

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 20, 2018.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL NOVEMBER 20, 2018.

CONVERTIBLE LOAN AGREEMENT

between

Crystal Peak Minerals Inc.

as the Borrower,

EMR Capital Investment (No. 5B) Pte. Ltd.

as the Lender,

Dated as of July 19, 2018

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CONVERTIBLE LOAN AGREEMENT

THIS AGREEMENT made as of July 19, 2018

BETWEEN:

Crystal Peak Minerals Inc.

(hereinafter referred to as the “**Borrower**”)

AND:

EMR Capital Investment (No. 5B) Pte. Ltd.

(together with its successors and permitted assigns, the “**Lender**”)

RECITALS:

- A. The Borrower has requested to borrow from the Lender, and the Lender has agreed to lend to the Borrower up to \$10,000,000 on and subject to the terms and conditions herein set forth;
- B. As consideration for the Loan, the Borrower has agreed to grant a security interest in favour of the Lender to secure all of the Borrower’s Obligations to the Lender, including its Obligations hereunder, and
- C. The Loan is convertible into, or exercisable for, fully paid common shares of the Borrower, at the times and on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the following mutual covenants and agreements, the parties hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS AND ACCOUNTING PRINCIPLES

1.1 Certain Defined Terms.

As used in this Agreement and unless otherwise expressly indicated, the following terms shall have the following meanings:

“**Affiliate**” of any Person (other than the Lender or an Affiliate of the Lender) means another Person that would be considered to be affiliate of such first mentioned Person for the purposes of National Instrument 45 - 106 – Prospectus Exemptions and with respect to the

Lender or an Affiliate of the Lender means any of EMR Capital Investment (No. 5B) Pte. Ltd. and its subsidiaries (within the meaning of National Instrument 45-106 – Prospectus Exemptions).

“**Agreement**” means this Convertible Loan Agreement, as it may be amended, restated, supplemented, extended or otherwise modified in accordance with its terms and in effect from time to time, together with all Schedules hereto, each of which is incorporated herein by reference.

“**Bankruptcy and Insolvency Laws**” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), *Winding-up and Restructuring Act* (Canada) the provisions of applicable corporate law relating to compromise or arrangement of any debts of a corporation, or to stays of proceedings to enforce any of the claims of a corporation’s creditors against it, and any other Canadian federal or provincial law relating to bankruptcy, insolvency, winding up, liquidation, reorganization or relief of debts, as amended from time to time.

“**Bankruptcy Code**” means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

“**Bankruptcy Laws**” means the Bankruptcy and Insolvency Laws, the Bankruptcy Code and all other Governmental Requirements pertaining or applicable to bankruptcy, insolvency, debtor relief, debtor protection, liquidation, reorganization, winding up, arrangement, receivership, administration, moratorium, assignment for the benefit of creditors or other similar laws applicable in Canada, the United States, or other applicable jurisdictions as in effect from time to time.

“**Borrower’s Information Record**” means all information contained in any press release, material change report, financial statements, technical reports, information circulars, annual information forms, prospectuses or other document of the Borrower which has been publicly filed pursuant to applicable Securities Laws or otherwise or other document provided to the Lender or its Affiliates by, or on behalf of, the Borrower.

“**Business Day**” means a day on which banks in Salt Lake City, Utah, and Toronto, Ontario are open for business.

“**Canadian Dollars**” and the symbol “**C\$**” each mean dollars in lawful currency of Canada.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty or (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority.

“**Change of Control**” means the occurrence of any person or persons “acting jointly or in concert” as defined under applicable Securities Laws (other than the Lender and its Affiliates), becomes the registered or beneficial owner of more than a majority of the then outstanding Shares, measured by voting power rather than the number of shares.

“**Contingent Liability**” means, for any Person, without duplication, all contingent liabilities of such Person determined in accordance with GAAP.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, the ability to appoint or remove directors, senior officers, managers or other equivalent persons of such a Person, by contract or otherwise.

“**Conversion Amount**” has the meaning specified in Section 8.2.

“**Conversion Date**” has the meaning specified in Section 8.2.

“**Conversion Notice**” has the meaning specified in Section 8.2.

“**Conversion Price**” means C\$0.50 per Share. However, if the Borrower completes an equity financing for aggregate gross proceeds in excess of C\$500,000.00 at a lower price per Share at any time after the Effective Date but prior to the Conversion Date, the Conversion Price shall mean such price per Share offered to purchasers by the Borrower in such equity financing, provided that such price per Share shall not be less than C\$0.31 per Share.

“**Conversion Provisions**” means the terms and conditions pursuant to which the Lender may elect to exercise its conversion rights as set forth in Section 8.1 and Section 8.2.

“**Date of Default**” has the meaning specified in Section 10.2.

“**Debt Financing**” means borrowing money, whether by selling bonds, bills, debentures, preferred equity interests or other similar Instruments, issuing promissory notes, indentures or other similar Instruments, entering into a loan or credit agreement or other similar Instrument or otherwise incurring or agreeing to enter into any Instrument or arrangement relating to or consisting of borrowed money Indebtedness.

“**Default**” means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

“**Default Rate**” means an interest rate equal to the sum of the Interest Rate, *plus* two percent (2%) per annum compounded quarterly and payable in arrears on the applicable Interest Payment Date.

“**Dollars**” and “**\$**” shall mean dollars in lawful currency of the United States of America.

“**Effective Date**” has the meaning specified in Section 4.1.

“**Environmental Laws**” means Governmental Requirements relating to pollution or protection of the environment, including, without limitation, Governmental Requirements relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes which are applicable to the Borrower or its subsidiaries, the Project or the

other activities of and properties or assets owned, controlled or managed by the Borrower or its subsidiaries.

“Equity Financing” means the sale or placement by the Borrower or any of its subsidiaries of Shares of the Borrower or any of its subsidiaries.

“Equity Interests” means, with respect to any Person, all of the shares in the capital of (or other ownership or profit interests in) such Person, all of the warrants, options, rights (including debt conversion rights), interests or other securities for the purchase or acquisition from such Person of shares in the capital of (or other ownership or profit interests in) such Person; all of the warrants, options, Indebtedness, rights, interests or other securities exercisable for or convertible into or exchangeable for shares in the capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests); and all of the other ownership or profit interests in such Person (including, without limitation, partnership, member, limited liability company or trust interests therein), whether voting or nonvoting, whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination, and whether or not such shares, warrants, options, rights or other interests are certificated or uncertificated.

“Event of Default” has the meaning set forth in Section 10.1.

“Exchange Rate” means the currency exchange rate for any relevant currency as reported by Bloomberg using the “BNG” function as of 5:00 p.m. New York time on the first Business Day preceding any date of determination, or, in the event that such “BNG” function is not available on such date, on the preceding date on which it is available, or, if either Bloomberg or the “BNG” function is no longer available, then such currency exchange rate reasonably identified by the Borrower.

“Excluded Taxes” means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, income or franchise Taxes imposed on (or measured by) the taxable income of the Lender or such recipient, as the case may be, or capital Taxes imposed on (or measured by) the taxable capital of the Lender or such recipient, in each case by the jurisdiction under the applicable law of which such recipient is organized or in which its principal office is located or which exercises valid taxation jurisdiction over such recipient, but for greater certainty, Excluded Taxes do not include withholding taxes imposed on the Lender or any such recipient in respect of payments or deliveries hereunder.

“Expropriation Event” means the appropriation, confiscation, expropriation, cancellation, seizure or nationalization (by Governmental Requirement, intervention, court order, condemnation, exercise of eminent domain or other action or form of taking) of ownership or control of the Borrower or any of its Subsidiaries or of the Project or Properties or any substantial and material portion thereof, or any substantial and material portion of the rights related thereto, or any substantial portion of the economic value thereof, or which prevents or materially interferes with the ability of a Person to own or operate the property or business subject to such action, including by the imposition of any Tax, fee, charge or royalty.

“Financing Notice” has the meaning specified in Section 2.4.

“Financing Right of First Refusal” has the meaning specified in Section 2.4.

“GAAP” means generally accepted accounting principles in Canada, consistently applied, or IFRS, consistently applied, as applicable.

“Governmental Authority” means the government of any nation and any state, provincial, territorial, divisional, county, regional, city and other political subdivision thereof, in each case in which any property of the Borrower or any of its Subsidiaries is located or which exercises valid jurisdiction over any such property of the Borrower or any of its Subsidiaries, or in which the Borrower or any of its Subsidiaries conducts business or is otherwise present, and any entity, court, arbitrator or board of arbitrators, agency, department, commission, board, bureau, regulatory authority or instrumentality of any of them exercising executive, legislative, judicial, regulatory or administrative functions that exercises jurisdiction over of the Borrower or any of its Subsidiaries or its properties or assets, including the Project, and any securities exchange or securities regulatory authority to which of the Borrower or any of its Subsidiaries is subject.

“Governmental Requirement” means any law, statute, code, ordinance, treaty, order, rule, regulation, judgment, ruling, decree, injunction, franchise, permit, certificate, license, authorization, approval or other direction or requirement (including Environmental Laws, the Project Permits, energy regulations, occupational, safety and health standards or controls, taxation laws and Securities Laws) of any Governmental Authority.

“Hedge Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any Master Agreement, and any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any Master Agreement, including any such obligations or liabilities under any Master Agreement.

“IFRS” means International Financial Reporting Standards, consistently applied.

“Indebtedness” means, for any Person, without duplication, all indebtedness and liabilities of such Person determined in accordance with GAAP.

“Indemnified Party” has the meaning specified in Section 11.5.

“Instrument” means any contract, agreement, undertaking, indenture, mortgage, certificate, document or writing (whether formal agreement, letter or otherwise) under which any obligation, duty, covenant, agreement, affirmation, undertaking or liability is evidenced, assumed or undertaken, or any right or Lien (or right or interest therein) is granted, authenticated, notarized, authorized or perfected, and any notice, registration, recordation, or filing associated with or required by any of the foregoing.

“Interest Payment Date” means each of March 1, 2019 (if prior to the Maturity Date) and the Maturity Date.

“Interest Rate” means 12%, compounding quarterly.

“Lender” has the meaning set forth in the Preamble to this Agreement.

“Lien” means, as to any Person, any mortgage, deed of trust, debenture, lien, pledge, charge, security interest, hypothecation, indenture, preferential right, assignment, option, production payment or other lien, encumbrance or collateral security Instrument in, on or to, or any right or interest, or the title of any vendor, lessor, lender or other secured party to, or interest or title of any Person under any conditional sale or other title retention agreement or capital lease with respect to, any property or asset owned or held by such Person, the signing of any mortgage, deed of trust, pledge, charge, security agreement, hypothecation, indenture, assignment or similar instrument, or the signing or filing of a financing statement, personal property security act filing or other similar Instrument, which names such Person as debtor, or the signing of any security agreement or other similar Instrument authorizing any other party as the secured party thereunder to file any financing statement, personal property security act filing or other similar Instrument. A Person shall be deemed to be the owner of any assets that it has placed in trust for the benefit of the holders of its indebtedness, which indebtedness is deemed to be extinguished under GAAP but for which such Person remains legally liable, and such trust shall be deemed to be a Lien.

“Loan” means, the actual amount of funds outstanding following any advances of funds by the Lender to the Borrower pursuant to each of the Tranches, as applicable, pursuant to the terms and conditions of this Agreement.

“Loan Documents” means this Agreement and the Promissory Note, as any of the foregoing may be amended, modified, supplemented, extended, revised, restated or ratified from time to time in accordance with their respective terms.

“Losses” has the meaning specified in Section 11.5.

“Market Price” means an amount equal to the greater of (i) the VWAP per Share for the thirty (30) Trading Days immediately preceding any date of determination; (ii) \$0.10; and (iii) the last closing price per Share of the Shares before the applicable Interest Payment Date, subject to adjustment pursuant to Section 2.3 and the policies of the TSX-V, if applicable.

“Master Agreement” means any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, together with any related schedules.

“Material Adverse Effect” means, with respect to any Person, an effect, resulting from any event or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), which:

- (a) is materially adverse to the consolidated business, assets, revenues, financial condition, operations or prospects of such Person;

- (b) is materially adverse to the ability of such Person to make any payment or perform any other material obligation required under any Material Agreement, this Agreement, or any other Loan Document;
- (c) is materially adverse to the Project; or
- (d) in the case of the Borrower or any of its Subsidiaries, results in a liability or obligation (other than Permitted Liens or performing or entering into contractual commitments in the ordinary course of business which are not in default) of one million dollars (\$1,000,000) or more.

