

ROYALTY PURCHASE AGREEMENT

GENSOURCE POTASH CORPORATION

and

Confidential Purchaser
Information



October 11, 2019

ROYALTY PURCHASE AGREEMENT

THIS AGREEMENT made as of October 11, 2019

BETWEEN:

GENSOURCE POTASH CORPORATION, a company duly incorporated under the laws of Ontario ("**Gensource**")

- and -

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[REDACTED] a company duly incorporated under the laws of [REDACTED] (the "**Purchaser**")

WHEREAS:

- A.** Gensource owns the Mineral Dispositions and has the right to mine Royalty Substances in accordance with the Regulations;
- B.** Gensource has agreed to create, grant and sell to Purchaser a certain gross overriding royalty on production from the Mineral Dispositions, on the terms and conditions as are more particularly set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Affiliate**" means, with respect to a specified Person, another Person that directly or indirectly controls or is controlled by or is under common control with that specified Person;

"**Agreement**" means this royalty purchase agreement and the Schedules attached to this Agreement and all amendments, restatements or replacements to this Agreement made by written agreement between the Parties;

"**Applicable Laws**" or "**Law(s)**" has the meaning given to such term in the Overriding Royalty Agreement;

"**Books and Records**" has the meaning given to such term in the Overriding Royalty Agreement;

"**Business**" means the business of Gensource with respect to exploration and/or development and/or operation of a mining project in Saskatchewan;

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"**Business Day**" means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday observed in the Province of Saskatchewan or in [REDACTED];

"**Claim**" means any claim of any nature whatsoever, including any demand, liability, obligation, debt, cause of action, suit, proceeding, judgment, award, assessment, reassessment or notice of determination of loss;

"**Closing**" means the completion of the Transaction in accordance with Article 2;

"**Closing Date**" means the date of Closing, being October 11, 2019, or such other date as may be agreed upon in writing by the Parties;

"**Closing Document**" means any document delivered at or subsequent to the Closing Time as provided in or pursuant this Agreement;

"**Closing Time**" means 10:00 a.m. CT on the Closing Date, or such earlier time that may be agreed to by the Parties;

"**Contract**" means any written agreement, arrangement or commitment;

"**Disposal**" means any disposal by any means including dumping, incineration, spraying, pumping, injecting, depositing or burying;

"**Encumbrance**" means any mortgage, pledge, encumbrance, charge or other form of security interest or interest in the nature of a security interest;

"**Environment**" includes the air, surface water, groundwater, body of water, any land, soil or underground space even if submerged under water or covered by a structure, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms and the environment or natural environment as defined in any Environmental Law and "**Environmental**" will have a similar extended meaning;

"**Environmental Laws**" means all Applicable Laws relating in whole or in part to the Environment including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release or Disposal of any Hazardous Substance;

"**Gensource**" has the meaning set out in the recitals, above;

"**Gensource Public Documents**" means those forms, reports, schedules, statements and other documents, including any financial statements or other documents (including any schedules included therein) as are filed on SEDAR under the profile for Gensource and accessible to the public;

"**Governmental Approval**" means any authorization, consent, approval, licence, ruling, permit, concession, certification, exemption, filing, variance, order, judgment, decree, publication, notice to, declaration of or with or registration by or with any Governmental Body;

"**Governmental Body**" has the meaning given to such term in the Overriding Royalty Agreement;

"**Hazardous Substance**" means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law;

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**Indemnified Party**" or "Indemnifying Party" has the meaning ascribed to that term in Section 7.3.1;

"**Indigenous Claims**" means, in respect of the Mineral Dispositions and the Royalty Lands, any and all claims to indigenous rights or title or interest or treaty rights, and any and all Proceedings in relation thereto whether or not they are: (A) made before, at or after the Closing Date; (B) proven in a court of law; or (C) made in proceedings; and any duty or obligation to share information with, consult or accommodate or receive consent from any Indigenous Group;

"**Indigenous Group**" means any Indian band, first nation or indigenous group, house, tribal council or other indigenous organization;

"**Interim Period**" means the period from and including the date of this Agreement to and including the Closing Time;

"**knowledge**" means with respect to Gensource, the knowledge of its Chief Executive Officer and Vice-President Exploration, and with respect to Purchaser, the knowledge of [REDACTED] or [REDACTED], after due inquiry (and each such individual will be deemed to have "**knowledge**" of a particular fact or other matter if: (i) that fact or matter is expressly set forth in any Gensource Public Documents; (ii) that individual is actually aware of that fact or matter; or (iii) that fact or matter has been received or comes to the attention of that individual under circumstances in which a reasonable person would take cognizance of it), and for greater certainty, where a representation or warranty refers to the knowledge of more than one Party, each such Party is giving such representation and warranty to its own knowledge only and knowledge of one such Party shall not be imputed to any other such Party;

"**Liabilities**" includes any indebtedness, obligations or liabilities of any kind, whether primary or secondary, direct or indirect, accrued, absolute or contingent, liquidated or unliquidated, secured or unsecured and whether or not reflected or required to be reflected in a balance sheet in accordance with generally accepted accounting principles;

"**Loss**" or "**Losses**" means any loss, liability, damage, cost or expense suffered or incurred, including the costs and expenses of any assessment, judgment, settlement or compromise relating thereto;

"**Mineral Dispositions**" has the meaning given to such term in the Overriding Royalty Agreement;

"**Option Agreement**" means the Option Agreement made as of the 1st day of October, 2018 between Gensource and [REDACTED];

"**Order**" means any order, judgment, injunction, decree, stipulation, determination, award, decision or writ of any court, tribunal, arbitrator or Governmental Body;

"**Overriding Royalty**" has the meaning given to such term in the Overriding Royalty Agreement;

"**Overriding Royalty Agreement**" means the royalty agreement to be entered into between Gensource and Purchaser, in the form of the royalty agreement attached as Schedule "A", providing for the granting of the Overriding Royalty;

"Parties" means the parties to this Agreement and **"Party"** means any one of them;

"Permitted Encumbrances" means:

- (i) liens for taxes, assessments and governmental charges that are not due and payable or delinquent;
- (ii) any security interest or hypothec arising by operation of law or in the ordinary course of business in connection with or to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds;
- (iii) any undetermined or inchoate legal hypothec or prior claim or any like lien or right of set-off arising in the ordinary course of business or under Applicable Law, securing obligations incurred in connection with the Mineral Dispositions which are not yet overdue or which are being contested or litigated in good faith;
- (iv) mechanics', builders', materialmen's or other similar statutory liens in respect of services rendered or goods supplied for which payment is not yet due and payable or delinquent;
- (v) easements, rights of way, servitudes and other similar rights in land;
- (vi) the right reserved to or vested in any Governmental Body with respect to the Mineral Dispositions;
- (vii) rights of general application reserved to or vested in any Governmental Body to levy taxes on Royalty Substances or any of them or the income therefrom, or to control, limit or regulate production rates or the operation or use of any property;
- (viii) any security interest or hypothec incurred or deposit made in the ordinary course of business in connection with workers' compensation, unemployment insurance or other forms of governmental insurance or benefits;
- (ix) any unregistered agreement, claim or encumbrance of which the Purchaser has actual notice;
- (x) Indigenous Claims that may be made or established by any Indigenous Group, provided that nothing in this Agreement is to be construed or taken by either Party or any other Person to be an acknowledgement or admission of the validity of any such Indigenous Claim; and
- (xi) contracts for the purchase, sale, handling, processing, transportation or storage of Royalty Substances;

"Person" means an individual, a partnership, a corporation, a Governmental Body, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual and words importing **"Person"** have similar meaning;

"Proceedings" has the meaning ascribed thereto in Schedule "B";

"Project" has the meaning given to such term in the Overriding Royalty Agreement;

"Purchaser" has the meaning set out in the recitals, above;

"Regulations" has the meaning given to such term in the Overriding Royalty Agreement;

"Release" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, migrating, escaping, leaching, disposing, dumping, depositing, spraying, burying, abandoning, incinerating, seeping or placing, or any similar action defined in any Environmental Law;

"Royalty Lands" means the surface and undersurface land rights held by the Crown to which the Mineral Dispositions relate.

"Royalty Purchase Price" has the meaning given to such term in Section 2.1.1;

"Royalty Substances" has the meaning given to such term in the Overriding Royalty Agreement;

"Securities Laws" means all applicable Canadian provincial securities laws, rules and regulations and published policies thereunder as now in effect and as they may be promulgated or amended from time to time;

"Taxes" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Body, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"Tax Returns" means all returns, declarations, reports, claim for refund estimates, information returns and statements filed or required to be filed in respect of any Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party" means any Person other than a Party or an Affiliate of a Party;

"Third Party Claim" means any Claim asserted by a Third Party against an Indemnified Party;

"Threshold" has the meaning given to such term in Section 7.6;

"Transaction" means the transactions contemplated by this Agreement and the other Transaction Documents, including the creation, grant and sale of the Overriding Royalty pursuant to the Transaction Documents;

"Transfer Taxes" has the meaning given to such term in Section 0; and

"Transaction Documents" means this Agreement, the Overriding Royalty Agreement, any other document delivered in connection therewith or relating thereto and the schedule or schedules thereto.

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.3 Control

A person (first person) is considered to control another person (second person) if:

- (a) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership; or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

1.4 Extended Meanings

In this Agreement, words importing the singular number only include the plural and vice versa, words importing any gender include all genders. The term "includes" or "including" means "including, but not limited to". A reference to any entity includes any successor to that entity.

1.5 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.6 Currency

Unless otherwise indicated, all references to currency herein are to the lawful money of the United States of America.

1.7 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party

whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.8 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action will be valid if taken on or by the next Business Day.

1.9 Calculation of Time

In this Agreement, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Saskatoon Time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period will terminate at 5:00 p.m. (Saskatoon time) on the next Business Day.

1.10 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule "A" – Form of Overriding Royalty Agreement including the schedules thereto
Schedule "B" – Representations and Warranties of Gensource
Schedule "C" – Representations and Warranties of Purchaser
Schedule "D" – Consents
Schedule "E" – Gensource Disclosures

Capitalized terms used but not otherwise defined in the Schedules have the meanings given to them in this Agreement.

ARTICLE 2 PURCHASE AND SALE OF OVERRIDING ROYALTY

2.1 Purchase and Sale of Overriding Royalty

2.1.1 Gensource hereby agrees to create, sell, grant and deliver to Purchaser, and Purchaser hereby agrees to purchase and acquire from Gensource, free and clear of any Encumbrances, the Overriding Royalty, in consideration for the payment by Purchaser of \$4,500,000 in cash, payable by Purchaser to Gensource on the Closing Date by wire transfer of immediately available funds, or as otherwise directed by Gensource in writing (the "**Royalty Purchase Price**").

2.1.2 The terms and conditions of the Overriding Royalty are set out in the Overriding Royalty Agreement. The Overriding Royalty Agreement shall be executed and delivered by the Parties at the Closing.

2.2 Interest in the Mineral Dispositions

2.2.1 Gensource hereby acknowledges and agrees that to the maximum extent permissible under Applicable Laws, the Parties intend that the Overriding Royalty constitutes an interest in the Mineral Dispositions and the Royalty Substances (while contained in the Mineral Dispositions) that runs perpetually with the Mineral Dispositions, and in Gensource's right, title and interest therein, in favour of Purchaser.

2.3 Conditions of Closing

2.3.1 Purchaser shall complete the Closing only if each of the following conditions precedent has been satisfied in full or waived in writing by Purchaser at or before the Closing Time:

- (a) the representations and warranties of Gensource contained in this Agreement are true and correct as at Closing with the same effect as though such representations and warranties had been made as of the Closing and a certificate of Gensource, dated as of the Closing Date, executed by an authorized officer or director of each, respectively, certifying as such, shall have been delivered;
- (b) all of the covenants and obligations of Gensource to be performed or observed on or before the Closing pursuant to this Agreement have been duly performed or observed;
- (c) there shall not be ongoing or pending any litigation or proceeding against Gensource, brought by any Governmental Body or any other Person that seeks to restrain, materially modify or invalidate the transactions contemplated by this Agreement and no Order that would prohibit, materially modify or restrain such transactions shall be in effect;
- (d) Purchaser shall have received the Closing Documents described in Section 2.4.2 herein, in form and substance satisfactory to Purchaser, acting reasonably; and
- (e) Gensource shall have obtained all Third Party consents, approvals, Orders, waivers and authorizations of any Governmental Body and other Persons as set out in Schedule "D".

Each of the foregoing conditions precedent is for the exclusive benefit of Purchaser, and only Purchaser may waive any of them in whole or in part in writing.

2.3.2 Gensource shall complete the Closing only if each of the following conditions precedent has been satisfied in full or waived in writing by Gensource at or before the Closing Time:

- (a) the representations and warranties of Purchaser contained in this Agreement and given for the benefit of Gensource are true and correct as at Closing with the same effect as though such representations and warranties had been made as of the Closing and a certificate of Purchaser, dated as of the Closing Date, executed by an authorized officer or director of each, respectively, certifying as such, shall have been delivered;
- (b) all of the covenants and obligations of Purchaser to be performed or observed on or before the Closing for the benefit of Gensource pursuant to this Agreement have been duly performed or observed;
- (c) there shall not be ongoing or pending any litigation or proceeding against Purchaser, brought by any Governmental Body or any other Person that seeks to restrain, materially modify or invalidate the transactions contemplated by this Agreement and no Order that would prohibit, materially modify or restrain such transactions shall be in effect; and
- (d) Gensource shall have received the Closing Documents described in Section 2.4.3, herein, in form and substance satisfactory to Gensource, acting reasonably.

Each of the foregoing conditions precedent is for the exclusive benefit of Gensource, and only Gensource may waive any of them in whole or in part in writing.

