidence to the Disclosing Party or is not in a contractual or fiduciary relationship with the Disclosing Party;
- d. is disclosed following receipt of the written consent of the Disclosing Party to such disclosure being made; or
- e. has been independently acquired or developed by the Recipient Party without violating any of its obligations under these Confidentiality Provisions.

7. Reproductions

Neither the Recipient Party nor any of its Representatives shall copy or otherwise reproduce any of the Confidential Information or part with possession of any of the Confidential Information, or any reports, extracts, notes, memoranda or other records in respect thereof, without the prior written consent of the Disclosing Party provided that copies of Confidential Information may be made for or by Representatives to conduct a timely review for purposes of evaluating the Proposed Transaction.

8. Return, Destruction of Confidential Information

At the request of the Disclosing Party, the Recipient Party and its Representatives shall immediately return or cause to be returned to the Disclosing Party the Confidential Information in whatever form it may be held by the Recipient Party or any of the Representatives and the Recipient Party and its Representatives shall not retain any copies or other reproductions thereof; or any reports, extracts, notes, memoranda or other records in respect thereof, (whether written, electronic, magnetic or otherwise), and shall destroy or have destroyed all such copies, other reproductions, reports, extracts, notes, memoranda and other records in respect of any Confidential Information. Furthermore, the Recipient Party shall, upon request, provide written confirmation to the Disclosing Party that the terms and conditions of this paragraph have been complied with.

9. Equitable Relief

It is agreed that the Disclosing Party will be irreparably injured by a breach of the provisions of these Confidentiality Provisions relating to the protection of Confidential Information by the Recipient Party or any Representative, which injury could not be adequately compensated for by damages, and the Disclosing Party shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of such provisions. Such remedies shall not be deemed to be exclusive remedies for the breach of such provisions but shall be in addition to all other remedies available hereunder or otherwise at law or in equity.

10. Liability and Indemnification

Without limitation and in addition to any other rights of the Disclosing Party against the Recipient Party or any Representative arising by reason of any breach hereof, the Recipient Party shall:

- a. be liable to the Disclosing Party and its directors, officers, employees, affiliates and representatives for any and all losses, costs, damages and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees determined on a solicitor-client basis) which such parties may suffer, sustain, pay or incur; and
- b. indemnify and hold the Disclosing Party and its directors, officers, employees, affiliates and representatives harmless against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees determined on a solicitor-client basis) which may be brought against or suffered by any of them or which any of them may sustain, pay or incur;

which are established to result or arise, directly or indirectly, from disclosure of all or any part of the Confidential Information contrary to the provisions hereof or any other breach of these Confidentiality Provisions, but excluding losses, costs, damages and expenses which are punitive, exemplary, indirect, consequential or similar in nature.

11. Legal Compulsion to Disclose

If the Recipient Party or any Representative is requested or becomes legally compelled (by oral questions, interrogatories, requests for confidential information, documents, subpoena, civil

investigative demand, rules applicable to public disclosure by crown corporations or similar process) to disclose any of the Confidential Information (after using its commercially reasonable efforts to avoid such disclosure), the Recipient Party or other party to whom the request was made or who is legally compelled as aforesaid shall provide the Disclosing Party with prompt written notice of same so that the Disclosing Party may either seek a protective order or other appropriate remedy. If such protective order or remedy is not obtained, the Recipient Party or Representative, as the case may be, shall furnish only that portion of the Confidential Information which it is advised by counsel is legally required and will, where permitted under applicable law, use its commercially reasonable efforts to obtain reliable assurance that the Confidential Information will be accorded confidential treatment.

12. Disclosure of this Agreement

The Parties acknowledge the fact that the Agreement and these Confidentiality Provisions have been entered into and that investigations, discussions or negotiations are taking place concerning the evaluation of the Proposed Transaction, is sensitive competitive information and that any unauthorized disclosure could interfere with such investigations and negotiations. Unless otherwise required by law or by the rules or policies of any securities regulatory authority (including stock exchanges) or permitted by these Confidentiality Provisions (and provided that, in any such case, prior notice of the intention to rely thereon is given to the Disclosing Party and disclosure is only made to the extent so required), none of the Recipient Party and its Representatives shall, except with the prior written consent of the Disclosing Party, disclose to any person (other than Representatives) either the fact that the Agreement and these Confidentiality Provisions have been entered into or that any investigations, discussions or negotiations are taking place concerning the evaluation of the Proposed Transaction, or that the Recipient Party has requested or received Confidential Information, or the terms, conditions or other facts with respect to the Agreement and these Confidentiality Provisions.

13. Absence of Representations and Warranties

In making available the Confidential Information, the Disclosing Party makes no representation or warranty as to the accuracy or completeness thereof or otherwise or with respect to any conclusions, interpretations or analysis with respect to any thereof and neither a Disclosing Party, its affiliates nor any of its or their shareholders, directors, officers, employees, secondees to, subsidiaries, professional advisors (including without limitation, financial advisors, investment bankers and consultants), lawyers, accountants, contractors, consultants and agents shall have any liability whatsoever to a Recipient Party, its affiliates or any of its or their Representatives as a result of the use of or reliance upon any of the Confidential Information, or any information from public sources or other sources whatsoever, by the Recipient Party, its affiliates or any of its or their Representatives; it being understood that only those particular express representations and warranties which may be made by the Disclosing Party in an agreement executed by the Disclosing Party, when and if executed, shall have any legal effect.