“**Material Agreements**” means the cooperative development agreement dated as of July 15, 2011 between Peak Minerals, Inc. and LUMA Minerals, LLC, as amended from time to time, the Production Fee Agreement made May 2, 2014 between Extract Capital Master Fund Ltd, Delaware Street Capital Master Funds, L.P., the Corporation, Peak Minerals Inc. and Emerald Peak Minerals, LLC, the Commercial Service Agreement and First Amendment to the Commercial Service Agreement effective April 18, 2011 between Emerald Peak Minerals, LLC and Peak Minerals Inc., the Relationship Agreement with EMR Capital Resources Fund 1, LP, made May 12, 2015, Utah State Mining Leases dated September 1, 2008 and United States Department of the Interior Bureau of Land Management Leases, dated June 1, 2011.

“**Maturity Date**” means the first to occur of (i) the date that is 18 months from the Effective Date, (ii) any date on which the Loan is accelerated by reason of an Event of Default pursuant to Section 10.2, and (iii) conversion of all of the Loan into Shares in accordance with the provisions of this Agreement.

“**Month**” means a calendar month.

“**Obligations**” means all liabilities, indebtedness and obligations of the Borrower with respect to the repayment, payment or performance of all Indebtedness, liabilities and obligations (monetary or otherwise) of the Borrower to the Lender, whenever arising, whether primary, secondary, direct, contingent, fixed or otherwise, and whether joint, several, or joint and several, established by or arising under or in connection with this Agreement, any Promissory Note, any other Loan Document, or otherwise, including, to the extent they remain outstanding, the Convertible Loan Agreement between the Borrower and the Lender dated June 22, 2017, including, in each case, the payment of principal, interest, fees, expenses, reimbursements and indemnification obligations.

“**Officer’s Certificate**” has the meaning specified in Section 4.1(f).

“**Other Financing**” means any financing of any type other than with respect to the issuance or potential issuance of equity, howsoever characterized, including, a royalty financing or sale of a royalty, an off-take or supply arrangement, a forward sale of potassium sulfate, a streaming transaction, a purchase agreement, a sale of an interest in the Project, the Properties or any potassium sulfate associated therewith or any portion of the foregoing (whether or not cost-bearing) or otherwise.

“**Other Taxes**” has the meaning specified in Section 3.5(b).

“Party” or **“party”** means each party to this Agreement.

“Permitted Liens” means the Liens permitted by Section 7.2.

“Person” means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or a Governmental Authority.

“Project” means the Borrower’s potassium sulfate project on the Sevier Playa in southwestern Utah, together with all Properties associated with or forming part of such Project.

“Project Financing” means a Debt Financing and/or Equity Financing that:

- (a) is in a minimum amount equal to the total aggregate amount required by the Borrower to complete construction of the Project, including full funding to commercial production of the Project; and
- (b) has prior written approval from the Lender.

“Project Permits” has the meaning specified in Section 5.1(p).

“Promissory Note” means, collectively and individually, as applicable, the promissory notes made by the Borrower payable to the order of the Lender in the amount of the applicable Tranche, as such promissory note may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time, in the form attached hereto as Schedule 1.1.

“Properties” means all real property rights, titles and interests, whether surface, subsurface, mineral, water or otherwise, and all fee interests, patented mining claims, unpatented mining claims, state leases, provincial leases, federal leases, private leases, other mineral or surface leases, rights of use, access rights, concessions, licenses, claims, rights, titles or interests, and all related, associated or appurtenant rights, in each case howsoever characterized or designated, that are owned, leased, held, or controlled, directly or indirectly by the Borrower or any of its Subsidiaries with such rights, titles and interests described with respect to the Project, together with all right, title and interest hereafter acquired by the Borrower or any of its Subsidiaries in or adjacent to the Project.

“Representative” means any director, officer, partner, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of a Person.

“Rights Offering” means a public offering by the Borrower of Shares of the Borrower to all shareholders of the Borrower on a pro rata basis.

“Securities Laws” means all Governmental Requirements applicable to Equity Interests and the issuance of Equity Interests and the respective rules and regulations applicable thereto together with all binding policy statements, national instruments, orders, blanket rulings, mandatory guidelines and other applicable regulatory acts and instruments, together with all regulations, policies, rules or requirements imposed by any applicable securities exchange, trading platform or other similar Person.

“Security Agreement” has the meaning specified in Section 4.1(c).

“**Shares**” means the common shares in the capital of the Borrower without par value.

“**Subsidiary**” means, in respect of any Person at any date, (i) any corporation, company, limited liability company, association, joint venture or other business entity of which securities, membership interests or other ownership interests representing fifty percent (50%) or more of the voting power of all equity interests are owned or held, directly or indirectly, by such Person, (ii) any partnership, limited liability company or joint venture wherein the general partner, managing partner or operator is, directly or indirectly, such Person, or (iii) any other Person that is otherwise directly or indirectly Controlled by such Person.

“**Taxes**” has the meaning specified in Section 3.5(a).

“**Tradable Shares**” means Shares that are fully paid, duly issued and non-assessable; shall be evidenced by original certificates issued by the Borrower; shall be free of Liens or other claims of rights or interests by third Persons therein; shall be free of contractual restrictions or obligations, except pursuant to applicable Securities Laws and the policies of the TSX-V;

“**Trading Day**” means a day on which the public stock exchange on which the Shares are principally traded is open and on which Shares are traded.

“**Tranche**” means any of Tranche 1 or Tranche 2 and “**Tranches**” means both of them.

“**Tranche 1**” has the meaning specified in Section 2.1(a).

“**Tranche 2**” has the meaning specified in Section 2.1(b).

“**TSX-V**” means the TSX Venture Exchange.

“**TSX-V Conditional Approval Letter**” means the conditional approval letter from the TSX-V in respect of, among other things, approval of the Conversion Provisions which could be issued during the period at any time up to thirty (30) days prior to the Maturity Date.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**VWAP**” means Volume-Weighted Average Price, being the price per Share calculated by dividing (x) an amount equal to the total value of Shares traded during a particular time period, by (y) an amount equal to the total volume of Shares traded over that particular time period, which shall be based on the price and volume quotes provided by the applicable public stock exchange, which amount shall be calculated by the Lender and deemed to be accurate absent manifest error.

“**Year**” means a calendar year.

1.2 Accounting Principles. All accounting terms not otherwise defined herein shall be construed, all financial computations required under this Agreement shall be made, and all financial information required under this Agreement shall be prepared, in accordance with GAAP applied on a consistent basis.

1.3 Other Definitional Provisions; Date and Time References.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Schedules, the other Loan Documents and any certificate or other document made or delivered pursuant hereto.

(b) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule a references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) The word “including” means “including without limitation” or “including, but not limited to,” and does not create or denote a limitation.

(e) Unless otherwise expressly indicated, each reference to a time or date in any Loan Document shall be to the date and time in Toronto, Ontario, Canada.

1.4 Currency Conversions. For purposes of application of the provisions of this Agreement and the other Loan Documents, Dollars, Canadian Dollars and any other relevant currency amounts will be, in all instances, calculated and converted by the Borrower, acting in good faith, by reference to the Exchange Rate, which such calculation shall be deemed controlling and final, absent manifest error.

ARTICLE 2
LOAN; USE OF PROCEEDS; OPTION

2.1 Availability. Subject to all of the terms and conditions of this Agreement and upon the satisfaction of the applicable conditions precedent set forth in Article 4, the Lender shall advance each of the Tranches to the Borrower as follows:

(a) the first tranche shall be available to the Borrower on the Effective Date or such other date as agreed to by the Borrower and the Lender (“**Tranche 1**”) in a maximum principal amount of \$5,000,000; and

(b) the second tranche shall be available to the Borrower on September 4, 2018 or such other date as agreed to by the Borrower and the Lender (“**Tranche 2**”) in a maximum principal amount of \$5,000,000.

2.2 Use of Proceeds. The Borrower will use the Loan proceeds as follows:

(a) the Tranche 1 of the Loan proceeds shall be used for field work, process plant pilot work, ongoing permitting requirements, to buy out certain leases and for other general working capital purposes; and

(b) the Tranche 2 of the Loan proceeds shall be used for bridge engineering, environmental permitting work and for other general working capital purposes.

2.3 Anti-Dilution Rights. The Market Price and all Shares to be delivered to the Lender hereunder shall be adjusted to prevent dilution and to reflect changes in the Borrower's capital structure, as further described in Schedule 2.3.

2.4 Right of First Refusal. The Borrower will keep the Lender informed on a regular, current basis regarding its efforts (including any discussions, negotiations or agreements in principle) to refinance all or any portion of the Loan or to obtain any other financing from a third Person. The Borrower will notify the Lender in writing (the "**Financing Notice**") of the terms and conditions of any Debt Financing or Other Financing that it requires or proposes to obtain, or that has been proposed to the Borrower, prior to the Maturity Date. The Borrower hereby irrevocably and unconditionally grants to the Lender a right of first refusal to participate in an amount up to twelve million dollars (\$12,000,000) in any such Debt Financing or Other Financing at the same price and on the same terms and conditions as the Borrower has received or proposes (the "**Financing Right of First Refusal**"). Such right may be exercised by the Lender by delivering written notice thereof to the Borrower within ten (10) days after the date of receipt of the Financing Notice from the Borrower. The Lender has the right, but no obligation, to exercise the Financing Right of First Refusal.

ARTICLE 3

PROCEDURE AND PAYMENT

3.1 Interest.

(a) General. On each Interest Payment Date, the Borrower shall pay, subject to Section 3.1(c), interest on the applicable Tranche of the Loan from the date of issuance of the Promissory Note related to the applicable Tranche of the Loan at a rate of interest per annum based on a 360-day year basis equal to (i) the Interest Rate or (ii) the Default Rate, as applicable. Interest accruing at the Default Rate shall be payable on demand. Accrued but unpaid interest shall be payable in full on the Maturity Date.

(b) Default Interest. Interest on the Loan shall accrue and shall be payable by the Borrower at the Default Rate during all periods when any amounts payable by the Borrower as principal repayments, interest payments, expense payments or other amounts are due and payable hereunder, whether by acceleration or otherwise, but remain unpaid by the Borrower. Without prejudice to the rights of the Lender under the preceding sentence, the Borrower shall indemnify the Lender against any direct loss or expense which the Lender may sustain or incur as a result of the failure by the Borrower to pay the Loan when due. A certificate or other notice of the Lender submitted to the Borrower setting forth the basis for the determination of Default Rate interest due and of the amounts necessary to indemnify the Lender in respect of such loss or expense, shall constitute evidence of the accuracy of the information contained therein in the absence of error and, absent notice from the Borrower of such error, shall be conclusive and binding for all purposes.

(c) Payment of Interest by Delivery of Shares. Subject to applicable Securities Laws and the policies of the TSX-V, the Borrower shall, subject to Section 3.2, pay interest on the applicable Tranches of the Loan by delivery of Tradable Shares to the Lender within ten (10) Business Days following each Interest Payment Date. The number of Tradable Shares which are required to be delivered by the Borrower to the Lender in satisfaction of any interest payment payable by the delivery of Tradable Shares shall be determined by calculating the quotient of (A) the Dollar amount of the interest on each applicable outstanding Tranche of the Loan which is due (as converted into Canadian Dollars by the Lender by reference to the Exchange Rate), *divided* by (B) the Market Price as at such Interest Payment Date. Payment of interest by the delivery of Tradable Shares shall be deemed satisfied upon delivery of the appropriate number of Tradable Shares to the Lender within ten (10) Business Days following each Interest Payment Date.

(d) Fractional Interests. The Borrower shall not be required to issue fractional Shares upon payment of interest on the Loan in Shares. If any fraction of a Share would, except for the provisions of this Section 3.1(d), be issuable upon payment of interest on the Loan in Shares (or specified portion thereof), the Borrower shall issue to the Lender zero (0) Shares for a fraction of a Share.

3.2 Repayment of the Loan. The principal amount of the Loan, together with accrued and unpaid interest thereon and all costs and other amounts then owing, shall be due and payable in full on the Maturity Date. The Borrower covenants and agrees to repay the Loan, together with interest thereon, in accordance with the terms of this Agreement and the Promissory Note.

(a) Voluntary Prepayment. Upon not less than five (5) Business Days' prior written notice to the Lender, the Borrower may at any time prepay all or a portion of the Loan without penalty. Upon the giving of notice of prepayment, which shall be irrevocable, the prepayment, together with all interest accrued through the prepayment date, shall be due and payable on the date set forth therein. Once repaid, no amount may be re-borrowed.

(b) Mandatory Prepayment. The Borrower will prepay the Loans together with accrued interest thereon in full upon acceleration of the due date pursuant to Section 10.2.

(c) Repayment Upon Conversion of Loan. Upon any conversion of all or any portion of the Loan into Shares pursuant to this Agreement, the Conversion Amount will be deemed to have been repaid by the Borrower upon irrevocable delivery to the Lender of the correct number of duly and validly issued, fully paid and non-assessable Tradable Shares, issued in the name of the Lender (or its designee) receiving Shares. All accrued but unpaid interest on any amounts converted to Shares will be payable in full not later than ten (10) Business Days after any such conversion.