2.4 Closing Deliveries and Procedures

2.4.1 The Closing shall be completed at the Closing Time remotely through the exchange of Closing Documents via electronic mail in .pdf (with originals to follow post-Closing where reasonably requested by a Party), or as otherwise mutually agreed by the Parties, and the payment of the Royalty Purchase Price in the manner set forth in Section 2.4.3.

2.4.2 At the Closing, Gensource shall deliver to Purchaser, the following Closing Documents:

- (a) the Overriding Royalty Agreement, duly executed by Gensource;
- (b) a certificate of good standing for Gensource, issued by the relevant Governmental Body dated as of the Closing Date;
- (c) an officer's certificate of Gensource, dated as of the Closing Date, in form and substance reasonably satisfactory to Purchaser, acting reasonably, certifying for and on behalf of Gensource and not in the officer's personal capacity that:
 - (i) all of the representations and warranties of Gensource made in, or pursuant to, this Agreement are true and correct in all material respects at and as of the Closing Time;
 - (ii) Gensource has observed or performed in all material respects all of the obligations, covenants and agreements under this Agreement which it must perform at or before the Closing Time;
 - (iii) no order or judgment of any court or any Governmental Body shall have been issued or made and no legal or regulatory requirement shall remain to be satisfied, in either case which has the effect of making void, unlawful or otherwise prohibiting the Transaction;
 - (iv) all Third Party consents, approvals, Orders, waivers and authorizations of any Governmental Body and other Persons required to be obtained by Gensource in connection with the Closing, Gensource's execution and delivery of this Agreement or the observance and performance by Gensource of its obligations under this Agreement or the Closing Documents to which it is a party, all as set out in Schedule "D", have been obtained; and
 - (v) no action or proceeding is ongoing, or to the officer's knowledge, pending or threatened, by any Person to enjoin, restrict or prohibit the Transaction.
- (d) a title opinion with respect to the Mineral Dispositions, prepared by the counsel of Gensource and in a form acceptable to the Purchaser, acting reasonably.

2.4.3 At the Closing, Purchaser shall deliver to Gensource the following Closing Documents:

- (a) transfer of \$4,500,000, being the Royalty Purchase Price, by wire transfer of immediately available funds or as otherwise directed by Gensource in writing, to an account to be designated by Gensource in writing to the Purchaser not less than three (3) Business Days prior to the Closing Date;

- (b) the Overriding Royalty Agreement, duly executed by Purchaser;
- (c) an officer's certificate of Purchaser dated as of the Closing Date, in form and substance reasonably satisfactory to Gensource, acting reasonably, certifying for and on behalf of Purchaser and not in the officer's personal capacity that:
 - (i) all of the representations and warranties of Purchaser made in, or pursuant to, this Agreement are true and correct in all material respects at and as of the Closing Time;
 - (ii) Purchaser has observed or performed in all material respects all of the obligations, covenants and agreements under this Agreement which it must perform at or before the Closing Time; and
 - (iii) All Third Party consents, approvals, Orders, waivers and authorizations of any Governmental Body and other Persons required to be obtained by Purchaser in connection with the Closing, Purchaser's execution and delivery of this Agreement or the observance and performance by Purchaser of its obligations under this Agreement or the Closing Documents to which it is a party, all as set out in Schedule "D", have been obtained or all waiting periods applicable to such consents, approvals, Orders, waivers and authorizations have expired or been the subject of early termination.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF GENSOURCE**

3.1 Representations and Warranties of Gensource

3.1.1 Gensource hereby represents and warrants to and in favour of Purchaser those statements set out in Schedule "B" as of the date of this Agreement and acknowledges that Purchaser is relying upon such representations and warranties in entering into this Agreement.

3.2 Survival of the Representations, Warranties and Covenants

3.2.1 The representations and warranties of Gensource set forth in this Agreement shall survive the Closing and shall continue for the benefit of Purchaser for two years from the Closing Date notwithstanding the occurrence of the Closing and any inspections or inquiries made by or on behalf of Purchaser.

3.2.2 For greater certainty, the expiry of the survival period applicable to a representation or warranty shall be without prejudice to any Claim for indemnification based on any inaccuracy or misrepresentation in such representation or warranty made prior to such expiry pursuant to this Agreement.

3.2.3 The covenants of Gensource set out in this Agreement that have not been fully performed at or prior to the Closing Time shall survive the Closing and, notwithstanding the occurrence of the Closing, shall continue in full force and effect for the benefit of Purchaser in accordance with the terms thereof.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF PURCHASER

4.1 Representations and Warranties of Purchaser

4.1.1 Purchaser hereby represents and warrants to and in favour Gensource as of the date of this Agreement, those statements set out in Schedule "C" and acknowledges that Gensource is relying upon such representations and warranties in entering into this Agreement.

4.2 Survival of the Representations and Warranties

4.2.1 The representations and warranties of Purchaser set forth in this Agreement shall survive the Closing and shall continue for a period of two years from the Closing Date for the benefit of Gensource, as applicable, notwithstanding the occurrence of the Closing and any inspections or inquiries made by or on behalf of Gensource.

4.2.2 For greater certainty, the expiry of the survival period applicable to a representation or warranty shall be without prejudice to any Claim for indemnification based on any inaccuracy or misrepresentation in such representation or warranty made prior to such expiry pursuant to this Agreement.

ARTICLE 5
PRE-CLOSING COVENANTS

5.1 Conduct of Business

5.1.1 During the Interim Period, except as required by Applicable Laws or any Governmental Body, Gensource shall conduct its Business only in the ordinary course in compliance in all material respects with all Applicable Laws.

5.1.2 During the Interim Period, Gensource shall not take any affirmative action or omit to take any reasonable action within its control, as a result of which action or omission any of the representations and warranties in Schedule "B" would become untrue.

5.1.3 During the Interim Period, Gensource shall promptly give notice to Purchaser of any defaults or breaches of representations, warranties or covenants of Gensource contained herein or any other matter that may have a material adverse effect on Gensource forthwith upon becoming aware of such matters.

5.1.4 Subject to its rights and obligations in the Overriding Royalty Agreement, during the Interim Period, Gensource shall maintain the Mineral Dispositions in good standing, including mineral title to the Mineral Dispositions.

5.2 Access to Information

5.2.1 During the Interim Period, Gensource shall permit Purchaser, its representatives and advisors to have reasonable access during business hours to:

- (a) all Books and Records; and

- (b) the officers and senior management and premises of Gensource, or Affiliates of Gensource on at least 48 hours' prior written notice, on condition that no Person given access interferes with the ordinary conduct of the Business;

in each case, solely for the purpose of confirming the truth and accuracy of Gensource's representations and warranties and the performance of Gensource's covenants made in or pursuant to this Agreement.

5.3 Actions to Satisfy Closing

- 5.3.1 Each Party shall take all such reasonable action as is within its power to control, and shall use reasonable commercial efforts to cause other actions to be taken which are not within its power to control, with a view to achieving compliance with all conditions set forth in Section 2.3 which are for the benefit of the other Party. The Parties will cooperate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing.
- 5.3.2 Gensource shall, at its own expense, use reasonable commercial efforts to obtain by the Closing Time all Third Party consents or waivers of any Person listed in Schedule "D" as being required to consummate the transactions contemplated by this Agreement. Gensource shall provide to any Person whose consent is required to the transactions contemplated by this Agreement, all such information relating to Gensource, including financial information, as may be required by such Persons.
- 5.3.3 If any court or Governmental Body having jurisdiction over any of the Parties issues any Order before the Closing Time which would prohibit or materially restrict or hinder the Closing, the Parties shall use their respective reasonable efforts to have such Order dissolved, revoked or otherwise eliminated as promptly as possible and, in any event, prior to the Closing Time.

ARTICLE 6 POST-CLOSING COVENANTS

6.1 Use of Royalty Purchase Price

Gensource will use the Royalty Purchase Price proceeds to facilitate exploration and development activities relating to the Mineral Dispositions, further develop and finance the Project, and for general working capital purposes; *provided*, however, that Gensource shall not use any amount of the Royalty Purchase Price proceeds in connection with any project or exploration or development that does not pertain to the Mineral Dispositions.

6.2 Costs of Consents, Taxes, Etc.

The Purchaser and Gensource understand, on the basis of their own verifications, that no goods and services, sales, value added, excise, transfer or similar taxes (collectively, the "**Transfer Taxes**") in respect of the purchase and sale of the Overriding Royalty will be due and payable, and therefore agree that no Transfer Taxes will be payable on Closing.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnity by Gensource

Gensource shall indemnify and save harmless Purchaser from and against all Losses directly or indirectly suffered by it resulting from: (i) any breach of any covenant of Gensource contained in this Agreement; (ii) any inaccuracy or misrepresentation in any representation or warranty set forth herein; and (iii) any Liabilities for Taxes levied by any Governmental Body with respect to the sale of the Overriding Royalty to Purchaser.

7.2 Indemnity by Purchaser

7.2.1 Purchaser shall indemnify and save harmless Gensource from and against all Losses directly or indirectly suffered by it resulting from: (i) any breach of any covenant of Purchaser contained in this Agreement; and (ii) any inaccuracy or misrepresentation in any representation or warranty set forth herein.

7.3 Notice of and Defence of Third Party Claims

7.3.1 Any Person providing indemnification pursuant to the provisions of this Article 7 is referred to herein as an "**Indemnifying Party**", and any Person entitled to be indemnified pursuant to the provisions of this Article 7 is referred to herein as an "**Indemnified Party**".

7.3.2 If an Indemnified Party receives written notice of the commencement or assertion of any Third Party Claim in respect of which the Indemnified Party believes the Indemnifying Party has liability under Section 7.1 or 7.2 of this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof. To the extent reasonable and practical given the information readily available to the Indemnified Party, such notice to the Indemnifying Party shall describe the Third Party Claim in reasonable detail and shall indicate (without prejudice to the Indemnified Party's rights) the estimated amount of the Loss that has been or may be sustained by the Indemnified Party in respect thereof, provided that the failure to give such notice within such time period shall not reduce the Indemnified Party's rights hereunder, except to the extent of any actual prejudice suffered as a result of such failure due to the loss of substantive defences.

7.3.3 The Indemnifying Party shall have the right, by giving notice to that effect to the Indemnified Party not later than thirty (30) days after receipt of such notice of such Third Party Claim and subject to the rights of any insurer or other Third Party having potential liability therefor, to elect to assume the defence of any Third Party Claim at the Indemnifying Party's own expense and by the Indemnifying Party's own counsel, provided that the Indemnifying Party shall not be entitled to assume the defence of any Third Party Claim: (i) alleging any criminal or quasi-criminal wrongdoing (including fraud), (ii) which impugns the reputation of the Indemnified Party or (iii) where the Third Party making the Third Party Claim is a Governmental Body.

7.3.4 Prior to settling or compromising any Third Party Claim in respect of which the Indemnifying Party has the right to assume the defence, the Indemnifying Party shall obtain the consent of the Indemnified Party regarding such settlement or compromise. In addition, the Indemnified Party shall be entitled to participate in (but not control) the defence of any Third Party Claim (and in so doing may retain its own counsel) at its own expense.

- 7.3.5 With respect to any Third Party Claim in respect of which the Indemnified Party has given notice to the Indemnifying Party pursuant to this Section 7.3.5 and in respect of which the Indemnifying Party is not entitled to assume the defence or has not elected to do so, the Indemnifying Party may participate in (but not control) such defence assisted by counsel of its own choosing at the Indemnifying Party's sole cost and expense.
- 7.3.6 At their own cost and expense, the Indemnifying Party and Indemnified Party shall use all reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim:
- (a) those employees whose assistance, testimony or presence is necessary to assist such Party in evaluating and in defending any Third Party Claim; and
 - (b) all documents, records and other materials in the possession of such Party reasonably required by such Party for its use in defending any Third Party Claim,
- and shall otherwise co-operate with the Party defending such Third Party Claim.
- 7.3.7 If the Indemnifying Party elects to assume the defence of any Third Party Claim as provided in Section 7.3.3 and fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party believes on reasonable grounds that the Indemnifying Party has failed to take such steps, the Indemnified Party may, at its option, elect to assume the defence of and to compromise or settle the Third Party Claim assisted by counsel of its own choosing and the Indemnifying Party shall be liable for all reasonable costs and expenses paid or incurred in connection therewith.
- 7.3.8 Upon making a payment in full of any Loss, the Indemnifying Party shall, subject to the rights of any insurers and to the extent of such Loss, be subrogated to all rights of the Indemnified Party against any third party in respect of the Loss to which the Loss relates.

7.4 No Duplication

Notwithstanding anything in this Agreement, any amounts payable pursuant to the indemnification obligations under this Article 7 shall be paid without duplication, and in no event shall any Party be indemnified under different provisions of this Agreement for the same Losses.

7.5 Tax Treatment of Indemnity Payments

The Parties agree to treat any indemnity payment made pursuant to this Article 7 as an adjustment to the purchase price for all income tax purposes.

7.6 Limitation

Gensource shall not be liable for any inaccuracy or misrepresentation in any representation or warranty set out in Schedule "B" unless the aggregate amount of all claims arising from such inaccuracy or misrepresentation exceeds \$5,000.00 ("**Threshold**"). If the aggregate amount of all claims arising from the inaccuracy or misrepresentation exceeds the Threshold, Gensource shall be liable for the total amount (including the Threshold). The Threshold shall not apply where a representation or warranty of Gensource was incomplete or incorrect due to Gensource's willful or grossly negligent conduct, in which case the relevant claims arising from an inaccuracy or misrepresentation must always be satisfied in full.