3.3 Priority of Prepayments. All prepayments made by the Borrower shall be applied first to any amounts (other than principal or interest) then payable by the Borrower hereunder or under any other Loan Documents, then to accrued and unpaid interest on the Loan, then to the principal amount of the Loan.

3.4 Payments and Computations. Except as otherwise expressly provided in this Agreement, payments by the Borrower pursuant to this Agreement or any other Loan Document, whether in respect of the Loan, interest or otherwise, shall be made by the Borrower to the

Lender not later than 12:00 noon (Vancouver time) on the date due by delivery of Dollars in immediately available funds to such account designated from time to time by notice from the Lender to the Borrower in writing. For the purposes of converting any amount from or into Dollars or any other currency, the Lender shall calculate the conversion by reference to the Exchange Rate. All payments hereunder and under the Promissory Note, whether by delivery of Tradable Shares or of Dollars, shall be made by the Borrower without set off, deduction, withholding or counterclaim not later than on the date when due. Any payments received after the time and date specified in this Section 3.4 shall be deemed to have been received by the Lender on the next following Business Day. All interest shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest is payable over a year comprised of three hundred sixty (360) days. Whenever any payment to be made shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment.

3.5 Taxes.

(a) General. Any and all payments and the delivery of any and all certificates, Tradable Shares, securities or other property or consideration by the Borrower hereunder shall be made in full, free and clear of and without deduction or withholding for any and all present or future taxes, levies, duties, imposts, assessments, deductions, charges, withholdings or other similar amounts, and all liabilities with respect thereto imposed on the Borrower (all such taxes, levies, duties, imposts, assessments, deductions, charges, withholdings and liabilities being hereinafter referred to as “**Taxes**”). If the Borrower shall be required by law to deduct or withhold any Taxes from or in respect of any such payment, certificate, Tradable Share, security or other property or consideration payable or deliverable hereunder to the Lender, (i) the sum payable and the certificates, Tradable Shares, securities and other property or consideration so deliverable shall be increased as may be necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums, certificates, Tradable Shares, securities and other property or consideration payable or deliverable under this Section 3.5) the Lender receives an amount and certificates, Tradable Shares, securities and other property or consideration as the case may be equal to the amount and certificates, Tradable Shares, securities and other property or consideration it would have received had no such deductions or withholdings been made, (ii) the Borrower shall make such deductions or withholdings and (iii) the Borrower shall pay the full amount required to be deducted or withheld to the relevant taxation authority or other authority in accordance with applicable law and within the time for payment prescribed by applicable law. If the Lender receives a credit against Excluded Taxes for any amounts deducted or withheld, the Lender shall deliver to the Borrower the amount of such credit.

(b) Other Taxes. In addition, the Borrower agrees to pay any present or future stamp, sales, use or documentary taxes or any other excise or property taxes, charges, duties or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, any of the Loan Documents, or any Instrument contemplated thereby (hereinafter referred to as “**Other Taxes**”), other than Excluded Taxes.

(c) Tax Indemnity. The Borrower hereby indemnifies the Lender for, and agrees to hold the Lender harmless from, the full amount of all Taxes and Other Taxes payable by the

Lender (other than Excluded Taxes) and any liability, cost or amount (including penalties, interest and expenses) arising therefrom or with respect thereto.

(d) Payment of Taxes. Within thirty (30) days after the date required for payment of any Taxes or Other Taxes required to be deducted or withheld by the Borrower in respect of any payment or delivery to the Lender, the Borrower will furnish to the Lender a form of evidence of payment thereof acceptable to the Lender in its sole discretion, acting reasonably.

(e) Survival. Without prejudice to the survival of any other agreement hereunder, the agreements and obligations contained in this Section 3.5 shall survive the payment in full of the Loan, interest thereon and any other amounts due hereunder.

(f) Illegality. If the Lender shall notify the Borrower that a Change in Law makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful for the Lender to perform its obligations under this Agreement to maintain any Loan or portion thereof then outstanding hereunder, the Borrower shall, no later than 11:00 a.m. (Vancouver time) on or before the date that is the earlier of (i) the date that is thirty (30) days after such notice is provided, or (ii) the earliest date required by applicable Governmental Requirements or Change in Law, prepay all of the Loan then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and breakage fees, if any, required to be paid by the Lender as a result of such prepayment being made on such date.

3.6 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;

(ii) subject the Lender to any Taxes and Other Taxes payable by the Lender (other than Excluded Taxes) with respect to this Agreement or any Loan made by it, or change the basis of taxation of payments to the Lender in respect thereof; or

(iii) impose on the Lender any other condition, cost or expense affecting this Agreement or Loan made by the Lender;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) then, upon request of the Lender, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered or prepay the Loan in accordance with the provisions hereof. The Lender agrees to use reasonable efforts to avoid or to minimize any amounts which might otherwise be payable pursuant to this Section 3.6, at the cost and expense of the Borrower.

(b) Certificates for Reimbursement. A certificate of an authorized officer of the Lender setting forth the amount or amounts necessary to compensate the Lender or the Lender's Affiliate, as the case may be, as specified in Section 3.6(a) and delivered to the Borrower shall be

conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof. Contemporaneously with such certificate the Lender shall provide the Borrower with reasonable supporting evidence of the amounts claimed to be due from the Borrower to the Lender and the steps the Lender took to minimize such amounts. Amounts not owing by the Lender prior to prepayment shall not be paid by the Borrower to the Lender.

(c) Delay in Requests. Failure or delay on the part of the Lender to demand compensation pursuant to this Section 3.6 shall not constitute a waiver of the Lender's right to demand such compensation.

3.7 Interest Act of Canada. For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent to the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement. The Borrower confirms that it understands and is able to calculate the rate of interest applicable to its Obligations hereunder based on the methodology for calculating per annum rates provided in this Agreement. The Borrower agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement, the Promissory Notes or any related document that the interest payable thereunder and the calculation thereof has not been adequately disclosed to the Borrower as required pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law.

3.8 Usury. If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest; and
- (b) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Lender which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada),

in each case, if necessary, to be effected by repayment by the Lender to the Borrower of any amount already received by the Lender that would be reduced by this Section (it being agreed that the Lender may elect whether to effect such repayment and reduction by return of shares or by payment of the applicable amount in cash to the Borrower).

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent to the Effectiveness of this Agreement and Advance of First Tranche. This Agreement shall become effective (the “**Effective Date**”) and the Lender shall immediately advance Tranche 1 to the Borrower in accordance with Section 2.1 upon the satisfaction (or waiver by the Lender in its sole discretion) of each of the conditions precedent in Section 4.2 and the Lender or its counsel having received the following:

- (a) this Agreement, duly executed by the Borrower;
- (b) a Promissory Note for Tranche 1 in the principal amount of \$5,000,000 duly executed by the Borrower, for the account of the Lender;
- (c) a Ontario law governed general security agreement executed by the Borrower in favour of the Lender (the “**Security Agreement**”);
- (d) delivery by the Borrower to the Lender of the original share certificate(s) representing all of the issued and outstanding capital of Peak Minerals, Inc. along with duly endorsed instruments of transfer;
- (e) registration or recording of the Security Agreement in all places where registration or recording is necessary to perfect and protect the charges and security interests created therein, including registration pursuant to the Uniform Commercial Code and the Personal Property Security Act in such jurisdictions as counsel to the Lender deems appropriate;
- (f) a certificate executed by a senior officer of the Borrower, in form and substance satisfactory to the Lender, acting reasonably, dated as of the Effective Date, as to (i) the constating documents of the Borrower, (ii) the resolutions of the board of directors of the Borrower authorizing the execution, delivery and performance of this Agreement, and the transactions contemplated hereby, and (iii) the name, position and true signature of the Person authorized to sign this Agreement on behalf of the Borrower (the “**Officer’s Certificate**”);
- (g) a certificate for the Borrower confirming the due organization and good standing of the Borrower; and
- (h) an opinion of legal counsel to the Borrower, in form and substance acceptable to the Lender, acting reasonably confirming the enforceability of this Agreement and the current valid authorization of sufficient shares be the Borrower to permit satisfaction of any obligation to issue Shares to the Lender upon Conversion of the Loan.

4.2 Conditions Precedent to all Tranches. Notwithstanding any other provision of this Agreement, the obligation of the Lender to advance either Tranche to the Borrower in accordance with Section 2.1 is subject to and conditional upon each of the following terms and conditions being satisfied or waived:

- (a) all representations and warranties made by the Borrower herein and in any other Loan Document shall be true and correct, save and except for any representation and warranty which is only to be made at a certain point in time;

(b) all material approvals, consents and authorizations of Governmental Authorities or other Persons required in connection with this Agreement and the other Loan Documents shall have been obtained and remain in effect;

(c) there shall not exist, nor shall there be any pending or threatened (in writing), action, proceeding, investigation, order or claim (before any Governmental Authority or otherwise) against or affecting the Borrower or any of its Subsidiaries, or the Project, which has, or could reasonably be expected to have, a Material Adverse Effect;

(d) since December 31, 2017, there shall have been no change, event or occurrence that has had, or could reasonably be expected to have, a Material Adverse Effect on the Borrower or any of its Subsidiaries or on the Project;

(e) the Borrower shall have made all public disclosures and submitted all applications, reports and information, and taken all other actions necessary to comply fully with applicable Securities Laws and rules of the TSX-V, and the Lender shall have confirmed such compliance to its satisfaction;

(f) the Borrower shall have performed and complied with all agreements and conditions herein and in the other Loan Documents required to be performed and complied with on or prior to the date of the proposed Tranche, except those agreements and conditions waived by the Lender;

(g) no Default or Event of Default under this Agreement shall have occurred and be continuing on such date or after giving effect to the proposed Tranche; and

(h) there shall not exist any material litigation or any investigation, bankruptcy or insolvency, injunction, order or claim affecting or relating to the Borrower or any of its Subsidiaries, or the Project which could reasonably be expected to affect the legality, validity or enforceability of this Agreement or any other Loan Document, that has not been settled, dismissed, vacated, discharged or terminated.

4.3 Additional Conditions Precedent to Tranche 2 In addition to the conditions precedent in Section 4.2, the obligation of the Lender to advance Tranche 2 to the Borrower in accordance with Section 2.1 is subject to and conditional upon the Lender receiving:

(a) a minimum of 5 Business Days' prior written notice requesting the advance of Tranche 2;

(b) a Promissory Note for Tranche 2, in the principal amount of \$5,000,000 duly executed by the Borrower, for the account of the Lender; and

(c) a use of proceeds statement confirming proceeds will be used for the purposes set out in Section 2.2 in a form satisfactory to the Lender, in the Lender's reasonable discretion.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Borrower. The Borrower, for itself and on behalf of each of its Subsidiaries, hereby represents and warrants to the Lender as follows:

(a) Qualification and Organization. It has all requisite corporate power and authority to enter into this Agreement and the other Loan Documents to which it is a party and to carry out the transactions contemplated hereby and thereby. It is otherwise duly qualified to do business as a foreign corporation or other applicable entity in each jurisdiction where the nature of its business or properties requires such qualification, except where the failure to obtain such qualification could not reasonably be expected to result in a Material Adverse Effect. It is a corporation validly existing and in good standing under the laws of the jurisdiction of its existence.

(b) Authorization; No Conflict. The execution, delivery and performance by it of this Agreement and of the other Loan Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Borrower or Subsidiary thereof and do not and will not (i) contravene the articles or by-laws of the Borrower or Subsidiary thereof; (ii) violate any provision of any Governmental Requirement, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Borrower or Subsidiary thereof; result in a breach of or constitute a default under, or require the consent of any Person pursuant to, any Material Agreement to which the Borrower or any of its Subsidiaries is a party or by which any the Borrower, any Subsidiary thereof or any of their respective properties may be bound or affected; or (iii) result in, or require, the creation or imposition of any Lien upon or with respect to any of the properties now owned by the Borrower or any of its Subsidiaries and, to the knowledge of the Borrower, neither the Borrower nor any Subsidiary thereof is in default in any material respect under any Governmental Requirement, writ, judgment, injunction, decree, determination or award or any material indenture, agreement, lease or Instrument.

(c) Governmental and Other Consents and Approvals. No material authorization or approval or other action by or consent of, and no notice to or filing or registration with, any Governmental Authority is required (i) for the due execution and delivery of, and the due performance of, the Obligations of the Borrower under this Agreement or any other Loan Document, or (ii) except for ongoing filings obtained in the ordinary course of the Borrower's business, for the due performance of all other Obligations of the Borrower thereof under this Agreement or any other Loan Document, except for such authorizations, approvals or other actions as have been obtained or notices or filings as have been made.

(d) Binding Obligations. This Agreement and each of the other Loan Documents constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with their respective terms (except as limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws or equitable principles affecting enforcement of creditors' rights generally at the time in effect).

(e) Litigation. There is no claim, action, lawsuit, proceeding, arbitration or investigation pending or, to the knowledge of the Borrower, threatened in writing against or involving the Borrower or any of its Subsidiaries or the Project or any portion thereof, which alleges the violation of any Governmental Requirement, or which questions the validity of this

Agreement or any of the other Loan Documents or any action taken or to be taken pursuant to this Agreement or any of the Loan Documents, which involves any Material Agreement, or which could reasonably be expected to result, either in any case or in the aggregate, in a Material Adverse Effect on the Borrower or any of its Subsidiaries.

(f) Financial Statements; No Material Adverse Change. The audited consolidated balance sheet of the Borrower as of December 31, 2017, and the related unaudited consolidated statements of operations and deficits of the Borrower for the period then ended, and the unaudited consolidated balance sheet of the Borrower as of March 31, 2018 and the related unaudited statement of operations and deficits of the Borrower for the period then ended, copies of which have been furnished to the Lender, fairly present the consolidated financial condition in all material respects of the Borrower as of such dates and the consolidated results of the operations of the Borrower for the period ended on such dates, all in accordance with GAAP consistently applied. Neither the Borrower nor any of its Subsidiaries has any material Contingent Liability or liability for taxes, long-term leases or unusual forward or long-term commitments which are not reflected in such financial statements. Since December 31, 2017, except as previously disclosed in writing to the Lender, neither the business, operations or prospects of the Borrower or any Subsidiary, nor any of its properties or assets, have been affected by any occurrence or development (whether or not insured against) which could reasonably be expected to result, either in any case or in the aggregate, in a Material Adverse Effect on the Borrower or any of its Subsidiaries.

(g) Other Agreements. To the knowledge of the Borrower, neither the Borrower nor any Subsidiary thereof is in default under any indenture, loan or credit agreement or any lease or other agreement or Instrument (other than the Material Agreements) or subject to any charter or other corporate restriction which could reasonably be expected to result in a Material Adverse Effect on the Borrower or any of its Subsidiaries.

(h) Title; Liens.

(i) Except as disclosed in the Borrower's Information Record, the Borrower and each Subsidiary thereof has good and marketable title to its owned real property and has valid rights to its leased property, including, in each case, the Properties, free and clear of Liens, except for Permitted Liens (for clarity based only on the Properties as of the date of this Agreement). To the knowledge of the Borrower and, except as disclosed in the Borrower's Information Record, the Borrower and its Subsidiaries owns an undivided one hundred percent (100%) of the beneficial and legal interest in each Property, free and clear of all Liens (subject only to Permitted Liens), royalties, production payments and other rights and interests of third parties, and has good and marketable title thereto;

(ii) Except as disclosed in the Borrower's Information Record, there are no royalties (of any kind or nature whatsoever, howsoever designated), production payments or other non-cost bearing interests in or to any Property or the Project; and

(iii) The Borrower and each Subsidiary thereof has delivered or made available to the Lender all material requested surveys, reports, core sample information, data and material other information concerning the Project and all material assets, property and interests associated therewith, including the nature of the rights and

interests thereto and therein owned by the Borrower and each Subsidiary thereof, which is in the possession or control of the Borrower or any of its Subsidiaries or to which the Borrower or any of its Subsidiaries has reasonable access to.

(i) Capital Structure. The Borrower has the number of Equity Interests specified in Schedule 5.1(i) and each Subsidiary is owned by the Borrower as specified in Schedule 5.1(i). All Equity Interests identified in such Schedule are duly and validly issued and are fully paid and non-assessable, as applicable. The Borrower has duly authorized sufficient Shares to permit the satisfaction of any obligation to issue Shares to the Lender pursuant to the conversion of the Loan. Neither the Borrower nor any of its Subsidiaries has any outstanding warrants, options, preferential rights or other obligations to issue additional shares or other Equity Interests, including any shares or securities convertible into or exercisable or exchangeable for any shares in its capital or any rights or options to purchase any of the foregoing, or to convert any existing Indebtedness to Equity Interests in the Borrower or any of its Subsidiaries, except as specified in Schedule 5.1(i). Neither the Borrower or any Subsidiary is a party to or subject to a shareholders agreement, voting agreement, proxy agreement, lock-up or other similar agreement with respect to the ownership or control of Equity Interests of the Borrower or any of its Subsidiaries, except for the relationship agreement with the Lender dated May 29, 2015.

(j) Material Agreements; Absence of Default. Except for the Convertible Loan Agreement between the Borrower and the Lender dated June 22, 2017, the Material Agreements include all of the contracts, agreements, leases, Instruments and other binding commitments and undertakings of the Borrower and each Subsidiary thereof, the performance or breach of which could reasonably be expected to have a Material Adverse Effect on the Borrower or any of its Subsidiaries, and the Borrower has provided the Lender with access to copies of each such Material Agreement. Neither the Borrower nor any Subsidiary thereof is in material default under any of the Material Agreements, none of them has received any written notice of an asserted default thereunder from any other Person, and none of them has knowledge of a material breach by any counterparty thereto or the inability of any counterparty thereto to perform its obligations thereunder.

(k) Taxes and Other Payments. Except for matters which could not reasonably be expected to have a Material Adverse Effect, the Borrower and each Subsidiary thereof has filed all Tax returns and reports required by law to have been filed by it and has paid all Taxes and governmental charges thereby shown to be owing and all claims for sums due for labor, material, supplies, personal property and services of every kind and character provided with respect to, or used in connection with its respective properties and no claim for the same exists except as permitted hereunder, except any such Taxes, charges or amounts which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on the books of the Borrower or such Subsidiary, as applicable.

(l) Environmental Laws.

(i) To the knowledge of the Borrower, the Project has been owned, operated, leased and utilized in material compliance with all applicable Governmental Requirements, including Environmental Laws;

(ii) there are no currently outstanding or, to the knowledge of the Borrower pending, consent decrees, clean-up orders, mitigation orders, compliance orders, remediation orders or other material orders, decrees, judgments or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Project or any other property owned or held by the Borrower, where the failure to comply with such consent decrees, clean-up orders, compliance orders, remediation orders or other material order could reasonably be expected to result in a Material Adverse Effect;

(iii) neither the Borrower nor any Subsidiary thereof has received any written notice of material violation, alleged material violation, material non-compliance, material notice of investigation, liability or potential material liability or request for information with respect to Environmental Laws or other environmental matters with regard to the Project or any other property owned or held by the Borrower or any of its Subsidiaries, nor does the Borrower or any of its Subsidiaries have knowledge or reason to believe that any such notice will be received or is being threatened; and to the knowledge of the Borrower, with respect to the Project or any other property owned or held by the Borrower or its subsidiaries, there have been no past (which have been adversely determined), and there are no pending or threatened, material lawsuits, claims, complaints or governmental or judicial proceedings with respect to any alleged material violation of any Governmental Requirements, including Environmental Law, the result of which, if determined adversely to the Borrower, could reasonably be expected to result in a Material Adverse Effect.

(m) Indebtedness. Schedule 5.1(m) hereto lists all existing intercompany Indebtedness, any Indebtedness for borrowed money, or any other Indebtedness of the Borrower and its Subsidiaries as of the date hereof.

(n) Compliance with Laws, Etc. The Borrower and each Subsidiary thereof is in compliance in all material respects with all Governmental Requirements, including Environmental Laws and Securities Laws, as applicable. The Project is in compliance in all material respect with all Governmental Requirements.

(o) Foreign Corrupt Practices. To the knowledge of the Borrower, neither the Borrower nor any of its Subsidiaries or any Representative acting on behalf of the Borrower or any of its Subsidiaries has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic governmental official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, the *Corruption of Foreign Public Officials Act* (Canada), as amended, or other similar Governmental Requirements applicable to the Borrower or any of its Subsidiaries; or made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(p) Project Permits. Except for permits, licenses, approvals, authorizations and consents which are to be obtained by the Borrower or any of its Subsidiaries from time to time in the ordinary course of business and the absence or delay of which has not had and could not reasonably be expected to have a Material Adverse Effect on the development or operation of the Project, all material permits, licenses, approvals, authorizations and consents of Governmental Authorities which are necessary to undertake and conduct the business of the Borrower or any

Subsidiary thereof as it is currently being conducted (the “**Project Permits**”) have been obtained and are in full force and effect in accordance with their terms, free of material defaults, and no written notice alleging a breach or default under any of the Project Permits or challenging or questioning the validity of such Project Permit has been received by the Borrower or any Subsidiary with receipt to such Project Permits.

(q) Solvency. As of the Effective Date, and after giving effect to the transactions contemplated hereby, the Borrower and its Subsidiaries: (i) are and will be solvent, (ii) have sufficient capital to carry on their business and transactions, and all business and transaction in which they are about to engage, and (iii) to the knowledge of the Borrower, own property having a value, both at fair valuation and at present fair saleable value, greater than the amount required to pay their probable liabilities (including contingent liabilities).

(r) Shares and Securities Representations.

(i) The Shares to be issued to the Lender pursuant hereto and the issuance thereof have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will have been validly issued and will be fully paid and non-assessable. The Shares issuable: (A) on conversion of the Loan in accordance with the Conversion Provisions, and (B) with respect to the payment of interest or other amounts, will, in each case, be validly issued and will be fully paid and non-assessable. All Shares issuable to the Lender hereunder (whether for the satisfaction of the payment of interest or fees, the exercise of the Conversion Provisions or otherwise) will be issued free and clear of any Lien.

(ii) As of the Effective Date, the Borrower will have received all necessary approvals and acceptances from the TSX-V with respect to the Borrower entering into this Agreement and performing its Obligations hereunder, except for the issuance of Tradable Shares in satisfaction of interest payments with respect to the Loan, the issuance of Tradable Shares with respect to the exercise of the Conversion Provisions, or otherwise, and the Borrower will provide the Lender a copy of the TSX Conditional Approval Letter.

(iii) Except as disclosed to the Lender in the Borrower’s Information Record, neither the Borrower nor any other Subsidiary has incurred, nor will they incur, directly or indirectly, any liability for brokerage or finder’s fees or agent’s commissions or any similar charges or fees in connection with this Agreement or the issuance of any Shares contemplated hereby.

(s) Exempt From Valuation. This Agreement, including the continuation or advance of the Loan, the payment of any interest in Tradable Shares, and the exercise of the Conversion Provisions, are exempt from valuation and minority approval requirements under National Instrument 61-101 and the related policies of the TSX-V, as applicable.

5.2 Representations and Warranties of the Lender. The Lender hereby represents and warrants to the Borrower as follows:

(a) Securities Laws. The Lender is acquiring the Promissory Note in compliance with or pursuant to exemptions from any prospectus, registration or similar requirements under the

applicable securities laws of the international jurisdiction in which the Lender resides (and the Lender shall deliver to the Borrower such further particulars of such applicable securities laws or exemptions and the Lender's qualifications thereunder as the Borrower may request). No applicable securities laws of the international jurisdiction in which the Lender resides require the Borrower to make any filings or seek any approvals of any kind whatsoever in respect of the issue of the Promissory Note or Shares thereunder to the Lender from any securities commission or regulatory authority of any kind whatsoever in the jurisdiction of residence of the Lender. The purchase of the Promissory Note by Lender does not trigger (i) any obligation to prepare and file a prospectus, a registration statement, an offering memorandum or similar document, or any other on-going reporting requirements with respect to such purchase or otherwise, (ii) any registration or other obligation on the part of the Borrower, or (iii) the Borrower becoming subject to regulation in such jurisdiction or require the Borrower to attorn to the jurisdiction of any governmental authority or regulator in such jurisdiction or require any translation of documents by the Borrower, in each case in the jurisdiction of residence of the Lender.

(b) US Securities Laws. The Lender represents that it is purchasing the Promissory Note for its own account and not with a view towards distribution and the Lender understands that the Promissory Note and underlying Shares have not been registered under the U.S. Securities Act and may be transferred or resold only if registered pursuant to the provisions of the U.S. Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law.

(c) Accredited Investor. The Lender is an "accredited investor" pursuant to section (m) of the definition of "accredited investor" for purposes of National Instrument 45-106 – Prospectus Exemptions and is purchasing as principal.

(d) Risk Factors. The Lender is aware and has read the risk factors contained in the Borrowers publicly filed documents and is capable of evaluating the merits and risks of its investment in the Borrower and is able to bear the economic risk of loss of its investments.