**ARTICLE 8
TERMINATION**

8.1 Termination

8.1.1 This Agreement may be terminated, by notice given prior to the Closing:

- (a) by any Party if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement that was made for that Party's benefit has been committed by another Party and such breach has not been waived or cured within 15 days following the date on which the first Party notifies the Party in material breach, of such breach;
- (b) by any Party if any of the conditions owed to that Party in Section 2.3 have not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through that Party's own failure to comply with its obligations under this Agreement) and such conditions have not been waived on or before the Closing Date;
- (c) by written agreement, executed by all Parties; or
- (d) by any Party if the Closing has not occurred on or before December 31, 2019 or such later date as the Parties may agree upon in writing, unless the Party seeking to terminate this Agreement has failed to comply fully with its obligations under this Agreement.

8.2 Effect of Termination

8.2.1 Each Party's right of termination under Section 8.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations in Article 7 and Article 9 will survive; provided, however, that if this Agreement is terminated by a Party because of a material breach of a representation or warranty, covenant, obligation or other provision of this Agreement by another Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, then subject to the provisions of Article 7 the terminating Party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

**ARTICLE 9
GENERAL**

9.1 Further Assurances

Each of the Parties shall from time to time execute and deliver all such further documents and instruments and do all acts and things as any other Party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.2 Time of the Essence

Time shall be of the essence of this Agreement.

9.3 Fees and Expenses

Except as otherwise set out in this Agreement, any costs and expenses arising from the Transaction shall be borne by the party who incurred such costs and expenses.

9.4 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties.

9.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect hereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.

9.6 Confidentiality and Public Disclosure

9.6.1 This Agreement, all of the Closing Documents, and the contents of this Agreement and all Closing Documents shall be maintained in confidence by the Parties and not disclosed to any other Person (except as may be required by Applicable Laws and TSXV rules or requirements) without the prior written approval of the other Parties, which shall not be unreasonably withheld.

9.6.2 Immediately upon one Party determining that they may be required to disclose this Agreement, any of the Closing documents, or the contents of this Agreement or any of the Closing Documents, such Party must provide the other Parties with notice of such required disclosure.

9.6.3 The content of any public disclosure (including without limitation, any SEDAR filings of this Agreement and any press release) respecting this Agreement of the Transaction shall be approved by all of the Parties prior to the making of any public disclosure, which approval shall not be unreasonably withheld or delayed, provided that, where there are certain content requirements imposed by Securities Laws or the TSXV, such content requirements must be fulfilled.

9.7 Amendments and Waiver

No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties and no waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived.

9.8 Assignment

This Agreement may not be assigned by a Party without the written consent of the other Party, except to an Affiliate of the assigning Party, provided that such Affiliate enters into a written agreement with the other Party to be bound by the provisions of this Agreement in all respects and to the same extent as the assigning Party is bound and provided that the assigning Party shall continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so.

9.9 Severability

Each of the provisions contained in this Agreement is distinct and severable from the remainder of the Agreement and any determination of illegality, invalidity or unenforceability of any provision or part hereof by a court of competent jurisdiction shall not affect the validity of enforceability of any other provision or part hereof, unless, as a result of such determination, this Agreement would fail in its essential purposes.

9.10 Notices

Any notice, demand, consent or other communication given or made under this Agreement:

- (a) must be signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by hand or by courier to the address below or the address last notified by the intended recipient to the sender:

(i) to Gensource:

Gensource Potash Corporation
1100 – 201 1st Ave. S.
Saskatoon, SK. S7K 1J5

Attention: Chief Financial Officer
Email: info@gensource.ca

(ii) to Purchaser:



- (c) Any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a party must be in writing and:
 - (i) delivered personally or by courier; or
 - (ii) sent by prepaid registered mail; and
 - (iii) transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Confidential Purchaser
Information

9.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein, other than such laws relating to conflicts of law.

9.12 Dispute Resolution

Any dispute, controversy or claim between the Purchaser and Gensource arising out of or relating to this Agreement, or the execution, interpretation, breach, termination, or invalidity thereof, shall be determined by the courts of the Province of Saskatchewan.

9.13 Counterparts and Electronic Signatures

This Agreement may be executed in two or more counterparts (including counterparts delivered by electronic mail), all of which, taken together, shall be regarded as one and the same Agreement. Counterparts may be delivered by electronic mail and the Parties adopt any signatures received by electronic mail as original signatures of the Parties.

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IN WITNESS WHEREOF the parties have caused this Agreement to be executed and delivered as of the date first set forth above.

GENSOURCE POTASH CORPORATION

By: Signed by Gensource Potash Corporation
Name:
Title:

Confidential Purchaser
Information



By: Signed by the Purchaser
Name:
Title:

SCHEDULE "A"
FORM OF OVERRIDING ROYALTY AGREEMENT

- (d) "**Applicable Law**" in respect of any Person, property, transaction or event, means all laws, statutes, treaties, regulations, and enforceable judgments, orders and decrees applicable to that Person, property, transaction or event and, in each case having the force of law, all applicable official directives, rules, protocols, consents, approvals, authorizations and orders of any Governmental Body having or purporting to have authority over that Person, property, transaction or event;
- (e) "**Average Quarterly Netback Price**" means the average price per metric tonne of Royalty Substances paid to Gensource or an affiliate of Gensource in connection with the applicable Quarterly Production;
- (f) "**Books and Records**" means all scientific and technical, financial, accounting, business, tax and employee information, records and files, in any form whatsoever (including, without limitation, written, printed or electronic form or stored on computer discs or other data and software storage devices) related to the Mineral Dispositions, including, without limitation, regulatory filings and returns, books of account and related original source documentation, actuarial, tax and accounting information, geological and metallurgical data, drill hole logs, cross sections and assay results, reports, files, lists, drawings, plans, logs, briefs, computer program documentation, employee data and records, deeds, certificates, contracts, surveys, title and legal opinions, records of payment, asset documentation, written employment manuals and employment policies;
- (g) "**Business Day**" means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday observed in the Province of Saskatchewan or in [REDACTED];
- (h) "**Commencement of Production**" means, and shall be deemed to have been achieved on, the date that the Project: (i) has completed its commissioning phase, and (ii) has achieved consistent production of Royalty Substances for at least ninety days;
- (i) "**Concurrent Royalty**" means the 0.5% gross overriding royalty granted by Gensource to [REDACTED] pursuant to the gross overriding royalty agreement dated October 11, 2019 between Gensource and [REDACTED].
- (j) "**Confidential Information**" means any written or oral information of a technical, business or financial nature which is disclosed by one party to another party under or in connection with this Agreement, including, without limitation, all supplier, marketing, customer and production data, methodologies, and other information relating to the properties and assets, tangible or intangible, in which a party has an interest, whether legal, beneficial or otherwise, from time to time or at any time, all Royalty Reports and annual Reports delivered pursuant to this Agreement, and any other document, data, information and other material of a confidential or proprietary nature to a party. Confidential Information does not include information

Confidential Royalty Owner Information

Confidential Concurrent Royalty Owner Information

that:

- (i) is independently developed by the receiving party, as demonstrated by the recipient's written records, without violating the disclosing party's proprietary rights;
- (ii) is or becomes publicly known (other than through unauthorized disclosure);
- (iii) is disclosed by the owner of such information to a third party free of any obligation of confidentiality;
- (iv) is already known by the receiving party at the time of disclosure, as demonstrated by the receiving party's written records, and the receiving party has no obligation of confidentiality other than pursuant to this Agreement; or
- (v) is rightfully received by the receiving party free of any obligation of confidentiality;

(k) "**Designated Project Entity**" means the corporation, partnership, limited partnership, joint venture or other legal entity mutually agreed upon by the parties hereto (or their designated affiliates) to be the entity that will own, construct and operate the Project; such entity being intended to comprise, the Royalty Owner, Gensource and the Project off-taker, [REDACTED], or their respective designated affiliates;

(l) "**Encumbrance**" means any mortgage, pledge, lien, charge or other form of security interest or interest in the nature of a security interest;

(m) "**Governmental Body**" means any national, provincial, state, regional, municipal or local government, governmental department, commission, board, bureau, agency, authority or instrumentality, or any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities, including, without limitation, all tribunals, commissions, boards, bureaux, arbitrators and arbitration panels, and any authority or other Person controlled by any of the foregoing;

(n) "**Gross Revenue**" means, in respect of each three month period in which the Overriding Royalty is payable, the product obtained by multiplying that three month period's Quarterly Production by the Average Quarterly Netback Price applicable to such Quarterly Production;

(o) "**Interim Royalty**" means a royalty at the rate of 1.5% of Gross Revenue on all Royalty Substances produced and sold from the Mineral Dispositions until the occurrence of a Project Production Triggering Event;

(p) "**Interim Royalty Termination Payment**" means an amount totalling US\$4,500,000; *provided*, however that the amount of the Interim Royalty

Termination Payment will be reduced on a dollar for dollar basis on account of all Interim Royalties received by the Royalty Owner following the date hereof up to the date of the Project Production Triggering Event;

- (q) "**Liabilities**" includes any indebtedness, obligations or liabilities of any kind, whether primary or secondary, direct or indirect, accrued, absolute or contingent, liquidated or unliquidated, secured or unsecured and whether or not reflected or required to be reflected in a balance sheet in accordance with generally accepted accounting principles;
- (r) "**Loss**" or "**Losses**" means any loss, liability, damage, cost or expense suffered or incurred, including the costs and expenses of any assessment, judgment, settlement or compromise relating thereto;
- (s) "**Mineral Dispositions**" collectively, KL 244 and KL 245, issued by Her Majesty the Queen in Right of Saskatchewan, copies of which mineral dispositions are attached as Schedule "A";
- (t) "**MOP**" means muriate of potash or potassium chloride;
- (u) "**MOP Equivalent**" means MOP plus other Royalty Substances expressed as an equivalent to MOP, taking into account the prevailing prices of MOP and other Royalty Substances at their time of sale;
- (v) "**Notice**" has the meaning assigned to it in Section 16.1;
- (w) "**Overriding Royalty**" means either the Interim Royalty or the Project Royalty, as the context requires;
- (x) "**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or other form of enterprise, or any government or any agency or political subdivision thereof;
- (y) "**Project**" means the first production facility located within the Mineral Dispositions that produces Royalty Substances and designed to have an estimated annual production capacity of approximately 250,000 metric tonnes of MOP, including the development, construction, commissioning and operation of such production facility;
- (z) "**Project Area**" means that portion of the Mineral Dispositions on which the Project is located and which produces Royalty Substances;
- (aa) "**Project Lender**" means any Person or syndicate of Persons that provides financing for the development and construction of the Project, including any expansion thereof, and any fiscal agents, trustees or other nominees acting on such Person's or syndicate's behalf;
- (bb) "**Project Royalty**" has the meaning assigned to it in Section 2.1;

- (cc) "**Project Production Triggering Event**" means the occurrence of:
- (A) both (i) a production facility located entirely within the Mineral Dispositions having produced 250,000 metric tonnes of MOP or MOP Equivalent in one calendar year; and (ii) the Royalty Owner having received US\$4.5 million in Overriding Royalty payments from Gensource pursuant to the terms of this Agreement; or
- (B) the Project having produced 150,000 metric tonnes of Royalty Substances by the first anniversary after Commencement of Production and the Royalty Owner having received a cumulative total of US\$4.5 million from Gensource as the Interim Royalty Termination Payment pursuant to the Agreement by way of cash, or by way of a combination of Overriding Royalty payments pursuant to this Agreement and cash.
- (dd) "**Quarterly Production**" means the total number of metric tonnes of Royalty Substances produced from the Mineral Dispositions or the Project Area, as applicable, during a three month period in which the Overriding Royalty is payable. For greater certainty, the first three month period during which the Overriding Royalty is payable will begin on the date of the commencement of production of Royalty Substances within the Mineral Dispositions;
- (ee) "**Regulations**" means *The Subsurface Mineral Tenure Regulations* Chapter C-50.2 Reg 30 and *The Subsurface Mineral Regulations, 1960*, Sask. Reg. 541/67, in each case as amended or replaced from time to time under *The Crown Minerals Act* of the Province of Saskatchewan;
- (ff) "**Representative**" means, with respect to a party, the party's affiliates and such party's and its affiliates' directors, officers, employees and professional advisors;
- (gg) "**Royalty Report**" has the meaning assigned to it in Section 10.1; and
- (hh) "**Royalty Substances**" means muriate of potash or potassium chloride, or any other products derived through the mining of "subsurface minerals", as defined in the applicable Regulations.

2. Grant of Overriding Royalty

2.1 Subject to Sections 2.2 and 2.3, Gensource hereby grants to the Royalty Owner a royalty at the rate of 1.5% of Gross Revenue on all Royalty Substances produced and sold from the Project within the Project Area (the "**Project Royalty**"); *provided*, however, that until the occurrence of a Project Production Triggering Event, Gensource hereby grants to the Royalty Owner the Interim Royalty.

2.2 The parties acknowledge and agree that the Interim Royalty will terminate and cease immediately upon the occurrence of a Project Production Triggering Event. For greater certainty, the parties acknowledge that while payments of the Interim Royalty are to be credited towards the Interim Royalty Termination Payment, in no event will any amounts be owing to, or set-off by,

Gensource if the calculation of the Interim Royalty Termination Payment at the relevant time is less than US\$0.00.

2.3 The Overriding Royalty payable to the Royalty Owner shall be payable only on production of Royalty Substances from the applicable Mineral Dispositions, and not production from any other properties adjacent to or in the vicinity of the applicable Mineral Dispositions. The Royalty Owner shall not have any right to mine the Mineral Dispositions under the terms of this Agreement. No royalties will be payable to the Royalty Owner in respect of any substance recovered from the Mineral Dispositions, other than the Royalty Substances originally produced from the Mineral Dispositions for which an Overriding Royalty is payable and has not been paid.