(e) Personal Information. The Lender acknowledges and consents to the fact that the Borrower is collecting its personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Agreement. The Lender acknowledges and consents to the Borrower retaining such personal information for as long as permitted or required by law. The Lender further acknowledges and consents to the fact that the Borrower may be required by the securities laws of the applicable jurisdictions, the rules and policies of any stock exchange or the rules of the Investment Industry Regulatory Organization of Canada to provide regulatory authorities with any personal information provided by the Lender in the Agreement. In addition to the foregoing, it agrees and acknowledges that the Borrower may use and disclose its personal information as follows: (i) for internal use with respect to managing the relationships between, and contractual obligations of the Borrower and the Lender; (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency; (iii) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings; (iv) disclosure to a governmental or other authorities to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; (vi)

disclosure to professional advisers of the Borrower in connection with the performance of their professional services; (vii) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Lender's prior written consent; (viii) disclosure to a court determining the rights of the parties under the Agreement; or (ix) for use or disclosure required by law.

(f) Proceeds of Crime. The Lender represents and warrants that the funds representing the Loan which will be advanced by the Lender to the Borrower hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Lender acknowledges that the Borrower may in the future be required by law to disclose the Lender's name and other information relating to the Agreement and the Lender's loan hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge (a) none of the subscription funds to be provided by the Lender: (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Lender; and (b) it shall promptly notify the Borrower if the Lender discovers that any of such representations ceases to be true, and to provide the Borrower with appropriate information in connection therewith.

(g) Certificate Legend. The Lender acknowledges that the certificates representing the Promissory Note and underlying Shares will or may bear substantially the following legends denoting the restrictions on transfer:

(i) "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 20, 2018."

(ii) "WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL NOVEMBER 20, 2018."

ARTICLE 6

AFFIRMATIVE COVENANTS OF THE BORROWER

Until full and final payment and performance of the Obligations, the Borrower shall, unless the Lender otherwise consents in writing (which consent not to be unreasonably withheld by the Lender), perform all covenants in this Article 6.

6.1 Compliance with Laws, Etc. The Borrower shall use commercially reasonable efforts to comply, and shall cause each of its Subsidiaries to use commercially reasonable efforts to comply, in all material respects, with all applicable Governmental Requirements, including Environmental Laws. The Borrower shall use commercially reasonable efforts to own, operate and manage, and shall cause each of its Subsidiaries to use commercially reasonable efforts to own, operate and manage, the Project in compliance in all material respects with all applicable

Governmental Requirements, including Environmental Laws. The Borrower shall use commercially reasonable efforts to pay, and shall cause the Borrower and each Subsidiary thereof to use commercially reasonable efforts to pay, all Taxes, assessments, and governmental charges imposed upon them or their respective property before the same become delinquent, except to the extent contested in good faith and adequately reserved for in accordance with GAAP to the Borrower or Subsidiary thereof.

6.2 Project Permits. The Borrower shall use commercially reasonable efforts to comply, and shall cause each of its Subsidiaries to use commercially reasonable efforts to comply, in all material respects with all Project Permits. The Borrower shall use commercially reasonable efforts to own, operate and use, and shall cause each of its Subsidiaries to use commercially reasonable efforts to own, operate and use, the Project in compliance with the Project Permits in all material respects. The Borrower shall use commercially reasonable efforts, and shall cause each of its Subsidiaries to use commercially reasonable efforts, to obtain all Project Permits, and the Borrower shall use commercially reasonable efforts to maintain, and shall cause each of its Subsidiaries to use commercially reasonable efforts to maintain, all Project Permits in full force and effect.

6.3 Reporting Requirements. Following the date of this Agreement, the Borrower shall deliver to the Lender the reports, information, notices and certificates set forth below:

(a) Litigation; Claims. Promptly after initiation thereof or receipt of notice with respect thereto, notice of any claims, proceedings, litigation or material disputes by, against, or otherwise involving the Borrower or any of its Subsidiaries, or the Project, or other litigation which could reasonably be expected to have a Material Adverse Effect on the Borrower or any of its Subsidiaries, together with copies of the court filings or other documents associated therewith.

(b) Securities Law and Exchange Filings. All annual information forms, proxy circulars, material change reports, prospectuses and other filings by the Borrower with Governmental Authorities in respect of securities matters required by Securities Law, and all material filings with any public stock exchange upon which the Shares are traded required by Securities Law, unless such filings are available on SEDAR.

(c) Material Agreements. Promptly after receipt thereof, copies of any notices of default or claims of material breach received or sent by the Borrower or any of its Subsidiaries pertaining to any of the Material Agreements or the Project, and, promptly after receipt thereof, copies of all Material Agreements entered into by the Borrower after the date of this Agreement.

(d) Environmental Matters. Promptly after the filing or receipt thereof, copies of (i) all new Project Permits, together with a description thereof and (ii) all material claims by and notices with or from any Governmental Authority or any other Person alleging material noncompliance with or violation of Environmental Laws or Project Permits and any correspondence in response thereto.

(e) Other Information. Such other material certificates, reports, data, and information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries or the Project as the Lender may from time to time reasonably request.

6.4 *[Intentionally deleted]*

6.5 Maintenance of Insurance. The Borrower shall maintain, and shall cause each of its Subsidiaries to maintain, with respect to its assets and business generally and with respect to the Project, insurance with responsible and reputable insurance companies or associations that covers liabilities, property damage or loss and other risks in amounts consistent with generally acceptable industry practices.

6.6 Keeping of Records and Books of Account. The Borrower shall keep, and shall cause each of its Subsidiaries to keep, adequate records and books of account, in which complete entries shall be made reflecting all financial transactions of the Borrower and each Subsidiary thereof, and with respect to the Borrower and each Subsidiary thereof on a consolidated basis, the foregoing shall be in accordance with GAAP applicable to the Borrower and each Subsidiary thereof at such point in time, and in each case, consistently applied.

6.7 Preservation of Existence, Etc. The Borrower shall preserve and maintain, and shall cause each of its Subsidiaries to preserve and maintain, its respective corporate existence, rights, franchises and privileges in the jurisdiction of their incorporation or formation; and, the Borrower will qualify and remain qualified, and will cause each of its Subsidiaries to qualify and remain qualified, as a foreign entity in each jurisdiction in which such qualification is necessary in view of their business and operations or the ownership of their properties, as and if applicable. The Borrower will use commercially reasonable efforts to comply, and will cause each of its Subsidiaries to use commercially reasonable efforts to comply, with all applicable material Governmental Requirements and all material Securities Laws, concerning disclosure of matters relevant to such Persons and their properties; and, the Borrower will use commercially reasonable efforts to timely file, and will cause each of its Subsidiaries to use commercially reasonable efforts to timely file, full and complete reports concerning their business and operations as required by such Governmental Requirements and Securities Laws.

6.8 Conduct of Business. The Borrower shall engage solely, and will cause each of its Subsidiaries to engage solely, in the business of mining, the business of developing and operating the Project, and other activities incident thereto, in accordance with generally accepted industry practices. The Borrower shall use commercially reasonable efforts, and shall cause each of its Subsidiaries to use commercially reasonable efforts, to develop, manage, operate and use the Project in accordance with prudent industry practices.

6.9 Notice of Default. The Borrower shall furnish to the Lender as soon as possible and in any event within three (3) Business Days after becoming aware of the occurrence of each Event of Default or Default continuing on the date of such statement, a statement of the president or chief financial officer of the Borrower, setting forth the details of such Event of Default or Default, and the action which the Borrower proposes to take with respect thereto.

6.10 Defense of Title and Rights. The Borrower shall preserve and defend, and shall cause each of its Subsidiaries to preserve and defend, its respective ownership of all right, title and interest in and to the Properties which are material to the conduct of its business or operation of the Project, and its other material assets, property and rights.

6.11 Material Agreements. The Borrower shall comply with, and shall cause each Subsidiary thereof to comply with, the terms and conditions of each of the Material Agreements except where any non-compliance could not reasonably be expected to cause a material default under such Material Agreement or to have a Material Adverse Effect.Maintenance of Unissued

Shares.

(a) The Borrower shall use commercially reasonable efforts to comply with all applicable Securities Laws. Forthwith after the Effective Date, if applicable, and any applicable Interest Payment Date and following any conversion of all or any part of the Loan from time to time, the Company shall file such forms and documents as may be required by Securities Laws and the TSX-V relating to the issuance of any Tradable Shares.

(b) The Borrower shall use commercially reasonable efforts to comply with all applicable TSX-V rules and policies, including TSX-V quantitative and qualitative continued listing requirements, and the Borrower shall maintain its listing on the TSX-V in good standing.

(c) The Borrower will at all times maintain sufficient authorized but unissued Shares to meet its Obligations hereunder (including with respect to the payment of interest and the exercise of the Conversion Provisions), and all Shares issued to the Lender shall be Tradable Shares.

(d) The Borrower will also use its commercially reasonable efforts to maintain its status as a “reporting issuer” in the Provinces of British Columbia, Alberta and Ontario which is not in default of applicable securities laws in such Provinces.

6.13 Public Announcements. The Borrower will consult with the Lender prior to issuing any press release or other public announcement regarding this Agreement, the Lender (or any of its Affiliates) or the transactions contemplated hereby. The Borrower shall not make or issue any public announcement, press release, public statement or other public filing or issuance with respect to this Agreement, the transactions contemplated hereby, or the Lender (or any of its Affiliates), without the prior review, comment and approval of the Lender; *provided*, that if such public announcement, press release, public statement or other public filing or issuance is required by applicable Governmental Requirements, including, for certainty, Securities Laws, then the Lender shall not unreasonably withhold or delay its consent. The party proposing to make an announcement, press release, public statement or other public filing shall provide a copy of any such proposed public announcement, press release, public statement or other public filing or issuance to the Lender for review and comment, and the party proposing to issue any of the foregoing shall use its commercially reasonable efforts to provide such document to the Lender at least two (2) Business Days prior to release. The Borrower agrees to address and consider incorporating any reasonable comments or changes proposed by the Lender. Any comments provided by the Lender shall not be considered certification by such party as to the accuracy, veracity or completeness of the information contained in such public announcement, press release, public statement or other public filing or issuance, or a confirmation or certification by the Lender that the content of such document complies with Securities Laws or other applicable Governmental Requirements.

6.14 Shares Delivered to the Lender. All Shares issued and delivered to the Lender, whether pursuant to the Conversion Provisions or otherwise, shall be Tradable Shares.

6.15 Security Agreement.

(a) The payment and performance when due of the Obligations shall at all times be secured by security interests for the benefit of the Lender on all personal property assets of Borrower.

(b) The Borrower shall from time to time promptly, upon the reasonable request of the Lender, take such action, and execute and deliver such further documents (including such opinions and other supporting documentation as the Lender may reasonably request), as may be reasonably necessary or appropriate to ensure that the Lender maintain a first priority Lien (subject only to Permitted Liens) over all personal property assets of the Borrower.

ARTICLE 7
NEGATIVE COVENANTS OF THE BORROWER

Until the full and final payment and performance of the Obligations, the Borrower shall, unless the Lender otherwise consents in writing (which consent shall not be unreasonably withheld), perform all covenants in this Article 7.

7.1 Indebtedness. Neither the Borrower nor its Subsidiaries shall, directly or indirectly, create, incur, assume, agree to or suffer to exist, any Indebtedness, except (a) Indebtedness hereunder; (b) Indebtedness secured by Liens permitted by Section 7.2, so long as the principal amount of such Indebtedness shall not increase from the amount in existence on the Effective Date; (c) Indebtedness existing on the date hereof disclosed to the Lender on Schedule 5.1(m) hereto, so long as the principal amount of such Indebtedness shall not increase from the amount in existence on the Effective Date; (d) unsecured account trade payables, bank overdrafts and other similar unsecured Indebtedness incurred in the ordinary course of business, so long as such amounts are not overdue or delinquent; (e) unsecured Indebtedness of the Borrower or any of its Subsidiaries owing to the Borrower or any of its other Subsidiaries; (f) any Indebtedness in respect of performance bonds, reclamation bonds, surety bonds, appeal bonds, completion guarantees or like instruments (including letters of credit or guarantee) incurred in the ordinary course of business; and (g) Indebtedness in favour of any other secured lender, to which the Lender has agreed in writing, on terms and conditions satisfactory to the Lender, acting reasonably; with (a) to (g) being, collectively “**Permitted Indebtedness**”.

7.2 Liens, Etc. Neither the Borrower nor any of its Subsidiaries shall, directly or indirectly, create, grant, incur, assume, agree to or suffer to exist any Lien upon or with respect to any of its properties or assets, including any portion of the Properties or its interest in the Project or any other real or personal property or assets of the Borrower or any of its Subsidiaries, now owned or hereafter acquired, or assign or otherwise convey any right to receive the production, proceeds or income therefrom (other than with respect to the sale of mineral production from the Project), except:

(a) Liens created pursuant to the Security Agreement;

(b) Liens for taxes, assessments or governmental charges or levies if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings;

(c) Liens imposed by law, such as carriers, warehousemen and mechanics' liens and other similar liens arising in the ordinary course of business associated with amounts not yet due and payable, or which are being diligently disputed by the Borrower or any of its Subsidiaries in good faith and pursuant to appropriate procedures;

(d) Liens of purchase money mortgages and other security interests on equipment acquired, leased or held by the Borrower or any of its Subsidiaries (including equipment held by any such Person as lessee under leveraged leases) in the ordinary course of business to secure the purchase price of or rental payments with respect to such equipment or to secure indebtedness incurred solely for the purpose of financing the acquisition (including acquisition as lessee under leveraged leases), construction or improvement of any such equipment to be subject to such mortgages or security interests, or mortgages or other security interests existing on any such equipment at the time of such acquisition, or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, *provided* that no such mortgage or other security interest shall extend to or cover any equipment other than the equipment being acquired, constructed or improved, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the mortgage or security interest being extended, renewed or replaced;

(e) Operating leases of personal property entered into in the ordinary course of business and having a term (including renewals) of greater than one year that are deemed to be Liens under applicable law;

(f) cash or governmental obligations deposited in the ordinary course of business in connection with contracts, bids, tenders or to secure workmen's compensation, unemployment insurance, surety or appeal bonds, reclamation bonds, costs of litigation (when required by law), public and statutory obligations, Liens or claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar Liens where such amounts are not yet due and payable or which are being diligently disputed by the Borrower or any of its Subsidiaries in good faith and pursuant to appropriate procedures;

(g) Liens given in the ordinary course of business to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Borrower;

(h) Liens securing Indebtedness set out in subsection (f) of the definition of Permitted Indebtedness;

(i) Liens in favour of any other secured lender, to which the Lender has agreed in writing, on terms and conditions satisfactory to the Lender, acting reasonably; and

(j) Liens securing Indebtedness approved in writing by the Lender.

Notwithstanding the foregoing, if the Borrower or any of its Subsidiaries shall grant or allow a Lien on any of its properties or assets in violation of this Section 7.2, then it shall be deemed to have simultaneously granted an equal and ratable Lien on any such properties or assets to and in favor of the Lender.

7.3 Assumptions, Guarantees, Etc. of Indebtedness of Other Persons. Neither the Borrower nor any of its Subsidiaries shall, directly or indirectly, assume, guarantee, endorse or otherwise become directly or contingently liable (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in the debtor or otherwise to assure the creditor against loss) in connection with any Indebtedness of any other Person, except guarantees by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business or guarantees of Permitted Indebtedness.

7.4 Restrictive and Inconsistent Agreements. The Borrower shall not and the Borrower shall cause its Subsidiaries to not, enter into any agreement or undertaking or incur or suffer any obligation prohibiting or inconsistent with the performance by the Borrower or any of its Subsidiaries of its Obligations under the Loan Documents or any Material Agreement.

7.5 Burdens on Production. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, grant, sell, transfer, assign or convey, directly or indirectly, to any Person any royalty (of any kind or nature whatsoever, howsoever designated), production payment or other non-cost bearing interests in or to any Property or the Project, except as a component of Project Financing.

7.6 Investments in Other Persons. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, directly or indirectly: (a) make any loan or advance of credit (other than as approved capital expenditures and exploration expenses, or from the Borrower or any of its Subsidiaries to the Borrower or any of its Subsidiaries) to any Person utilizing the Loan proceeds or (b) purchase or otherwise acquire the securities, indebtedness, obligations of, or any interest in, any Person (other than readily marketable direct obligations of the United States of America or Canada and certificates of time deposit issued by a commercial bank of recognized standing operating in the United States of America or Canada, or other investment grade instruments reasonably approved by the Lender).

7.7 Sale of Project Assets. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, directly or indirectly, sell, transfer, assign or otherwise dispose of any of their respective material assets or properties (or any material portion thereof), including any mineral rights, assets or properties related to the Project, except as a component of Project Financing.

7.8 Acquisitions. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, purchase or acquire any equity interests of any Person, or purchase or acquire all or substantially all the assets of any Person, or purchase or acquire a division or business of any Person.

7.9 Dividends. The Borrower shall not declare, accrue or pay any dividends, whether in cash or in equity interests, while any Loan or any other amount hereunder remains outstanding and unpaid.

7.10 Material Agreements. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, (a) enter into or agree to enter into any material agreement, or (b) modify, amend or knowingly waive any material rights with respect to any Material Agreement to which any such Person is a party, in each case without the prior written consent of the Lender, not to be unreasonably withheld, conditioned or delayed.

7.11 Limitation on Hedging. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, enter into any Hedge Contract without the prior written consent of the Lender, not to be unreasonably withheld.

7.12 Transactions with Affiliates. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, sell, lease, assign or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with or make any payments to, any Affiliate or any officer or employee of the Borrower or any of its Subsidiaries; *provided*, however that the Borrower or any of its Subsidiaries may engage in such a transaction so long as it is entered into and completed in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or Subsidiary than could be obtained on an arm's-length basis from unrelated parties.

7.13 Fundamental Change. The Borrower shall not, and the Borrower shall cause its Subsidiaries to not, (a) change its capital structure; (b) amend its articles of incorporation or other constating documents; or (c) liquidate, wind-up or dissolve itself.

7.14 Financing. Neither the Borrower nor any of its Subsidiaries shall, enter in, consummate or agree to any Debt Financing other than Project Financing or any other than any such financing which constitutes Permitted Indebtedness, that has prior written approval of the Lender.

7.15 Financing Right of First Refusal. Neither the Borrower nor any of its Subsidiaries shall, enter in, consummate or agree to any Debt Financing or Other Financing without complying with Section 2.4 hereof.

7.16 Location of Assets. Neither the Borrower nor any of its Subsidiaries shall change the location of its chief executive office, registered head office, corporate records or principal place of business without 15 Business Day's prior written notice to the Lender.

ARTICLE 8

CONVERSION PROVISIONS

8.1 Conversion. As a condition to this Agreement, the Borrower has agreed to the conversion of the Loan, or any portion thereof from time to time, into Tradable Shares at the Lender's option at any time and from time to time, but in any event no later than thirty (30) days prior to the Maturity Date subject to applicable Securities Laws and the policies of the TSX-V. The rights and obligations of the Lender and the Borrower with respect to the conversion of the Loan into Tradable Shares are granted in consideration hereof. The terms and conditions set forth in this Article 8, together with those set forth in Schedule 8.1, shall apply to the conversion of the Loan, or any portion thereof, into Tradable Shares ("**Conversion Provisions**").

8.2 Conversion; Issuance of Shares. The Borrower hereby irrevocably grants to the Lender the option and right, exercisable in the Lender's sole discretion at any time and from time to time up to the Maturity Date, and upon prior written notice to the Borrower or Lender, as applicable (the "**Conversion Notice**"), to convert some or all of the Lender's portion of the Loan then outstanding into Tradable Shares at the Conversion Price. The amount of the Loan to be converted into Shares shall be referred to as the "**Conversion Amount**". The Conversion Notice shall specify (a) the Conversion Amount (as converted into Canadian Dollars by reference to the Exchange Rate on the date the Conversion Notice is given) to be converted into Tradable Shares; (b) the date of conversion and issuance of Tradable Shares to the Lender (the "**Conversion Date**"); and (c) the Conversion Price. The number of Tradable Shares to be issued and delivered by the Borrower to the Lender shall be determined by the Lender by calculating the quotient of (i) the Conversion Amount, *divided by* (ii) the Conversion Price. The Borrower shall promptly issue and deliver to the Lender the Tradable Shares within five (5) Business Days of the Conversion Date as specified in the applicable Conversion Notice, and the Conversion Amount will be deemed to have been satisfied and repaid by the Borrower upon irrevocable delivery to the Lender of the appropriate number of Tradable Shares as set forth in the Conversion Notice. The conversion of the Conversion Amount into Tradable Shares shall be further subject to the terms specified in Schedule 8.1 hereto.

ARTICLE 9

AFFIRMATIVE COVENANTS OF THE LENDER

9.1 Conversion on Project Financing. The Lender hereby covenants in favour of the Borrower upon completion of a Project Financing, which has been approved by the Lender's prior written consent in accordance with the provisions hereof, the Lender shall exercise its right to convert the Loan pursuant to Article 8.

ARTICLE 10

EVENTS OF DEFAULT

10.1 Event of Default. Each of the following events shall be an "**Event of Default**" hereunder:

(a) Nonpayment. The Borrower shall fail to repay the Loan as and when due as set forth in this Agreement or any Promissory Note (whether at stated maturity, by prepayment, on demand or otherwise) and such failure remains unremedied for three (3) Business Days of when due, or shall fail to pay interest hereunder when due (whether on a payment date, by prepayment, on demand or otherwise), or shall fail to pay any other amount due hereunder when due (whether on the date when due, by prepayment, on demand or otherwise).

(b) Specific Defaults. The Borrower or any of its Subsidiaries shall fail to observe or perform any of its covenants contained in Sections 6.14 or Article 7 of this Agreement and such failure remains unremedied for five (5) Business Days after written notice thereof given by the Lender to the Borrower.

(c) Other Defaults. The Borrower shall fail to observe or perform any of its covenants contained in this Agreement or any other Loan Document, other than the covenants referred to in clauses (a) and (b) above, and the Borrower has not remedied such default within ten (10) Business Days after written notice of default has been given by the Lender to the

Borrower.

(d) Representation or Warranty. Any representations or warranty made by the Borrower or any of its Subsidiaries under or in connection with this Agreement, or the other Loan Documents shall prove to have been incorrect in any material respect when made.

(e) Cross-Default. A default shall occur under (i) any Loan Document, (ii) any Material Agreement (subject to applicable cure periods thereunder, if any), or (iii) any agreement or Instrument pertaining to Indebtedness permitted by Section 7.1 in excess of Five Hundred Thousand Dollars (\$500,000); or the Borrower or any of its Subsidiaries shall fail to pay any Indebtedness in excess of Five Hundred Thousand Dollars (\$500,000) (or equivalent in other currencies) in principal amount (but excluding Indebtedness included in the Obligations), or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such default or failure to pay is not being contested by the Borrower in good faith; or, any other default under any agreement or Instrument relating to any such Indebtedness or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or Instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness, unless such default or event shall be waived by the holders or trustees of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof.

(f) Bankruptcy; Insolvency. (i) The Borrower or any of its Subsidiaries shall initiate or commence any case, proceeding or other action (A) under any existing or future Bankruptcy Law, or otherwise seeking to have it judged bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, administrator, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (ii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of their assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, authorization of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any of its Subsidiaries generally shall not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

(g) Judgments. A final judgment or order for the payment of money in excess of Five Hundred Thousand Dollars (\$500,000) (or equivalent in other currencies) shall be rendered against the Borrower or any of its Subsidiaries and either; (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order; or (ii) a stay of enforcement of

such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect for any period of ten (10) consecutive days.

(h) Enforcement. Any creditor of the Borrower or the Borrower or any of its Subsidiaries having a Lien (other than a Permitted Lien) against or in respect of the property and assets thereof, or any part thereof, realizes upon or enforces any such security against such property and assets or any part thereof having an aggregate fair market value in excess of an amount equal to Five Hundred Thousand Dollars (\$500,000) (or the equivalent thereof in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within the lesser of twenty (20) days and the period of time prescribed under applicable laws for the completion of the sale of or realization against the assets subject to such seizure or attachment.

(i) Expropriation/Condemnation. An Expropriation Event shall have occurred which could reasonably be expected to have a Material Adverse Effect.

(j) Regulatory Action. Any Governmental Authority shall take or attempt to take any action with respect to the Borrower or any of its Subsidiaries, or with respect to the Project which could reasonably be expected to have a Material Adverse Effect on the Borrower or any of its Subsidiaries or a Project or the ability of the Borrower to repay the Loan or to meet its other Obligations in a timely manner unless such action is set aside, dismissed or withdrawn within twenty (20) days of its institution or such action is being contested in good faith, its effect is stayed during such contest and the Borrower is allowed to continue development of such Project. A material breach or default under any Project Permit shall occur, or any such Project Permit is voided, rescinded, cancelled, terminated or not reissued, and as a result thereof, the Borrower is required to cease or delay a material operation in the Project affected by such action or such action otherwise has a Material Adverse Effect on such Project.

(k) Material Adverse Change. A change in the business, financial condition or prospects of the Borrower or any of its Subsidiaries or the Project occurs, which has had, or could be reasonably expected to have, a Material Adverse Effect.

(l) Change of Control. A Change of Control shall have occurred.