2.4 The grant of the Project Royalty is, and shall at all times be, limited to a maximum of 275,000 metric tonnes of MOP or MOP Equivalent in any calendar year. In the event the Project produces more than 275,000 metric tonnes of MOP or MOP Equivalent in any calendar year, the calculation of Gross Revenue shall be prorated to a production rate of 275,000 metric tonnes of MOP or MOP Equivalent and any prior payments of the Overriding Royalty shall be adjusted and the adjustment amount shall be credited or debited, as the case may be, against future payments of the Overriding Royalty.

3. Interest in the Mineral Dispositions

3.1 The parties intend that the Overriding Royalty, to the extent permissible under Applicable Law, constitutes an interest in the Mineral Dispositions and agree that:

- (a) the Overriding Royalty will run with the title to the Mineral Dispositions, and any disposition or transfer of the Mineral Dispositions, or any interest therein, shall be subject to the Overriding Royalty;
- (b) Gensource will deliver a minimum of five Business Days' Notice to the Royalty Owner of any sale or other disposition by Gensource of any interest in the Mineral Dispositions;
- (c) Gensource will, upon request by the Royalty Owner, sign and deliver to the Royalty Owner, and the Royalty Owner may record on the files for the Mineral Dispositions, as maintained by Saskatchewan's Ministry of Energy and Resources (the "**Ministry Files**"), a notice of this Agreement, in a form acceptable to Gensource, that will have the effect of giving notice of the existence of the Overriding Royalty to third Persons;
- (d) if any renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation of a Mineral Disposition is granted to Gensource in respect of any Mineral Dispositions, Gensource agrees to execute and deliver such reasonable document or documents as the Royalty Owner may reasonably request to acknowledge that the Overriding Royalty is applicable to such Mineral Dispositions including, without limitation, any registration or recording document of any nature whatsoever, inclusive of those contemplated in Subsection 3.1(c); and
- (e) upon the occurrence of a Project Production Triggering Event, the Royalty Owner

will, upon request by Gensource, sign and deliver to Gensource, and Gensource may register or otherwise record in the Ministry Files, a notice of the termination of the Interim Royalty (other than with respect to the Mineral Dispositions that remain subject to this Agreement following a Project Production Triggering Event) that will have the effect of giving notice that the Overriding Royalty is only payable with respect to the Project Area.

3.2 The parties hereby agree that, other than in connection with the Concurrent Royalty:

- (a) prior to the occurrence of a Project Production Triggering Event, Gensource shall not without the prior written consent of the Royalty Owner: (i) enter into any agreement or understanding relating to the purchase from Gensource of a royalty in respect of subsurface minerals produced from the Mineral Dispositions; or (ii) provide any Person an option, right, privilege or any other right to purchase a royalty in respect of subsurface minerals produced from the Mineral Dispositions. For certainty, this Section 3.2(a) shall cease to apply upon the occurrence of a Project Production Triggering Event; and
- (b) upon and following the occurrence of a Project Production Triggering Event, Gensource shall not without the prior written consent of the Royalty Owner: (i) enter into any agreement or understanding relating to the purchase from Gensource of a royalty in respect of subsurface minerals produced from the Project Area; or (ii) provide any Person an option, right, privilege or any other right to purchase a royalty in respect of subsurface minerals produced from the Project Area.

4. Term

4.1 The Overriding Royalty shall exist in perpetuity. If any right, power or interest of either party under this Agreement would violate the rule against perpetuities or equivalent rule under Applicable Law, then such right, power or interest shall terminate at the expiration of twenty years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

5. Commencement of Production and Accrual of Payment Obligation

5.1 Gensource shall give written Notice to the Royalty Owner within 15 Business Days of the date of the commencement of production of Royalty Substances within the Mineral Dispositions.

5.2 Gensource shall give written Notice to the Royalty Owner within 15 Business Days of the date upon which the Commencement of Production occurs.

5.3 Gensource shall give written Notice to the Royalty Owner promptly upon the occurrence of a Project Production Triggering Event.

5.4 Following the first receipt by Gensource or its affiliates of a payment for the sale of Royalty Substances, Gensource shall calculate and pay the Overriding Royalty for each three month period in accordance with the provisions of Sections 5, 6 and 7.

5.5 Where the sale of Royalty Substances is made on a provisional basis, the amount of the Overriding Royalty payable will be based upon the amount of Royalty Substances credited by such provisional settlement, but will be adjusted to account for the amount of Royalty Substances established by final settlement by the applicable purchaser.

6. Payment of Overriding Royalty and Statements

6.1 Gensource will remit to the Royalty Owner all payments accruing to the Royalty Owner on account of the Overriding Royalty, quarterly upon the conclusion of the applicable three month period and by wire transfer of immediately available funds to the Royalty Owner, on or before the twentieth day following the end of each three month period in which the Overriding Royalty is payable.

6.2 All payments on account of the Overriding Royalty shall be made without deduction or set off for costs of production, milling, smelting, processing, transportation, taxes and withholdings or other expenses whatsoever, except as expressly provided in this Agreement.

7. Audit and Adjustments

7.1 All Overriding Royalty payments will be considered final and in full satisfaction of all obligations of Gensource unless the Royalty Owner gives Gensource written Notice describing and setting forth an objection to the determination or calculation of the Overriding Royalty within eighteen (18) months after receipt by the Royalty Owner of the Royalty Report referred to in Section 10.1 that relates to the applicable Overriding Royalty payment. If the Royalty Owner objects to a particular Royalty Report, then the Royalty Owner shall have the right, for a period of ninety days after Gensource receives Notice of such objection, upon reasonable Notice and at all reasonable times, to have the Books and Records relating to the calculation of the Overriding Royalty in question audited by an independent firm of certified public accountants or chartered accountants selected by the Royalty Owner; provided, however, that the Royalty Owner shall not be permitted to conduct more than one audit of Gensource in any single fiscal year, but a single audit may cover multiple quarterly payments of the Overriding Royalty within such fiscal year. If such audit determines that there has been a deficiency or an excess in the payment made to the Royalty Owner, such deficiency or excess will be resolved by adjusting the next Overriding Royalty payment. The Royalty Owner will pay all costs of such audit unless a deficiency of 5% or more of the amount due to the Royalty Owner is determined to exist. Gensource will pay the costs of such audit if a deficiency of 5% or more of the amount due to the Royalty Owner is determined to exist. Failure on the part of the Royalty Owner to make claim on Gensource for adjustment in such 18-month period will establish the correctness of the Overriding Royalty payment and preclude the filing of exceptions thereto or making of claims for adjustment thereon; provided however that if fraud or gross negligence is determined by an independent firm of certified public accountants or chartered accountants to exist in respect of any Overriding Royalty payment, then no time limit shall preclude audits and adjustments on past Overriding Royalty payments.

8. Conduct of Operations

8.1 Until the occurrence of a Project Production Triggering Event, Gensource will have the

right to commingle Royalty Substances produced from the Mineral Dispositions with Royalty Substances produced from other lands, provided reasonable methods are used to determine the proper measurement of production of Royalty Substances from the Mineral Dispositions.

8.2 Nothing contained in this Agreement will be deemed or implied covenant by Gensource to develop any Mineral Dispositions, or to prevent Gensource from unitizing or pooling any Mineral Dispositions.

9. Books and Records; Confidentiality

9.1 Gensource will keep true and current Books and Records showing the quantity of Royalty Substances produced from the Mineral Dispositions and the sales and disposition made thereof from time to time to enable the Overriding Royalty to be calculated in accordance with this Agreement.

9.2 The Royalty Owner will have the right to audit the Books and Records, with access to Gensource's relevant personnel, insofar as they relate to any matter or items required to determine the accuracy of any statements or payments with respect to the Overriding Royalty. The Books and Records, and Gensource's relevant personnel, will be available for inspection at all reasonable times during business hours by an officer, agent, employee or other Person appointed or authorized by the Royalty Owner, in writing, to examine the same. The Royalty Owner shall have the right to make copies of the same for its records.

9.3 A party receiving Confidential Information (the "**Receiving Party**") shall not directly or indirectly, at any time, without the prior written consent of the party disclosing such Confidential Information (the "**Disclosing Party**"), use or, directly or indirectly, disclose to any Person the Confidential Information or any part thereof for any use other than to its Representatives who have a legitimate need to know for the purpose of performing the Receiving Party's obligations under this Agreement or providing advice or other professional services to the Receiving Party provided that such Representatives are made aware of the confidentiality provisions of this Agreement and there is a reasonable non-disclosure agreement or professional obligation of confidentiality in place with each such Representative. The Receiving Party shall use reasonable efforts, but not less than those efforts it uses to protect its own information of a similar nature, to avoid disclosure, dissemination, or unauthorized use of the Confidential Information of the Receiving Party.

9.4 Each Receiving Party acknowledges and agrees that the Disclosing Party's Confidential Information is the property of the Disclosing Party and that it is a commercial asset of essential value to the Disclosing Party.

9.5 Both parties will maintain, as confidential, the terms of this Agreement except that such confidentiality obligation shall not apply:

- (a) to prevent a party from disclosing the terms of this Agreement to its respective Representatives, provided that such Representatives are made aware of the confidentiality provisions of this Agreement and there is a reasonable non-disclosure agreement or professional obligation of confidentiality in place with each such Representative;

- (b) to prevent a party or their respective Representatives from disclosing the terms of this Agreement to any technical, financial or other professional consultants or advisors of such Person which require such information to provide their services to the party, or to a bank or other financial institution, including any Project Lender or prospective Project Lender, from which the party obtains or is attempting to obtain financing;
- (c) to prevent a party or their respective Representatives from disclosing the terms of this Agreement as required by Applicable Law, provided that such party or their respective Representatives, as the case may be, shall invoke any confidentiality protection permitted by such Applicable Law;
- (d) to prevent a party or their respective Representatives from disclosing the terms of this Agreement as is necessary in connection with any litigation commenced in respect of this Agreement; or
- (e) as otherwise provided for in this Agreement.

9.6 The Receiving Party shall: (i) cause each of its Representatives and any other Person where any of same are given access to, receive disclosure of, or otherwise acquire, any Confidential Information of the Disclosing Party, to maintain such Confidential Information in strictest confidence; (ii) not permit any of its Representatives or any other Person to use any such Confidential Information except to the extent expressly provided in this Agreement; and (iii) ensure that all of its Representatives that acquire any such Confidential Information and any other Persons (where any of same have acquired any Confidential Information) at all times comply with the terms of this Agreement.

9.7 The Receiving Party shall, and shall cause each of its Representatives and any other Person to whom they have disclosed or otherwise made available any Confidential Information of the Disclosing Party to: (i) immediately notify the Disclosing Party of any disclosure, misuse or misappropriation of any such Confidential Information that the Receiving Party or any such Representatives or Persons becomes aware of; and (ii) provide reasonable cooperation to the Disclosing Party in taking such measures that are reasonably necessary to retrieve, preserve and protect the such Confidential Information and the commercial and strategic value of that Confidential Information to the Disclosing Party.

9.8 The obligations in Sections 9.3, 9.4 and 9.5 do not apply to a Receiving Party to the extent that:

- (a) the Disclosing Party has first agreed in writing to the particular use or disclosure; or
- (b) subject to compliance with Section 9.9, the Receiving Party is required by Applicable Law or any government agency or regulatory body (including any relevant stock exchange) having proper authority to disclose any Confidential Information.

9.9 In the event that the Receiving Party becomes legally compelled to disclose any of the

Disclosing Party's Confidential Information, the Receiving Party will, if not legally barred from doing so, provide the Disclosing Party with notice of such as soon as reasonably practicable so that the Disclosing Party may: (i) seek, at the Disclosing Party's expense, an appropriate protective order, if available, or (ii) waive compliance, in whole or part, with the terms of this Agreement. In the event that a protective order or other remedy is not obtained, or that the Disclosing Party waives compliance with the provisions of this Agreement, the Receiving Party will use reasonable efforts to ensure that any such disclosure shall be only that portion of the Confidential Information that is legally required to be disclosed, and the Receiving Party will, at the Disclosing Party's expense, exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

9.10 On termination of this Agreement, a Receiving Party shall return to the Disclosing Party any Confidential Information received by the Receiving Party which are in its possession, power or control, whether in digital, hard copy or other form (and all copies and reproductions thereof) and the Receiving Party shall provide the Disclosing Party with written certification of the return of all such Confidential Information; provided, however, that each party hereby acknowledges and agrees that a Receiving Party's computer and digital devices may automatically retain back-up copies of Confidential Information disclosed to the Receiving Party under this Agreement and, accordingly, to the extent that any such computer's or device's back-up procedures create copies of the Confidential Information the Receiving Party may retain such copies in such archival or back-up storage, and such copies shall remain subject to this Agreement until they are destroyed or erased. Furthermore, and notwithstanding the foregoing, the Receiving Party shall be entitled to retain such copies of Confidential Information as the Receiving Party is required by Applicable Law to retain and all such retained Confidential Information shall remain subject to this Agreement until destroyed or erased.

9.11 The Royalty Owner and Gensource agree that no public announcement or communication relating to this Agreement or the terms of this Agreement may be made or authorized by the Royalty Owner or Gensource, except such disclosure that may be required by applicable securities legislation, regulation or policy, unless the parties have previously mutually agreed in writing to the disclosure of the information to be so disclosed.

9.12 Without prejudice to any other rights or remedies which a party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any actual or threatened breach by a party of this Section 9, and each party shall in addition to any rights or remedies under this Agreement be entitled to seek the remedies of injunction, specific performance, and other equitable relief for any threatened or actual breach of any such provision by the other party or its Representatives and no proof of special damages shall be necessary for the enforcement by a party of its rights under this Section 9.