(m) Project Ownership. The occurrence of any one of the following at any time prior to the Maturity Date, which has not been consented to in writing by the Lender: (a) the sale, assignment, transfer or other disposition by the Borrower or any of its Subsidiaries, directly or indirectly, in one or more transactions, of any interest in the Project, which is greater than twenty-five percent (25%) of the Borrower's aggregate right, title or interest therein as of the Effective Date; (b) the entry by the Borrower or any of its Subsidiaries into a partnership, limited liability company, joint venture or other cooperative arrangement with one or more third Persons, which has the effect or is intended to have the effect of granting to any such Person or Persons, directly or indirectly, the right to own, or right to acquire, more than twenty-five percent (25%) of the Borrower or any of its Subsidiaries' right to manage and operate the Project or of the Borrower or any of its Subsidiaries' aggregate right, title or interest in the Project; (c) the sale, assignment, transfer or other disposition by the Borrower or any of its Subsidiaries, directly or indirectly, of the right to manage and operate any Project; or (d) the agreement by the Borrower or any of its Subsidiaries to enter into or undertake any of the foregoing or to enter into an agreement with respect to the foregoing.

10.2 Remedies Upon Event of Default.

(a) Termination of Obligations. Upon the occurrence of an Event of Default specified in Section 10.1(f) of this Agreement, all obligations of the Lender hereunder shall terminate, but such termination shall not limit any rights or remedies of the Lenders hereunder. In the case of any Event of Default specified in Section 10.1 (other than Section 10.1(f)), upon notice by the Lender to the Borrower of the Lender's election to declare the Borrower in default, then the obligations of the Lender hereunder shall terminate, but such termination shall not limit any rights or remedies of the Lender hereunder. The date on which such notice is sent or, in the case of an Event of Default specified in Section 10.1(f) of this Agreement, the date of such Event of Default, shall be the "**Date of Default.**"

(b) Acceleration upon Notice. Upon the Date of Default and upon notice from the Lender of an Event of Default specified in Section 10.1 (other than Section 10.1(f)), the Loan, together with all interest thereon and all other amounts owed by the Borrower hereunder to the Lender, shall be accelerated and become immediately due and payable in full.

(c) Acceleration without Notice. Immediately and automatically upon the occurrence of an Event of Default specified in Section 10.1(f) without delivery of any notice by the Lender, the Loan and all amounts owed by the Borrower hereunder shall be automatically accelerated and immediately due and payable on the Date of Default.

(d) Availability of Rights and Remedies. Upon the occurrence of an Event of Default, all of the rights and remedies provided to the Lender in this Agreement and each other Loan Document shall immediately become available, and the Lender shall have all other rights and remedies available at law or in equity.

(e) Cumulative Rights and Remedies. All rights and remedies of the Lender set out in this Agreement, the other Loan Documents and otherwise available at law or in equity are cumulative, and no right or remedy contained herein or therein is intended to be exclusive; each such right or remedy is in addition to every other right and remedy contained in this Agreement and the other Loan Documents, or in any existing or future agreement, or now or in the future existing at law, in equity, by statute or otherwise.

(f) Waiver of Presentment. Except as expressly provided above in this Section 10.2, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

(g) Specific Performance; Special Remedies. The Borrower acknowledges and agrees that any failure of the Borrower to comply with this Agreement will cause irreparable harm and injury and that the remedy at law for any breach or threatened breach of any such provision will be inadequate and, accordingly, the Lender shall, in addition to all other rights and remedies that the Lender may have, be entitled, with or without notice to the Borrower, to seek an injunction or temporary restraining order to prevent such breach or threatened breach and to enforce specifically the terms and provisions of this Agreement. Injunctive relief, temporary restraining orders and specific performance may be imposed and enforced judicially or by arbitrators. Such remedies are cumulative and not exclusive and are in addition to all other remedies available to the Lender under this Agreement, the other Loan Documents or otherwise.

(h) Cumulative Rights and Remedies. All rights and remedies of the Lender set out in this Agreement, the other Loan Documents and otherwise available at law or in equity are cumulative, and no right or remedy contained herein or therein is intended to be exclusive; each such right or remedy is in addition to every other right and remedy contained in this Agreement, and the other Loan Documents, or in any existing or future agreement, or now or in the future existing at law, in equity, by statute or otherwise.

ARTICLE 11 **MISCELLANEOUS**

11.1 Amendments, Etc. Except as otherwise expressly provided in this Agreement, no amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower or any of its Subsidiaries or the Lender therefrom, shall in any event be effective unless the same shall be in writing and signed by the other party, and, in the case of any amendment, by the Borrower and the Lender. Any such waiver, consent, amendment, modification, supplement or release shall be effective only in the specific instance and for the specific purpose for which given, and shall not operate as a waiver of or consent to any other or further action.

11.2 Notices; Etc. All notices and other communications provided for hereunder shall be in writing (including e-mail and facsimile communication) and transmitted to the following address or facsimile:

if to the Borrower,

Crystal Peak Minerals Inc.
2150 South 1300 East, Suite 550
Salt Lake City, Utah
84106

Attention: Chief Financial Officer
Fax No.: [REDACTED]
email: [REDACTED]

with a copy (which shall not constitute notice) to:

Cassels Brock and Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Attention: Alex Pizale
Fax No.: (416) 640-3160
email: apizale@casselsbrock.com

and if to the Lender,

EMR Capital Resources Fund 1 LP
190 Elgin Avenue

George Town
Grand Cayman
Cayman Islands
KY1-9007

Attention: Jason Chang, Managing Director and CEO
Fax No.: [REDACTED]
email: [REDACTED]

with a copy (which shall not constitute notice) to:

Osler, Hoskin & Harcourt LLP
Suite 1700 – 1055 West Hastings Street
Vancouver, B.C. V6E 2E9

Attention: Alan Hutchison
Fax No.: 778-785-2745
email: ahutchison@osler.com

or, as to each Party, at such other address or number as shall be designated by such Party in a written notice to the other. All notices, requests, demands or other communications to or upon the respective Parties shall be in writing (including by facsimile or e-mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made: (a) when delivered by hand, upon receipt; (b) when transmitted via telecopy (or other facsimile device) to the number set out herein, upon transmission; (c) on the Business Day immediately following the day on which the same has been delivered prepaid (or pursuant to an invoice arrangement) to a reputable national overnight air courier service; (d) on the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid; or (e) when delivered by e-mail, upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), *provided* that if such notice, request, demand or communication transmitted by e-mail is not sent during the normal business hours of the recipient, such notice, request or demand shall be deemed to have been sent at the opening of business on the next Business Day for the recipient. Notices delivered to the Lender pursuant to Article 2 or Article 3 hereof shall not be effective until actually received by the Lender. The Borrower agrees that any notice, request, demand or communication delivered to the Borrower in accordance with the terms of this Section 11.2 shall constitute and be deemed delivery of such notice, request, demand or communication to the Borrower.

11.3 No Waiver; Remedies. No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder, or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder, or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

11.4 Costs, Expenses and Taxes. The Borrower agrees to pay on demand all reasonable and documented costs and expenses of the Lender in connection with the negotiation,

preparation, execution, and delivery of this Agreement, the other Loan Documents and the other documents and Instruments to be delivered hereunder, including, without limitation the reasonable fees and expenses of all legal counsel and independent consultants to the Lender and all other out-of-pocket expenses of the Lender. The Borrower agrees to pay on demand all reasonable actual, and documented, out of pocket reasonable costs and expenses of the Lender in connection with the administration of this Agreement and the other Loan Documents, including all reasonable costs and expenses, if any, in connection with the protection of the Lender's rights with respect to and the enforcement of this Agreement, the other Loan Documents and the other documents to be delivered hereunder (whether incurred before, during or after commencement of any bankruptcy, reorganization or insolvency actions pertaining to the Borrower or any of its Subsidiaries). In addition, the Borrower agrees to pay any and all stamp, mortgage recording and other Taxes, filing fees, duties or charges payable or determined to be payable in connection with the execution and delivery of this Agreement, the other Loan Documents and the other documents to be delivered hereunder, and the Borrower agrees to indemnify and save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such Taxes, filing fees or charges. The Borrower acknowledges that it shall pay all aforementioned costs, expenses and taxes regardless of whether the Loan is advanced. For purposes of this Section 11.4, the term "on demand" shall mean within twenty one (21) days after presentation to the Borrower of the Lender's invoice for payment of costs, expenses and taxes under this Section 11.4.

11.5 Indemnification. The Borrower agrees to indemnify the Lender and its respective directors, partners, managers, members, owners, principals, shareholders, officers, and employees (each, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), from and against, and to defend and hold each of the Indemnified Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, fines, suits, costs, assessments, charges, claims, Taxes and Other Taxes (other than Excluded Taxes), expenses, payments or disbursements of any kind whatsoever, including attorneys' fees and expenses (collectively "**Losses**") which may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred or suffered by or asserted against any Indemnified Party in any way relating to or arising out of (a) this Agreement or any other Loan Document or any Instrument contemplated by or referred to herein or therein, or the transactions contemplated hereby or thereby, or (b) a breach or default (whether or not constituting a Default or Event of Default) by the Borrower or any of its Subsidiaries, or (c) any action or proceeding brought by or against an Indemnified Person due to its entering into or being a party to any Loan Document or by reason of its exercising or performing, or causing the exercise or performance of, any right, power, obligation or action under any Loan Document, whether or not related to the enforcement of any Loan Document, or (d) any act or omission of the Borrower or any of its Subsidiaries, or (e) the business or operations of the Borrower or any of its Subsidiaries or the ownership, management, administration or operation of the Project, any Property or any other property of the Borrower or any of its Subsidiaries, except, in each case, with respect to Losses arising entirely out of the negligence or misconduct of the Lender or such Indemnified Party. This Section 11.5 shall survive the repayment of the Obligations, the repayment of the Promissory Notes and the termination of this Agreement.

11.6 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lender and their respective permitted successors and assigns. Neither the Borrower nor the Lender shall have the right to assign any of its rights or

obligations hereunder or any interest herein or in any other Loan Document without the prior written consent of the other party, subject to applicable laws and the policies of the TSX-V, provided however, that the Lender may at any time and from time to time, subject to applicable laws and the policies of the TSX-V and provided such assignment does not cause any adverse consequences to the Borrower, assign to its Affiliates without consent of the Borrower.

11.7 Governing Law. This Agreement and the other Loan Documents shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, not including the conflicts of law and choice of law provisions thereof.

11.8 Execution in Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be validly executed and delivered by facsimile, portable document format (.pdf) or other electronic transmission, and a signature by facsimile, portable document format (.pdf) or other electronic transmission shall be as effective and binding as delivery of a manually executed original signature.

11.9 Inconsistent Provisions. In the event of any conflict between this Agreement and any of the other Loan Documents, the provisions of this Agreement shall govern and be controlling.

11.10 Severability. If any provision hereof is determined to be ineffective or unenforceable for any reason, the remaining provisions hereof shall remain in effect, binding on the parties and enforceable at the election of the Lender in their sole discretion.

11.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of any Loan, until the Maturity Date.

11.12 Entire Agreement; Schedules. The Schedules to this Agreement form an integral part of this Agreement and are incorporated herein by reference and expressly made a part hereof. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof, superseding all prior statements, representations, discussions, agreements and understandings, oral or written, relating to such subject matter, including all term sheets and commitment letters.

11.13 Further Assurances. The Borrower shall execute, acknowledge and deliver to the Lender such other and further documents, certificates and Instruments and do or cause to be done such other acts as the Lender reasonably determine to be necessary or desirable to effect the intent of the parties to this Agreement or otherwise to protect and preserve the interests of the Lender hereunder, promptly upon request of the Lender.

11.14 Acknowledgements. Each of the parties hereto hereby acknowledges that:

(a) it has been advised by its own legal counsel in the negotiation, preparation, execution and delivery of this Agreement and each other Loan Document;

(b) this Agreement and the other Loan Documents shall not be construed against any party or more favourably in favor of any party based upon which party drafted the same, it being agreed and acknowledged that all parties contributed substantially to the negotiation and preparation of this Agreement and the other Loan Documents;

(c) the Lender has no fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any other agreement, arrangement, Instrument or investment, and the relationship between the Lender, on one hand, and the Borrower, on the other hand, in connection herewith is solely that of debtor and creditor;

(d) neither this Agreement nor any other Loan Document to which the Borrower or any of its Subsidiaries and the Lender is a party creates a joint venture, partnership, agency relationship or fiduciary duty, and no joint venture, partnership, agency relationship or fiduciary duty shall be deemed to exist, among the Lenders, or among the Lender and the Borrower;

(e) the Lender is and has been acting solely as a principal and the Lender has not been, is currently, or will be, acting as an advisor, agent or fiduciary for the Borrower any of its Subsidiaries;

(f) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, and its Affiliates, and the Lender has no obligation to disclose any of such interests to the Borrower, or its Affiliates; and

(g) the Borrower will not claim that the Lender has rendered advisory services of any nature or with respect to, or owes a fiduciary or similar duty to, the Borrower or any of its Subsidiaries in connection with this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the process leading thereto.

11.15 Submission to Jurisdiction; Venue; Service. The Borrower irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario, Canada, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any of its Subsidiaries or its properties in the courts of any jurisdiction.

[remainder of this page intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above written.

BORROWER:

Crystal Peak Minerals Inc.

By: (Signed) "Blake L. Measom"

Name: Blake L. Measom

Title: Chief Financial Officer

LENDER:

EMR Capital Investment (No. 5B) Pte. Ltd.

By: (Signed) "Jason Chien Min Chang"

Name: Jason Chien Min Chang

Title: Director

SCHEDULE 1.1

Form of Promissory Note

EXHIBIT G

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 20, 2018..

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [].

PROMISSORY NOTE

US\$5,000,000

[], 2018

FOR VALUE RECEIVED, the undersigned, Crystal Peak Minerals Inc., (“Maker”), hereby promises to pay to the order of EMR Capital Investment (No. 5B) Pte. Ltd. (“EMR”) or other holder hereof (with EMR and any other holder hereof sometimes referred to herein as “Holder”), at the place and times provided in the Convertible Loan Agreement, dated as of July 19, 2018, between Maker, as the borrower and EMR as the Lender, (together with all amendments, restatements, amendments and restatements, modifications, revisions, increases, supplements, extensions, continuations, replacements or refinancings from time to time in accordance with the terms thereof, the “**Loan Agreement**”) the principal sum of FIVE MILLION DOLLARS (US\$5,000,000) or, if less, the aggregate unpaid principal amount of the Loan under the Loan Agreement. Subject to the Loan Agreement, the Maker may voluntarily repay the Loan represented by this Note made by EMR to the Maker pursuant to the Loan Agreement at any time prior to the Maturity Date. Capitalized terms used in this Note and not defined herein shall have the meanings assigned thereto in the Loan Agreement.

This Note evidences the obligation of the Maker to repay the Loan represented by this Note made by EMR to the Maker pursuant to the Loan Agreement.

Maker further agrees to pay and deliver to Holder, when and as provided in the Loan Agreement, interest on the outstanding principal amount hereof at the rate and at the times specified in the Loan Agreement. The unpaid principal amount of this Note from time to time outstanding is subject to mandatory repayment from time to time as provided in the Loan Agreement. Unless otherwise specified in the Loan Agreement, all payments on this Note, whether for principal, interest, or otherwise, shall be payable in lawful currency of the United States of America in immediately available funds as specified in the Loan Agreement.

This Note is made by the Maker pursuant to, and is subject to, all of the terms and conditions of the Loan Agreement. Reference is hereby made to the Loan Agreement for a statement of the prepayment rights and obligations of the Maker, and for a statement of the terms and conditions under which the due date of this Note may be accelerated.

In addition to, and not in limitation of, the foregoing and the provisions of the Loan Agreement, the Maker further agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by any Holder hereof in endeavoring to collect any amounts due and payable hereunder which are not paid and delivered or otherwise satisfied when due, whether by acceleration or otherwise.

The Maker, for itself and for all endorsers hereof, hereby waives all requirements as to diligence, notice, demand, presentment for payment, protest and notice of dishonor.

This Note and the rights of Maker and any Holder hereof are governed by the laws of the Province of Ontario, Canada and the federal laws of Canada applicable therein.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Maker has executed and delivered this Note as of the date first above written.

CRYSTAL PEAK MINERALS INC.

By: _____

Name:

Title:

SCHEDULE 2.3

Anti-Dilution Provisions

This Schedule sets forth the Anti-Dilution Rights referred to in the Convertible Loan Agreement (as amended, modified, supplemented, extended or restated, the “**Loan Agreement**”) dated as of July [19], 2018 by and among Crystal Peak Minerals Inc. as the borrower, and EMR Capital Investment (No. 5B) Pte. Ltd. as the Lender (the “Lender”), to which this Schedule is appended. This Schedule forms part of and is incorporated into the Agreement.

In the event that the Borrower shall at any time after the date of the Loan Agreement or prior to the date that is thirty (30) days prior to the Maturity Date (A) declares a dividend on the Shares payable in Shares, (B) subdivides or splits the outstanding Shares, (C) combines or consolidates the outstanding Shares into a smaller number of Shares through a reverse stock split or otherwise, (D) issues any securities in a reclassification of the Shares (including any such reclassification in connection with a consolidation or merger in which the Borrower is the continuing or surviving corporation), or (E) completes a Rights Offering at a price per Share of less than 95% of the Market Price as at the record date for such Rights Offering, then (1) if the record date for such dividend or the effective date of such subdivision, split, combination, consolidation, reclassification or Rights Offering shall occur during the thirty (30) Trading Days preceding any date of determination of Market Price, the VWAP for any Trading Days before such record date or effective date shall be proportionately adjusted as if such dividend, subdivision, split, combination, consolidation or reclassification had occurred before such Trading Day, (2) the number and kind of Shares or securities, as the case may be, issuable on the record date for such dividend or the effective date of such subdivision, split, combination, consolidation, reclassification or Rights Offering shall be proportionately adjusted so that the Lender after such time shall be entitled to receive the aggregate number and kind of Shares or securities, as the case may be, which, if the Shares issuable under the Loan Agreement were issued immediately prior to such date and at a time when the share register of the Borrower were open, the Lender would have owned upon such issuance and been entitled to receive by virtue of such dividend, subdivision, split, combination, consolidation, reclassification or Rights Offering, and (3) the Conversion Price shall be proportionately adjusted by the Lender on the effective date of such subdivision, split, combination, consolidation or Rights Offering to reflect the effect of such subdivision, split, combination, consolidation or Rights Offering.

SCHEDULE 5.1(i)

Capital Structure

Voting Common Shares	204,807,048
Non-voting Common Shares	2,466,947
Options Outstanding	<hr/> 5,175,000
Share Units	5,183,314
Warrants Outstanding	750,000
Fully Diluted Shares	<hr/> 218,382,309

* Not inclusive of any Common Shares that would be issued with respect to the Convertible Loan Agreement between the Borrower and the Lender dated June 22, 2017

Peak Minerals Inc. (Delaware) is a wholly-owned subsidiary of Crystal Peak Minerals Inc.

SCHEDULE 5.1(m)

Indebtedness

Convertible Loan Agreement between the Borrower and the Lender dated June 22, 2017

SCHEDULE 8.1

Conversion Provisions

This Schedule sets forth the Conversion Provisions referred to in the Convertible Loan Agreement (as amended, modified, supplemented, extended or restated, the “**Loan Agreement**”) dated as of July 19, 2018 by and among Crystal Peak Minerals Inc. as the borrower, and EMR Capital Investment (No. 5B) Pte. Ltd. as the Lender (the “**Lender**”), to which this Schedule is appended. This Schedule forms part of and is incorporated into the Agreement.

1. **Defined Terms.** Capitalized terms used and not specifically defined herein shall have the meanings given thereto in the Loan Agreement. Any changes from time to time in the defined terms as specified in the Loan Agreement shall automatically be effective in this Schedule as and when made. In addition, the following terms shall have the indicated meanings:

“**Conversion Election**” means an election by the Lender, on one or more occasions during the Conversion Period, to convert a specified portion of the Loan into Shares, which shall be effective upon delivery of a Conversion Notice to the Borrower.

“**Conversion Notice**” means a written notice from the Lender to the Borrower in the form appended hereto as Attachment 1 directing the Borrower to convert the indicated portion of the Loan into Shares.

“**Conversion Rights**” means the right and option of the Lender, acting from time to time, on the terms and conditions set forth in the Loan Agreement and this Schedule, to convert the Loan into Shares.

“**Schedule**” means this Schedule 8.1, as it may be modified, amended, supplemented or altered from time to time in accordance with the provisions of the Loan Agreement.

2. **Conversion Rate.** For purposes of the Conversion Rights, United States Dollars, Canadian Dollars and any other relevant currency amounts will be converted by the Lender by reference to the Exchange Rate in accordance with Section 1.4 of the Loan Agreement.

3. **Exercise of Conversion Rights.**

- (a) The Lender may exercise its Conversion Rights at any time, and from time to time during the Conversion Period with respect to all or a portion of the Loan then outstanding.
- (b) The Lender shall exercise its Conversion Rights by delivering to the Borrower a Conversion Notice, which shall specify the amount of the Loan being converted, the Conversion Price, the number of Shares issuable by the Borrower in connection with such conversion (rounded up to the nearest whole number) and the Conversion Date. The Lender may also specify in the Conversion Notice the name in which the certificates for such Shares should be titled and issued (if other than the Lender) and the denominations and number of share certificates for the Shares to be issued by the Borrower in connection with such conversion. The

Conversion Notice will be given to the Borrower in accordance with the notice provisions set forth in the Loan Agreement, and will be effective as provided therein. Each Conversion Notice will be irrevocable when it is effective under the notice provisions of the Loan Agreement.

- (c) Within not more than five (5) Business Days after the date on which a Conversion Notice is provided to the Borrower, the Borrower will allot and issue the number of Shares specified in the Conversion Notice and will deliver to the Lender share certificates for the Shares to be issued in connection with such conversion. All Shares issued by the Borrower to the Lender (or its designee) pursuant hereto will be Tradable Shares.
- (d) Upon receipt by the applicable Lender of the share certificates for the Shares issued in response to, and as specified by the Lender in, a Conversion Notice, the amount of the Loan specified in the Conversion Notice will be deemed to have been satisfied by the Borrower, and the principal amount of the Loan shall be reduced by a corresponding amount.

4. Payment of Taxes. The Borrower will be responsible for the payment of all stamp taxes, duties and any other Taxes (other than Excluded Taxes), fees or impositions imposed by any Governmental Authority on or otherwise associated with the conversion of any portion of the Loan to Shares and the issuance of Shares to the Lender (or its designee).

5. Allocation of Shares. The Borrower will at all times allocate and keep available, free from pre-emptive rights, out of the aggregate of its authorized but unissued Shares or its authorized and issued Shares held in its treasury, for the purpose of enabling it to satisfy any obligation to issue Shares to the Lenders as described in the Loan Agreement, including upon the payment in kind of interest or the conversion of any portion of the Loan at any time, the maximum number of Shares which may be deliverable by the Borrower pursuant to the Agreement.

6. Stock Exchange Listing. The Borrower will use commercially reasonable efforts to comply with Section 6.12 of the Loan Agreement.

7. Adjustment of Conversion Price and Number of Shares Issuable. The applicable Conversion Price and the number of Shares issuable on conversion of the Conversion Right as described in the Loan Agreement are subject to adjustment from time to time in accordance with Section 2.3 of the Loan Agreement and Schedule 2.3 to the Loan Agreement.

8. Fractional Interests. The Borrower shall not be required to issue fractional Shares upon conversion. If any fraction of a Conversion Share would be issuable on a conversion of any portion of the Loan (or specified portion thereof), the number of Shares issuable to the Lender (or its designee) will be rounded down to the nearest whole number.

9. Relationship to Loan Agreement. In the event of any inconsistency or conflict between the provisions of this Schedule and the other provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail.

Attachment 1

To: Crystal Peak Minerals Inc. and EMR Capital Investment (No. 5B) Pte. Ltd.

Conversion Notice

This Conversion Notice is hereby delivered pursuant to that certain Convertible Loan Agreement (as amended, modified, supplemented, extended or restated, the “**Loan Agreement**”) dated as of July 19, 2018 between Crystal Peak Minerals Inc. (the “**Borrower**”) as the borrower and EMR Capital Investment (No. 5B) Pte. Ltd. (the “**Lender**”) as the lender. Capitalized terms used and not specifically defined herein shall have the meanings given thereto in the Loan Agreement.

The Lender hereby notifies the Borrower that the Lender hereby irrevocably elects to convert **[indicate US Dollar Amount]** of the Loan outstanding under the Loan Agreement into Shares of the Borrower in accordance with the Loan Agreement and the Conversion Provisions set forth in the Loan Agreement. The Lender further notifies the Borrower that the Exchange Rate as of the Conversion Date is \$1.00 equals Canadian Dollars \$**[specify Canadian Dollar equivalent]** and has attached hereto evidence of the “BNG” function reported by Bloomberg. Pursuant to such Conversion Provisions, the Lender hereby subscribes for such Shares and directs the Borrower to issue to **[specify the Lender or designee]** **[specify number of Shares]** Shares of the Borrower in one or more share certificates of the following denominations, issued in the name of the following holders: **[specify number of certificates/denominations and name of the holder(s)]**. Such Shares are to be delivered as follows:

[Insert delivery address and instructions]

The number of Shares issuable to the Lender or designee, as designated above, is equal to **[insert the Conversion Amount, which is an amount equal to the U.S. Dollar Amount as converted into the currency in which the Shares are denominated by reference to the Exchange Rate] divided by [insert the applicable Conversion Price]**.

Date: _____

EMR Capital Investment (No. 5B) Pte. Ltd.

By: _____

Name: _____

Title: _____