10. Royalty Report

10.1 At the same time as paying each Overriding Royalty payment under Section 6, Gensource must provide to the Royalty Owner a report setting out in reasonable detail the following

information ("**Royalty Report**") with respect to the Mineral Dispositions or the Project Area, as applicable:

- (a) the quantity and type of all Royalty Substances that have been sold during that three month period;
- (b) the Overriding Royalty for that three month period and details of the Gross Revenue and Average Quarterly Netback Price underlying the calculation of the Overriding Royalty;
- (c) the cumulative total of Overriding Royalty payments paid to the Royalty Owner under this Agreement (including the payment under Subsection (b) of this Section); and
- (d) other pertinent information in sufficient detail to explain the calculation of the Overriding Royalty payment.

11. Annual Reports

11.1 Prior to the Commencement of Production, Gensource shall provide to the Royalty Owner an annual report on or before 90 days after the last day of each fiscal year of Gensource, outlining the following:

- (a) the work carried out by or on behalf of Gensource to facilitate exploration and development activities on the Mineral Dispositions, further develop and finance the Project, and for general working capital purposes;
- (b) an update of Gensource's proposed exploration and development activities on the Mineral Dispositions during the next year;
- (c) an update of the mine operating and development plan and budget which includes updated mineral resources and mineral reserves and forecasted production;
- (d) prices used by Gensource or its affiliates for short term and long term planning purposes with respect to the Mineral Dispositions or a planned Project, as applicable; and
- (e) a copy of the annual audited financial statements of Gensource for the most recently completed fiscal year.

11.2 From the commencement of the payment of the Overriding Royalty, Gensource shall provide to the Royalty Owner an annual report on or before 60 days after the last day of each fiscal year of Gensource, setting out in reasonable detail the information required to substantiate the Overriding Royalty payments which became payable under this Agreement in respect of such fiscal year, including the following:

- (a) amount of Royalty Substances produced from the Mineral Dispositions and/or Project Area, as applicable; and

- (b) the aggregate quantities of Royalty Substances sold to purchasers, and the Average Quarterly Netback Price received by Gensource.

A copy of the annual audited financial statements of Gensource for the most recently completed fiscal year shall be delivered by Gensource concurrently with each such annual report.

12. Title Maintenance and Taxes

12.1 Subject to Section 13, Gensource shall:

- (a) not do or permit to be done, anything that may forfeit its interest in the Mineral Dispositions; including without limitation, paying when due all applicable taxes, duties or other payments on or with respect to the Mineral Dispositions owing by Gensource and doing all things and making any payments required to by Applicable Law to be done or made by Gensource or appropriate to maintain the right, title and interest of Gensource in the Mineral Dispositions; and
- (b) perform all required assessment work on the Mineral Disposition as are necessary to maintain the Mineral Dispositions in "active" status with Saskatchewan's Ministry of Energy and Resources.

13. Abandonment

13.1 If Gensource intends to allow to lapse, abandon or surrender the Mineral Dispositions in part or in their entirety (the "**Abandonment Mineral Dispositions**"), Gensource shall give Notice of such intention to the Royalty Owner at least 180 days in advance of the applicable date of expiration or the proposed date of abandonment or surrender (one or the other, an "**Abandonment Date**") along with details of the Abandonment Date and details of any Encumbrance on the Abandonment Mineral Dispositions created by, through or under Gensource. Within 20 days of receipt of such Notice, the Royalty Owner may deliver Notice to Gensource that the Royalty Owner desires Gensource to convey the Abandonment Mineral Dispositions to the Royalty Owner at least 30 days prior to the Abandonment Date and, if the Royalty Owner desires to have the Abandonment Mineral Dispositions conveyed to it, then Gensource shall, to the extent permitted by the Regulations and the applicable Governmental Body, convey the Abandonment Mineral Dispositions to the Royalty Owner, which will be on an "as is" basis in consideration for the sum of US\$1.00 and Gensource shall have no further obligations in respect of the Abandonment Mineral Dispositions under this Agreement. The Royalty Owner, with commercially reasonable cooperation from Gensource, shall use the Royalty Owner's own efforts to obtain all approvals and consents required by any third Person or Governmental Body to effect this transfer.

13.2 If the Royalty Owner does not request conveyance of the Abandonment Mineral Dispositions within 20 days of receipt of the Notice from Gensource then, subject to Section 13.3, the Royalty Owner's right to have such Mineral Dispositions conveyed will be terminated and Gensource may abandon the Abandonment Mineral Dispositions and shall thereafter have no further obligations in respect of the Abandonment Mineral Dispositions under this Agreement.

13.3 For greater certainty, if, for any reason, the Abandonment Mineral Dispositions are not abandoned, surrendered or transferred to the Royalty Owner in accordance with this Section 13.3,

then the Overriding Royalty shall continue to be payable on such Abandonment Mineral Dispositions and Gensource will not allow the Abandonment Mineral Dispositions to lapse or proceed with any abandonment or surrender of such Abandonment Mineral Dispositions without again complying with the provisions of this Section 13.3 and so on from time to time.

14. Representations and Warranties

14.1 Gensource represents and warrants to and in favor of the Royalty Owner that: (i) Gensource has the corporate authority to execute, deliver and perform this Agreement; (ii) the execution, delivery and performance of this Agreement by Gensource has been duly authorized by all corporate authority; and (iii) this Agreement represents a valid and binding obligation of Gensource.

14.2 The Royalty Owner represents and warrants to and in favor of Gensource that: (i) the Royalty Owner has the corporate authority to execute, deliver and perform this Agreement; (ii) the execution, delivery and performance of this Agreement by the Royalty Owner has been duly authorized by all corporate authority; and (iii) this Agreement represents a valid and binding obligation of the Royalty Owner.

15. Assignment

15.1 The Royalty Owner may assign this Agreement in whole or in part provided that such assignment will not be effective against Gensource until the Royalty Owner has delivered to Gensource Notice of the assignment.

15.2 Gensource shall not assign this Agreement or any rights and obligations under this Agreement without the written consent of the Royalty Owner (such consent not to be unreasonably withheld) except to an affiliate of Gensource or in connection with a transfer contemplated by Section 15.3, provided that such affiliate or other transferee agrees in writing to assume the obligations of Gensource hereunder and to be bound by the provisions of this Agreement in all respects and to the same extent as Gensource is bound. If the assignment is to an affiliate of Gensource (other than a Designated Project Entity), Gensource shall continue to be bound by all of the obligations as if such assignment had not occurred and perform such obligations to the extent that such affiliate fails to do so. Gensource shall not be bound by the provisions of this Agreement in connection with the assignment of this Agreement to a Designated Project Entity following the transfer of all or part of a Mineral Disposition, provided Gensource complies with Section 15.3.

15.3 Gensource shall not transfer, sell, lease, assign or otherwise dispose of all or any of its rights and interest in and to the Mineral Dispositions to which the Overriding Royalty is subject unless: (a) Gensource delivers to the Royalty Owner Notice of the sale, lease, assignment or other disposition of any of its rights and interest in and to the Mineral Dispositions or any portion thereof; and (b) the transferee, purchaser, lessee or assignee, agrees in writing to assume the obligations of Gensource hereunder and be bound by the terms of this Agreement (to the extent of the interest that is transferred, sold, leased or assigned). Notwithstanding any other provision in this Agreement, including the provisions of this Section 15.3, Gensource shall remain liable for all covenants, agreements and obligations of Gensource contained in this Agreement, despite any transfer, sale, lease or assignment of any interest in the Mineral Dispositions by Gensource (or an

affiliate of Gensource), until such time as any transferee, purchaser, lessee or assignee assumes such covenants, agreements and obligations in writing.

15.4 Notwithstanding the restrictions in Sections 15.2 and 15.3, the Royalty Owner agrees that Gensource may assign this Agreement to a Designated Project Entity upon the sale, conveyance, transfer or lease of all or a portion of a Mineral Disposition to such Designated Project Entity, provided such Designated Project Entity agrees in writing to assume the obligations of Gensource hereunder and be bound by the terms of this Agreement (to the extent of the interest that is transferred, sold, leased or assigned). For greater certainty, upon such assignment the Designated Project Entity shall be deemed to be "Gensource" for all purposes of this Agreement as if the assignee had been an original party hereto in the place and stead of Gensource.

16. Notices

16.1 Any notice, demand, request, consent, approval or other communication (a "**Notice**") which is required or permitted by this Agreement to be given or made by a party must be in writing and:

- (a) delivered personally or by courier; or
- (b) sent by prepaid registered mail; and
- (c) transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

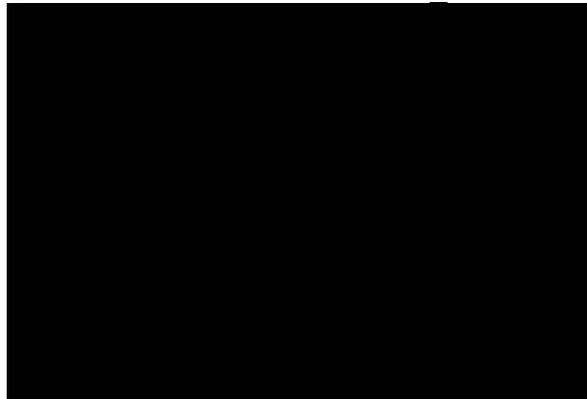
16.2 The address for service of Notices will be as follows:

to Gensource at:

1100 – 201 1st Ave. S.
Saskatoon, SK. S7K 1J5
Attention: Chief Financial Officer
E-mail: info@gensource.ca

to the Royalty Owner at:

Confidential Royalty Owner
Information



or at any other address as the relevant party may advise the other by Notice.

16.3 Any Notice delivered to the party to whom it is addressed shall be deemed to have been given or made and received on the day it is delivered at that party's address, provided that if that day is not a Business Day then the Notice shall be deemed to have been given or made and received on the next Business Day. Any Notice sent by prepaid registered mail shall be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Notice must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any Notice transmitted by e-mail or other functionally equivalent electronic means of transmission shall be deemed to have been given or made and received on the day on which it is transmitted provided that, if the Notice is transmitted on a day which is not a Business Day or after 5 p.m. (local time of the receiving party), the Notice shall be deemed to have been given or made and received on the next Business Day.

17. Further Assurances

17.1 The parties will, without further consideration, do any further acts and deliver all further assurances, deeds and documents as will reasonably be required in order to fully perform and carry out the terms of this Agreement.

18. No Partnership

18.1 This Agreement is not intended to, and will not be deemed to, create any partnership relation among the parties, including, without limitation, a joint venture, joint operation, mining partnership, or commercial partnership. Gensource shall indemnify and save harmless the Royalty Owner from and against all Losses directly or indirectly suffered by it resulting from any Liabilities caused, directly or indirectly, by Gensource as a result of or arising out of the conduct of its activities on or in respect of the Mineral Dispositions.

19. Tax Laws

19.1 Following the execution and delivery of this Agreement, each of the parties will co-operate reasonably with the other party in implementing any reasonable proposed adjustments to the structure of this Agreement to facilitate tax planning, provided that such adjustments have no material adverse impact on the non-proposing party, and that such adjustments shall not or would not be reasonably likely to result in the non-proposing party incurring any significant costs or liabilities.

20. Entire Agreement

20.1 The terms of this Agreement constitute the entire agreement between the parties, and no implied covenant or liability of any kind is created or will arise by reason hereof or anything contained herein. This Agreement supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Agreement may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

21. No Amendment Except in Writing

21.1 No amendment or variation of the terms of this Agreement will be binding on any party unless it is evidenced in writing executed by the parties.

22. Time of the Essence

22.1 Time will be of the essence.

23. Enurement

23.1 This Agreement will enure to the benefit of and will be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

24. Severability

24.1 If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the remainder of this Agreement will continue as amended.

25. Headings

25.1 The headings contained in this Agreement are intended for convenience of reference only and will form no part of this Agreement.

26. Governing Law

26.1 This Agreement will be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Saskatchewan for the determination of all matters arising under this Agreement.

[Remainder of page intentionally left blank]

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

GENSOURCE POTASH CORPORATION



Confidential Royalty Owner
Information

Per: *Signed by Gensource Potash Corporation*
Authorized Signatory

Per: *Signed by the Royalty Owner*
Authorized Signatory

SCHEDULE "A"
MINERAL DISPOSITIONS



Government
of
Saskatchewan

SUBSURFACE MINERAL LEASE

Lease No. KL 245

Converted from: KP 483

THIS LEASE made as of this 30 day of AUGUST, 2016

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN,
represented herein by the Minister of Energy and Resources, hereinafter
called the "Minister"

AND

YANCOAL CANADA RESOURCES CO., LTD.
hereinafter called the "Lessee".

IN CONSIDERATION of the mutual covenants herein contained, the parties hereto agree as follows:

THAT, subject to *The Crown Minerals Act* as that Act may be amended, revised or substituted from time to time (hereinafter referred to as the "Act") and subject to any applicable regulations made or continued under the Act (hereinafter referred to as the "Regulations"), as those regulations or any of them may be amended, revised or substituted from time to time, and the covenants, terms and conditions hereinafter set forth, the Minister hereby grants, demises and leases to the Lessee for the term stated in this lease, the subsurface minerals within the meaning of *The Subsurface Mineral Tenure Regulations*, under the lands described in Schedule "A" hereto, insofar as the Minister has the right to grant, demise and lease the same, excepting and reserving the royalties payable pursuant to the Regulations, with full and exclusive power and right, to the Lessee, subject to any applicable laws in force in the Province of Saskatchewan, to explore for, mine, work, recover, procure, remove, carry away and dispose of the said subsurface minerals. The Minister and the Lessee further agree as follows:

1. The term of this lease shall be for a period of twenty-one years from 04/05/16, renewable in accordance with the Regulations.
2. (1) The Lessee shall make or cause to be made all payments and returns in the manner and at the time required by the Regulations or any other applicable laws.

(2) For the purposes of subclause (1), "payments" includes, without restricting the generality of the word, rentals, royalties, fees, rates, taxes and assessments that may be charged or be payable in respect of the subsurface minerals included in this lease or in respect of the operations of the Lessee under this lease.

(3) Nothing in subclause (1) prejudices the exercise of any right the Lessee may have to appeal or contest any rates, taxes or assessments as provided by law.
3. The Lessee agrees to keep harmless and indemnify the Government of Saskatchewan, its Ministers, officials, agents or employees, past, present and future, from and against all

Certified True copy:

Melissa Rae Lagan Oct 7, 19

actions, suits, claims and demands arising out of or in connection with the operations carried on by the Lessee, its employees, agents, licensees and contractors, deriving from this lease.

4. The Lessee shall carry on all operations under this lease in a skillful and proper manner and in compliance with acceptable practices in the mining industry and shall take all reasonable and necessary steps to prevent injury and damage to life or property.
5. The Lessee shall comply with all laws and orders in force in Saskatchewan from time to time applicable to its operations under this lease and in particular, without restricting the generality of the foregoing, shall comply with the Act and the Regulations, *The Oil and Gas Conservation Act* and regulations thereunder, *The Mineral Resources Act, 1985* and regulations thereunder, and with all legislation, regulations and orders in force in the Province of Saskatchewan applicable to its operations under this lease relating to occupational health and safety, environmental and public protection and safety, resource conservation, management and development, and surface rights.
6. No waiver by or on behalf of the Minister of a breach on the part of the Lessee of any covenant, obligation, condition, restriction or stipulation contained in this lease shall take effect and be binding on the Minister unless it is in writing and such a waiver shall extend only to the particular breach waived and shall not limit or restrict the rights of the Minister with respect to any other breach.
7. (1) On the termination of this lease by cancellation, surrender, or expiration, the Lessee shall comply with all directions or orders of the Minister or any other official of the Province of Saskatchewan respecting the preservation, clean up, and restoration of the leased area and facilities in the leased area with respect to operations conducted by or on behalf of the Lessee.

(2) In the event that the Lessee fails to comply with any direction or order referred to in subclause (1), the Minister may take whatever action he deems necessary, including, without limiting the generality of the foregoing, taking possession of or disposing of any property remaining in the subsurface mineral lease area. Upon such taking of possession or disposition, the Lessee shall be deemed to have forfeited any right, title, or interest it may have had in, or to, such property and any right to claim consideration or compensation therefor, and such property shall thereupon become the property of Her Majesty the Queen in Right of Saskatchewan.

(3) Unless otherwise ordered by the Minister to be removed pursuant to subclause (1), upon such termination, any installations in the subsurface mineral lease area necessary for the preservation of the mine or other development work such as underground timbering, supports, shaft linings, well casings, ventilation equipment and hoisting installations shall be left intact and undisturbed by the Lessee and any right, title, or interest which the Lessee may have had in such installations or development work shall be deemed to have been forfeited to and become the property of Her Majesty the Queen in Right of Saskatchewan, and the Lessee shall not be entitled to consideration or compensation for them.

(4) Any costs incurred by the Minister as a result of the Lessee's failure to comply with any direction or order mentioned in subclause (1), which failure shall be communicated to the Lessee, shall be a debt due by the Lessee to the Minister and may be recovered by the Minister as provided for by law.

(5) The rights and remedies mentioned in this clause shall be in addition to any other rights and remedies which the Minister may have pursuant to this lease or by law.
8. Any right of action of the Minister against the Lessee in respect of any default of the Lessee in complying with the terms and conditions of this lease shall not be prejudiced by the termination of this lease by cancellation, surrender or expiration of term, and the Minister shall have the same remedies for the recovery of royalties, payments, or damages due or accruing due at the time of termination as if this lease remained in full force and effect.

Certified True copy:

Melissa Rae Logan Oct 7, 19

9. This lease shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the applicable laws of Canada.
10. Time shall be of the essence of this lease and of every part of it and no extension or variation of this agreement shall operate as a waiver of this provision unless specifically stated, in writing, to so operate.
11. The Lessee acknowledges and agrees that its rights, interests, duties and obligations under this lease shall be and shall be deemed to be amended or varied, in whole or in part, in accordance with any amendments to or substitutions of, the provisions of the Act and the Regulations including, without limiting the generality of the foregoing, amendments or substitutions made to the Act or the Regulations after the execution or issuance of this lease or any renewal or substitution thereof.
12. In the event of any conflict between the provisions of this lease and the provisions of the Act or the Regulations, the provisions of the Act or the Regulations shall govern.
13. Any notice to the Lessee under this lease shall be sufficiently served if sent to the address for service or email address for service for the Lessee submitted to the Minister in accordance with the Regulations.
14. Any notice to the Minister under this lease shall be sufficiently served if delivered to the address for service or email address for service for the Director, Tenure Services of the Ministry of the Economy as published on the Saskatchewan Government Directory available on the Government of Saskatchewan's website at the time of sending the notice.
15. The parties agree that this lease and everything contained herein shall enure to the benefit of and be binding upon their respective successors and permitted assigns.

IN WITNESS WHEREOF this lease has been executed by a designated officer on behalf of the Minister and the Lessee has caused its corporate seal to be affixed hereto, attested by its proper officers in that behalf as of the date first above written.

[This space intentionally left blank. Signature page to follow.]

Certified True copy:

Melissa Mae Logan Oct 7, 19³

SIGNED, SEALED AND DELIVERED by

HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN
as represented by the Minister of Energy and Resources



Carl Anderson

(Signature)

Carl Anderson
(Name in full)

Acting Director, Tenure Services
(Title)

YANCOAL CANADA RESOURCES CO., LTD.

(Witness Signature)



Jiguo HAN

(Signature)

Jiguo HAN

(Name in full - print)

president

(Title)

[If not sealed, please use "Witness Signature" and following "Affidavit of Execution" page.]

Certified True copy:

Melissa Kae Logan Oct 7, 19

AFFIDAVIT OF EXECUTION
(To be completed by witness)

I, _____ of the
(Name)
_____, of _____ in the
(Hamlet, Village, Town, City) (Name of the Hamlet, Town, City)
Province of _____,
(Occupation)

MAKE OATH AND SAY:

1. That I was personally present and did see the within instrument duly signed and executed by _____ one of the parties thereto.
(Transferor Name)

2. That the said instrument was executed in the _____ of _____ in the Province of _____ and that I am subscribing witness thereto.
(Name of the Hamlet, Village, Town, City)

Commissioner for Oaths/Notary Public

SWORN before me at the _____)
of _____ in the Province of _____)
_____ this _____)
_____ day of _____)
A.D., _____.

Witness signature as shown on previous page

Signature of Commissioner for Oaths/Notary Public

A _____ in and for
the Province of _____.
My appointment expires _____.

Certified True copy:
Melissa Rae Lazar Oct 7, 19

SCHEDULE "A"

KL 245

Between
HER MAJESTY, THE QUEEN
 and
Yancoal Canada Resources Co., Ltd. 100%

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances	South	West Int
14	NE	105447551, CL	21	01	3	64.604	0.000	0.000	0.000
14	NW	105447562, CL	21	01	3	64.642	0.000	0.000	0.000
14	SE	105447573, CL	21	01	3	64.623	0.000	0.000	0.000
14	SW	105447584, CL	21	01	3	64.709	0.000	0.000	0.000
15	NE	An undivided one-half interest in Mineral Parcel Number 105663337,	21	01	3	32.332	0.000	0.000	0.000
15	NW	An undivided one-half interest in Mineral Parcel Number 105663359,	21	01	3	32.326	0.000	0.000	0.000
15	SE	An undivided one-half interest in Mineral Parcel Number 105663348,	21	01	3	32.365	0.000	0.000	0.000
15	SW	An undivided one-half interest in Mineral Parcel Number 105663360,	21	01	3	32.328	0.000	0.000	0.000
16	NE	105662943, CL	21	01	3	64.796	0.000	0.000	0.000
16	NW	105662954, CL	21	01	3	64.818	0.000	0.000	0.000
16	SE	105447595, CL	21	01	3	64.788	0.000	0.000	0.000
16	SW	105447607, CL	21	01	3	64.842	0.000	0.000	0.000
17	NE	164483185, CL	21	01	3	64.660	0.000	0.000	0.000
17	NW	164483196, CL	21	01	3	0.809	0.000	0.000	0.000
17	NW	164483208, CL	21	01	3	63.258	0.000	0.000	0.000
17	SE	164475197, CL	21	01	3	4.407	0.000	0.000	0.000
17	SE	164475209, CL	21	01	3	58.695	0.000	0.000	0.000
17	SW	164475625, CL	21	01	3	15.194	0.000	0.000	0.000
17	SW	164475333, CL	21	01	3	46.876	0.000	0.000	0.000
18	NE	105446909, CL	21	01	3	64.782	0.000	0.000	0.000
18	NW	105446910, CL	21	01	3	64.924	0.000	0.000	0.000
18	SE	105449766, CL	21	01	3	64.774	0.000	0.000	0.000
18	SW	105449777, CL	21	01	3	64.852	0.000	0.000	0.000
20	NE	105447652, CL	21	01	3	64.590	0.000	0.000	0.000
20	NW	163573702, CL	21	01	3	64.566	0.000	0.000	0.000
20	SE	105447663, CL	21	01	3	64.668	0.000	0.000	0.000
20	SW	161844150, CL	21	01	3	64.716	0.000	0.000	0.000
22	NE	105447674, CL	21	01	3	64.700	0.000	0.000	0.000
22	NW	105447685, CL	21	01	3	64.741	0.000	0.000	0.000
22	SE	163573713, CL	21	01	3	64.676	0.000	0.000	0.000
22	SW	105447696, CL	21	01	3	64.716	0.000	0.000	0.000
23	NE	An undivided three-eighths interest in Mineral Parcel Number 105663056,	21	01	3	24.528	0.000	0.000	0.000
23	NW	An undivided three-eighths interest in Mineral Parcel Number 105663067,	21	01	3	24.576	0.000	0.000	0.000
24	NE	105447708, CL	21	01	3	64.754	0.000	0.000	0.000
24	NW	105447719, CL	21	01	3	64.822	0.000	0.000	0.000
24	SE	105447720, CL	21	01	3	64.769	0.000	0.000	0.000
24	SW	105447731, CL	21	01	3	64.772	0.000	0.000	0.000
26	NE	105447764, CL	21	01	3	64.707	0.000	0.000	0.000

Certified True copy:
Helussakhae Lagan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Int
26	NW	105447775, CL	21	01	3	64.644	0.000	0.000	0.000
26	SE	105447786, CL	21	01	3	64.598	0.000	0.000	0.000
26	SW	105447797, CL	21	01	3	64.665	0.000	0.000	0.000
28	NE	105447809, CL	21	01	3	64.742	0.000	0.000	0.000
28	NW	105447821, CL	21	01	3	64.664	0.000	0.000	0.000
28	SE	105447810, CL	21	01	3	64.771	0.000	0.000	0.000
28	SW	105447832, CL	21	01	3	64.638	0.000	0.000	0.000
29	NE	105447843, CL	21	01	3	64.579	0.000	0.000	0.000
29	NW	105663371, CL	21	01	3	64.608	0.000	0.000	0.000
29	SE	105447854, CL	21	01	3	64.539	0.000	0.000	0.000
29	SW	105447865, CL	21	01	3	64.496	0.000	0.000	0.000
30	NE	105447876, CL	21	01	3	64.716	0.000	0.000	0.000
30	NW	105447887, CL	21	01	3	64.828	0.000	0.000	0.000
30	SE	105447900, CL	21	01	3	64.500	0.000	0.000	0.000
30	SW	105447898, CL	21	01	3	64.631	0.000	0.000	0.000
31	NE	105447922, CL	21	01	3	64.587	0.000	0.000	0.000
31	NW	An undivided one-half interest in Mineral Parcel Number 105663168,	21	01	3	32.292	0.000	0.000	0.000
31	SE	105447911, CL	21	01	3	64.697	0.000	0.000	0.000
31	SW	An undivided one-half interest in Mineral Parcel Number 164537466,	21	01	3	0.207	0.000	0.000	0.000
31	SW	An undivided one-half interest in Mineral Parcel Number 164537499,	21	01	3	32.164	0.000	0.000	0.000
32	NE	105447933, CL	21	01	3	64.653	0.000	0.000	0.000
32	NW	105447944, CL	21	01	3	64.589	0.000	0.000	0.000
32	SE	105447955, CL	21	01	3	64.674	0.000	0.000	0.000
32	SW	105447966, CL	21	01	3	64.623	0.000	0.000	0.000
33	NW	105447977, CL	21	01	3	64.924	0.000	0.000	0.000
34	NE	105447988, CL	21	01	3	64.657	0.000	0.000	0.000
34	NW	105447999, CL	21	01	3	64.811	0.000	0.000	0.000
34	SE	105448002, CL	21	01	3	64.622	0.000	0.000	0.000
34	SW	105448013, CL	21	01	3	64.581	0.000	0.000	0.000
35	NW	An undivided one-half interest in Mineral Parcel Number 105663382,	21	01	3	32.334	0.000	0.000	0.000
36	NE	105663214, CL	21	01	3	64.680	0.000	0.000	0.000
36	NW	105448057, CL	21	01	3	64.783	0.000	0.000	0.000
36	SE	105447742, CL	21	01	3	64.748	0.000	0.000	0.000
36	SW	105448068, CL	21	01	3	64.788	0.000	0.000	0.000
Sub Totals =						4,087.738	0.000	0.000	0.000
14	NE	104860627, CL	21	02	3	64.677	0.000	0.000	0.000
14	NW	104860638, CL	21	02	3	64.627	0.000	0.000	0.000
14	SE	104860649, CL	21	02	3	64.688	0.000	0.000	0.000
14	SW	104860650, CL	21	02	3	64.661	0.000	0.000	0.000
15	NE	An undivided four-fifths interest in Mineral Parcel Number 104860694,	21	02	3	51.687	0.000	0.000	0.000
15	NW	104860706, CL	21	02	3	64.517	0.000	0.000	0.000
15	SW	104860717, CL	21	02	3	64.542	0.000	0.000	0.000
16	NE	104860728, CL	21	02	3	64.478	0.000	0.000	0.000
16	NW	104743054, CL	21	02	3	64.587	0.000	0.000	0.000
16	SE	104860739, CL	21	02	3	64.353	0.000	0.000	0.000
16	SW	104860740, CL	21	02	3	64.271	0.000	0.000	0.000
17	NW	An undivided one-half interest in Mineral Parcel Number 105038085,	21	02	3	32.300	0.000	0.000	0.000

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Melissa Mae Logan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	South	West	Road Allowances Int
18	NE	104860762, CL	21	02	3	64.610	0.000	0.000	0.000
18	NW	104860773, CL	21	02	3	64.589	0.000	0.000	0.000
18	SE	104860784, CL	21	02	3	64.571	0.000	0.000	0.000
18	SW	104860795, CL	21	02	3	64.493	0.000	0.000	0.000
20	NE	104860841, CL	21	02	3	64.517	0.000	0.000	0.000
20	NW	104860852, CL	21	02	3	64.759	0.000	0.000	0.000
20	SE	104860863, CL	21	02	3	64.628	0.000	0.000	0.000
20	SW	104860874, CL	21	02	3	64.690	0.000	0.000	0.000
21	NE	An undivided one-half interest in Mineral Parcel Number 105038142,	21	02	3	32.321	0.000	0.000	0.000
21	NW	114427346, CL	21	02	3	0.808	0.000	0.000	0.000
21	SE	An undivided one-half interest in Mineral Parcel Number 105038153,	21	02	3	32.066	0.000	0.000	0.000
22	NE	105038119, CL	21	02	3	64.544	0.000	0.000	0.000
22	NW	104860885, CL	21	02	3	64.967	0.000	0.000	0.000
22	SE	104860672, CL	21	02	3	64.475	0.000	0.000	0.000
22	SW	104860683, CL	21	02	3	64.262	0.000	0.000	0.000
24	NW	161956671, CL	21	02	3	64.812	0.000	0.000	0.000
24	SE	164135358, CL	21	02	3	64.686	0.000	0.000	0.000
24	SW	104860964, CL	21	02	3	64.704	0.000	0.000	0.000
25	NE	An undivided one-half interest in Mineral Parcel Number 104743021,	21	02	3	32.293	0.000	0.000	0.000
26	NE	104861695, CL	21	02	3	64.750	0.000	0.000	0.000
27	NE	An undivided one-half interest in Mineral Parcel Number 105038120,	21	02	3	32.345	0.000	0.000	0.000
27	SE	An undivided one-half interest in Mineral Parcel Number 105038131,	21	02	3	32.509	0.000	0.000	0.000
27	SW	An undivided one-half interest in Mineral Parcel Number 105037871,	21	02	3	32.576	0.000	0.000	0.000
28	NE	104861000, CL	21	02	3	64.668	0.000	0.000	0.000
28	NW	104861011, CL	21	02	3	64.881	0.000	0.000	0.000
28	SE	104861022, CL	21	02	3	64.567	0.000	0.000	0.000
28	SW	104861033, CL	21	02	3	65.158	0.000	0.000	0.000
29	NE	104861044, CL	21	02	3	64.560	0.000	0.000	0.000
29	NW	104861055, CL	21	02	3	64.670	0.000	0.000	0.000
29	SE	104861066, CL	21	02	3	64.443	0.000	0.000	0.000
29	SW	104861077, CL	21	02	3	64.603	0.000	0.000	0.000
30	NE	104861088, CL	21	02	3	64.626	0.000	0.000	0.000
30	NW	104743009, CL	21	02	3	64.489	0.000	0.000	0.000
30	SE	104861099, CL	21	02	3	64.595	0.000	0.000	0.000
30	SW	104861101, CL	21	02	3	64.564	0.000	0.000	0.000
31	NE	104861112, CL	21	02	3	64.642	0.000	0.000	0.000
31	NW	104861123, CL	21	02	3	64.331	0.000	0.000	0.000
31	SE	104861134, CL	21	02	3	64.671	0.000	0.000	0.000
31	SW	105038164, CL	21	02	3	64.553	0.000	0.000	0.000
32	NE	104861538, CL	21	02	3	64.690	0.000	0.000	0.000
32	NW	104861145, CL	21	02	3	64.662	0.000	0.000	0.000
32	SE	104861549, CL	21	02	3	64.667	0.000	0.000	0.000
32	SW	104861156, CL	21	02	3	64.663	0.000	0.000	0.000
33	NE	105037882, CL	21	02	3	64.879	0.000	0.000	0.000
33	NW	104861167, CL	21	02	3	64.814	0.000	0.000	0.000
33	SE	105037893, CL	21	02	3	64.799	0.000	0.000	0.000
33	SW	104861178, CL	21	02	3	64.806	0.000	0.000	0.000
34	NE	104861189, CL	21	02	3	64.589	0.000	0.000	0.000

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Helissa Rae Lagan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Road Allowances Int
34	NW	104861202, CL	21	02	3	64.792	0.000	0.000	0.000
34	SE	104861190, CL	21	02	3	64.514	0.000	0.000	0.000
34	SW	104861213, CL	21	02	3	64.658	0.000	0.000	0.000
35	NE	104861673, CL	21	02	3	64.545	0.000	0.000	0.000
35	NW	105037905, CL	21	02	3	64.701	0.000	0.000	0.000
35	SE	104861684, CL	21	02	3	64.612	0.000	0.000	0.000
35	SW	105038243, CL	21	02	3	63.346	0.000	0.000	0.000
36	NE	104861224, CL	21	02	3	64.653	0.000	0.000	0.000
36	NW	104861235, CL	21	02	3	64.627	0.000	0.000	0.000
36	SE	104861246, CL	21	02	3	64.636	0.000	0.000	0.000
36	SW	104861257, CL	21	02	3	64.546	0.000	0.000	0.000
Sub Totals =						4,284.577	0.000	0.000	0.000

01	NE	105151294, CL	22	02	3	64.734	0.000	0.000	0.000
01	NW	105151306, CL	22	02	3	64.643	0.000	0.000	0.000
01	SE	105151317, CL	22	02	3	64.657	0.000	0.000	0.000
01	SW	105151328, CL	22	02	3	64.671	0.000	0.000	0.000
02	NE	105151339, CL	22	02	3	64.625	0.000	0.000	0.000
02	NW	111016178, CL	22	02	3	64.706	0.000	0.000	0.000
02	SE	105151340, CL	22	02	3	64.595	0.000	0.000	0.000
02	SW	111016190, CL	22	02	3	64.795	0.000	0.000	0.000
03	NE	165185400, CL	22	02	3	0.457	0.000	0.000	0.000
03	NE	105152352, CL	22	02	3	64.091	0.000	0.000	0.000
03	NW	105151351, CL	22	02	3	64.430	0.000	0.000	0.000
03	SE	105152363, CL	22	02	3	64.594	0.000	0.000	0.000
03	SW	105151362, CL	22	02	3	64.542	0.000	0.000	0.000
04	NE	105151373, CL	22	02	3	64.384	0.000	0.000	0.000
04	NW	105151384, CL	22	02	3	64.489	0.000	0.000	0.000
04	SE	105151407, CL	22	02	3	64.460	0.000	0.000	0.000
04	SW	105151395, CL	22	02	3	64.397	0.000	0.000	0.000
05	NW	105151430, CL	22	02	3	64.497	0.000	0.000	0.000
05	SE	105151429, CL	22	02	3	64.360	0.000	0.000	0.000
06	NE	105151441, CL	22	02	3	64.375	0.000	0.000	0.000
06	NW	105151452, CL	22	02	3	64.346	0.000	0.000	0.000
06	SE	105151474, CL	22	02	3	64.446	0.000	0.000	0.000
06	SW	105151463, CL	22	02	3	64.195	0.000	0.000	0.000
07	NE	105151496, CL	22	02	3	65.356	0.000	0.000	0.000
07	SE	105151508, CL	22	02	3	64.700	0.000	0.000	0.000
07	SW	105151519, CL	22	02	3	63.989	0.000	0.000	0.000
09	NW	An undivided one-half interest in Mineral Parcel Number 105279497,	22	02	3	32.320	0.000	0.000	0.000
09	SW	An undivided one-half interest in Mineral Parcel Number 105279509,	22	02	3	32.275	0.000	0.000	0.000
10	NE	105151531, CL	22	02	3	64.599	0.000	0.000	0.000
10	NW	105151542, CL	22	02	3	64.623	0.000	0.000	0.000
10	SE	161841584, CL	22	02	3	64.626	0.000	0.000	0.000
10	SW	105151553, CL	22	02	3	64.643	0.000	0.000	0.000
11	NE	105151564, CL	22	02	3	64.617	0.000	0.000	0.000
11	NW	105151575, CL	22	02	3	64.634	0.000	0.000	0.000
11	SE	161841607, CL	22	02	3	64.637	0.000	0.000	0.000
11	SW	105151586, CL	22	02	3	64.653	0.000	0.000	0.000
12	NE	105151597, CL	22	02	3	64.571	0.000	0.000	0.000
12	NW	105151610, CL	22	02	3	64.555	0.000	0.000	0.000

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 Melissa Rae Logan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Road Allowances Int
12	SE	105151621, CL	22	02	3	64.581	0.000	0.000	0.000
12	SW	105151609, CL	22	02	3	64.566	0.000	0.000	0.000
13	NE	202841568, CL	22	02	3	64.627	0.000	0.000	0.000
13	NW	105151643, CL	22	02	3	64.601	0.000	0.000	0.000
13	SE	105151654, CL	22	02	3	64.582	0.000	0.000	0.000
13	SW	105151665, CL	22	02	3	64.579	0.000	0.000	0.000
14	NE	105151676, CL	22	02	3	64.605	0.000	0.000	0.000
14	NW	105151687, CL	22	02	3	64.582	0.000	0.000	0.000
14	SE	105151698, CL	22	02	3	64.618	0.000	0.000	0.000
14	SW	105151700, CL	22	02	3	64.605	0.000	0.000	0.000
15	NE	105151711, CL	22	02	3	64.451	0.000	0.000	0.000
15	NW	105151722, CL	22	02	3	64.365	0.000	0.000	0.000
15	SE	105151733, CL	22	02	3	64.492	0.000	0.000	0.000
15	SW	105151744, CL	22	02	3	64.413	0.000	0.000	0.000
16	NE	105151755, CL	22	02	3	64.523	0.000	0.000	0.000
16	NW	105151777, CL	22	02	3	64.640	0.000	0.000	0.000
16	SE	105151766, CL	22	02	3	64.448	0.000	0.000	0.000
16	SW	105151788, CL	22	02	3	64.451	0.000	0.000	0.000
17	NE	105240035, CL	22	02	3	64.553	0.000	0.000	0.000
17	NW	105151799, CL	22	02	3	64.462	0.000	0.000	0.000
17	SE	An undivided one-half interest in Mineral Parcel Number 105279510,	22	02	3	32.210	0.000	0.000	0.000
17	SW	105151801, CL	22	02	3	64.457	0.000	0.000	0.000
18	NE	105151272, CL	22	02	3	64.833	0.000	0.000	0.000
18	NW	161841573, CL	22	02	3	64.150	0.000	0.000	0.000
18	SE	105151823, CL	22	02	3	65.432	0.000	0.000	0.000
18	SW	105152970, CL	22	02	3	63.254	0.000	0.000	0.000
Sub Totals =						3,969.367	0.000	0.000	0.000

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Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)		
						Sectional Area	Road Allowances South	West

Total Lease Area =

12,341.682	0.000	0.000	0.000
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Aggregating 12,341.682 hectares, more or less, all in the province of Saskatchewan.

Dated: AUG. 30 / 16



 (Signature)

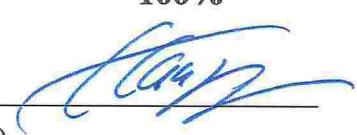
CARL ANDERSON

 (Name in full)

Acting Director Tenure Services

 (Title)

Yancoal Canada Resources Co., Ltd.
100%



 (Signature)

Jigiu Han

 (Name in full - print)

president

 (Title)

Certified True copy:
Melissae Ryan Oct 7, 19



Government
— of —
Saskatchewan

SUBSURFACE MINERAL LEASE

Lease No. KL 244

Converted from: KP 363

THIS LEASE made as of this 30 day of AUGUST, 2016

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN,
represented herein by the Minister of Energy and Resources, hereinafter
called the "Minister"

AND

YANCOAL CANADA RESOURCES CO., LTD.
hereinafter called the "Lessee".

IN CONSIDERATION of the mutual covenants herein contained, the parties hereto agree as follows:

THAT, subject to *The Crown Minerals Act* as that Act may be amended, revised or substituted from time to time (hereinafter referred to as the "Act") and subject to any applicable regulations made or continued under the Act (hereinafter referred to as the "Regulations"), as those regulations or any of them may be amended, revised or substituted from time to time, and the covenants, terms and conditions hereinafter set forth, the Minister hereby grants, demises and leases to the Lessee for the term stated in this lease, the subsurface minerals within the meaning of *The Subsurface Mineral Tenure Regulations*, under the lands described in Schedule "A" hereto, insofar as the Minister has the right to grant, demise and lease the same, excepting and reserving the royalties payable pursuant to the Regulations, with full and exclusive power and right, to the Lessee, subject to any applicable laws in force in the Province of Saskatchewan, to explore for, mine, work, recover, procure, remove, carry away and dispose of the said subsurface minerals. The Minister and the Lessee further agree as follows:

1. The term of this lease shall be for a period of twenty-one years from 04/05/16, renewable in accordance with the Regulations.
2. (1) The Lessee shall make or cause to be made all payments and returns in the manner and at the time required by the Regulations or any other applicable laws.

(2) For the purposes of subclause (1), "payments" includes, without restricting the generality of the word, rentals, royalties, fees, rates, taxes and assessments that may be charged or be payable in respect of the subsurface minerals included in this lease or in respect of the operations of the Lessee under this lease.

(3) Nothing in subclause (1) prejudices the exercise of any right the Lessee may have to appeal or contest any rates, taxes or assessments as provided by law.
3. The Lessee agrees to keep harmless and indemnify the Government of Saskatchewan, its Ministers, officials, agents or employees, past, present and future, from and against all

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actions, suits, claims and demands arising out of or in connection with the operations carried on by the Lessee, its employees, agents, licensees and contractors, deriving from this lease.

4. The Lessee shall carry on all operations under this lease in a skillful and proper manner and in compliance with acceptable practices in the mining industry and shall take all reasonable and necessary steps to prevent injury and damage to life or property.
5. The Lessee shall comply with all laws and orders in force in Saskatchewan from time to time applicable to its operations under this lease and in particular, without restricting the generality of the foregoing, shall comply with the Act and the Regulations, *The Oil and Gas Conservation Act* and regulations thereunder, *The Mineral Resources Act, 1985* and regulations thereunder, and with all legislation, regulations and orders in force in the Province of Saskatchewan applicable to its operations under this lease relating to occupational health and safety, environmental and public protection and safety, resource conservation, management and development, and surface rights.
6. No waiver by or on behalf of the Minister of a breach on the part of the Lessee of any covenant, obligation, condition, restriction or stipulation contained in this lease shall take effect and be binding on the Minister unless it is in writing and such a waiver shall extend only to the particular breach waived and shall not limit or restrict the rights of the Minister with respect to any other breach.
7. (1) On the termination of this lease by cancellation, surrender, or expiration, the Lessee shall comply with all directions or orders of the Minister or any other official of the Province of Saskatchewan respecting the preservation, clean up, and restoration of the leased area and facilities in the leased area with respect to operations conducted by or on behalf of the Lessee.

(2) In the event that the Lessee fails to comply with any direction or order referred to in subclause (1), the Minister may take whatever action he deems necessary, including, without limiting the generality of the foregoing, taking possession of or disposing of any property remaining in the subsurface mineral lease area. Upon such taking of possession or disposition, the Lessee shall be deemed to have forfeited any right, title, or interest it may have had in, or to, such property and any right to claim consideration or compensation therefor, and such property shall thereupon become the property of Her Majesty the Queen in Right of Saskatchewan.

(3) Unless otherwise ordered by the Minister to be removed pursuant to subclause (1), upon such termination, any installations in the subsurface mineral lease area necessary for the preservation of the mine or other development work such as underground timbering, supports, shaft linings, well casings, ventilation equipment and hoisting installations shall be left intact and undisturbed by the Lessee and any right, title, or interest which the Lessee may have had in such installations or development work shall be deemed to have been forfeited to and become the property of Her Majesty the Queen in Right of Saskatchewan, and the Lessee shall not be entitled to consideration or compensation for them.

(4) Any costs incurred by the Minister as a result of the Lessee's failure to comply with any direction or order mentioned in subclause (1), which failure shall be communicated to the Lessee, shall be a debt due by the Lessee to the Minister and may be recovered by the Minister as provided for by law.

(5) The rights and remedies mentioned in this clause shall be in addition to any other rights and remedies which the Minister may have pursuant to this lease or by law.
8. Any right of action of the Minister against the Lessee in respect of any default of the Lessee in complying with the terms and conditions of this lease shall not be prejudiced by the termination of this lease by cancellation, surrender or expiration of term, and the Minister shall have the same remedies for the recovery of royalties, payments, or damages due or accruing due at the time of termination as if this lease remained in full force and effect.

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9. This lease shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the applicable laws of Canada.
10. Time shall be of the essence of this lease and of every part of it and no extension or variation of this agreement shall operate as a waiver of this provision unless specifically stated, in writing, to so operate.
11. The Lessee acknowledges and agrees that its rights, interests, duties and obligations under this lease shall be and shall be deemed to be amended or varied, in whole or in part, in accordance with any amendments to or substitutions of, the provisions of the Act and the Regulations including, without limiting the generality of the foregoing, amendments or substitutions made to the Act or the Regulations after the execution or issuance of this lease or any renewal or substitution thereof.
12. In the event of any conflict between the provisions of this lease and the provisions of the Act or the Regulations, the provisions of the Act or the Regulations shall govern.
13. Any notice to the Lessee under this lease shall be sufficiently served if sent to the address for service or email address for service for the Lessee submitted to the Minister in accordance with the Regulations.
14. Any notice to the Minister under this lease shall be sufficiently served if delivered to the address for service or email address for service for the Director, Tenure Services of the Ministry of the Economy as published on the Saskatchewan Government Directory available on the Government of Saskatchewan's website at the time of sending the notice.
15. The parties agree that this lease and everything contained herein shall enure to the benefit of and be binding upon their respective successors and permitted assigns.

IN WITNESS WHEREOF this lease has been executed by a designated officer on behalf of the Minister and the Lessee has caused its corporate seal to be affixed hereto, attested by its proper officers in that behalf as of the date first above written.

[This space intentionally left blank. Signature page to follow.]

Certified True copy:
Melissa Rae Lazar Oct 7, 19

SIGNED, SEALED AND DELIVERED by

HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN
as represented by the Minister of Energy and Resources



Carl Anderson

(Signature)

Carl Anderson
(Name in full)

Acting Director, Tenure Services
(Title)

YANCOAL CANADA RESOURCES CO., LTD.

(Witness Signature)



Jigiu Han

(Signature)

Jigiu HAN

(Name in full - print)

president

(Title)

[If not sealed, please use "Witness Signature" and following "Affidavit of Execution" page.]

Certified True copy:
Melissa Mae Logan Oct 7, 19

AFFIDAVIT OF EXECUTION
(To be completed by witness)

I, _____ of the
(Name)
_____, of _____ in the
(Hamlet, Village, Town, City) (Name of the Hamlet, Town, City)
Province of _____,
(Occupation)

MAKE OATH AND SAY:

1. That I was personally present and did see the within instrument duly signed and executed by _____ one of the parties thereto.
(Transferor Name)
2. That the said instrument was executed in the _____ of _____ in the Province of _____ and that I am subscribing witness thereto.
(Name of the Hamlet, Village, Town, City)

Commissioner for Oaths/Notary Public

SWORN before me at the _____)
of _____ in the Province of _____)
_____ this _____)
_____ day of _____)
A.D., _____.

Witness signature as shown on previous page

Signature of Commissioner for Oaths/Notary Public

A _____ in and for
the Province of _____.
My appointment expires _____.

Certified True copy:
Melissa Rae Lagan Oct 7, 19

SCHEDULE "A"

KL 244

Between
HER MAJESTY, THE QUEEN
 and
Yancoal Canada Resources Co., Ltd. 100%

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	West	Int
09	NE	An undivided one-half interest in Mineral Parcel Number 105681719,	22	03	3	32.337	0.000	0.000	0.000
09	NW	105585879, CL	22	03	3	64.690	0.000	0.000	0.000
09	SW	105585880, CL	22	03	3	64.811	0.000	0.000	0.000
10	NE	105585868, CL	22	03	3	64.522	0.000	0.000	0.000
10	NW	105585857, CL	22	03	3	64.578	0.000	0.000	0.000
10	SE	105585846, CL	22	03	3	64.515	0.000	0.000	0.000
10	SW	105585835, CL	22	03	3	64.507	0.000	0.000	0.000
11	NE	105585824, CL	22	03	3	64.353	0.000	0.000	0.000
11	NW	105585813, CL	22	03	3	64.370	0.000	0.000	0.000
11	SE	105585790, CL	22	03	3	64.481	0.000	0.000	0.000
11	SW	105585802, CL	22	03	3	64.465	0.000	0.000	0.000
12	NE	105681551, CL	22	03	3	64.046	0.000	0.000	0.000
12	NW	105681562, CL	22	03	3	64.271	0.000	0.000	0.000
12	SE	105681540, CL	22	03	3	64.231	0.000	0.000	0.000
12	SW	105585789, CL	22	03	3	64.306	0.000	0.000	0.000
13	NE	165302030, CL	22	03	3	9.227	0.000	0.000	0.000
13	NE	165302029, CL	22	03	3	46.479	0.000	0.000	0.000
13	NW	105585756, CL	22	03	3	64.149	0.000	0.000	0.000
13	SE	105585767, CL	22	03	3	63.844	0.000	0.000	0.000
13	SW	105585778, CL	22	03	3	64.376	0.000	0.000	0.000
14	NE	105585734, CL	22	03	3	64.392	0.000	0.000	0.000
14	NW	105585723, CL	22	03	3	64.493	0.000	0.000	0.000
14	SE	105585712, CL	22	03	3	64.445	0.000	0.000	0.000
14	SW	105586881, CL	22	03	3	64.489	0.000	0.000	0.000
16	NE	105586836, CL	22	03	3	64.627	0.000	0.000	0.000
16	NW	105586814, CL	22	03	3	64.484	0.000	0.000	0.000
16	SE	105586803, CL	22	03	3	64.529	0.000	0.000	0.000
16	SW	105586825, CL	22	03	3	64.569	0.000	0.000	0.000
22	NE	105586690, CL	22	03	3	64.588	0.000	0.000	0.000
22	NW	105586689, CL	22	03	3	64.542	0.000	0.000	0.000
22	SE	105586678, CL	22	03	3	64.272	0.000	0.000	0.000
22	SW	105586702, CL	22	03	3	64.326	0.000	0.000	0.000
23	NE	An undivided one-half interest in Mineral Parcel Number 164879948,	22	03	3	11.930	0.000	0.000	0.000
23	NE	An undivided one-half interest in Mineral Parcel Number 164879937,	22	03	3	18.727	0.000	0.000	0.000
23	NW	An undivided one-half interest in Mineral Parcel Number 105681696,	22	03	3	32.287	0.000	0.000	0.000
23	SE	An undivided one-half interest in Mineral Parcel Number 104743403,	22	03	3	32.225	0.000	0.000	0.000
23	SW	An undivided one-half interest in Mineral Parcel Number 105681708,	22	03	3	32.193	0.000	0.000	0.000
24	NE	105586667, CL	22	03	3	64.350	0.000	0.000	0.000

Certified True copy:
Helissa Kae Logan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Int
24	NW	104743391, CL	22	03	3	63.963	0.000	0.000	0.000
24	SE	161956682, CL	22	03	3	64.193	0.000	0.000	0.000
24	SW	161956705, CL	22	03	3	64.082	0.000	0.000	0.000
25	NE	105586623, CL	22	03	3	64.359	0.000	0.000	0.000
25	NW	105586634, CL	22	03	3	64.132	0.000	0.000	0.000
25	SE	105586645, CL	22	03	3	64.466	0.000	0.000	0.000
25	SW	105586656, CL	22	03	3	63.679	0.000	0.000	0.000
26	NE	105681674, CL	22	03	3	64.598	0.000	0.000	0.000
26	NW	105586601, CL	22	03	3	64.987	0.000	0.000	0.000
26	SE	An undivided one-half interest in Mineral Parcel Number 105681685,	22	03	3	32.032	0.000	0.000	0.000
27	NE	164881884, CL	22	03	3	23.783	0.000	0.000	0.000
27	NE	164881873, CL	22	03	3	37.341	0.000	0.000	0.000
27	NW	164882155, CL	22	03	3	0.598	0.000	0.000	0.000
27	NW	164882144, CL	22	03	3	63.147	0.000	0.000	0.000
27	SE	166046496, CL	22	03	3	64.170	0.000	0.000	0.000
28	NE	105586555, CL	22	03	3	64.457	0.000	0.000	0.000
28	NW	105586566, CL	22	03	3	64.429	0.000	0.000	0.000
28	SE	161956716, CL	22	03	3	64.572	0.000	0.000	0.000
28	SW	105586577, CL	22	03	3	64.664	0.000	0.000	0.000
33	NE	165302052, CL	22	03	3	21.774	0.000	0.000	0.000
33	NE	165302041, CL	22	03	3	35.386	0.000	0.000	0.000
33	NW	161502892, CL	22	03	3	0.374	0.000	0.000	0.000
33	NW	161502881, CL	22	03	3	63.894	0.000	0.000	0.000
33	SE	105586274, CL	22	03	3	64.648	0.000	0.000	0.000
34	NE	105586421, CL	22	03	3	64.148	0.000	0.000	0.000
34	NW	161956693, CL	22	03	3	64.377	0.000	0.000	0.000
34	SE	105012111, CL	22	03	3	64.372	0.000	0.000	0.000
34	SW	105586184, CL	22	03	3	20.687	0.000	0.000	0.000
34	SW	105585688, CL	22	03	3	43.723	0.000	0.000	0.000
35	NE	105586409, CL	22	03	3	64.624	0.000	0.000	0.000
35	NW	105586386, CL	22	03	3	64.342	0.000	0.000	0.000
35	SE	105586410, CL	22	03	3	64.248	0.000	0.000	0.000
35	SW	105586397, CL	22	03	3	64.440	0.000	0.000	0.000
36	NE	105586375, CL	22	03	3	65.083	0.000	0.000	0.000
36	NW	105586353, CL	22	03	3	65.087	0.000	0.000	0.000
36	SE	105586342, CL	22	03	3	64.306	0.000	0.000	0.000
36	SW	105586364, CL	22	03	3	64.211	0.000	0.000	0.000
Sub Totals =						4,165.602	0.000	0.000	0.000

01	NE	105555393, CL	23	03	3	65.041	0.000	0.000	0.000
01	NW	An undivided one-half interest in Mineral Parcel Number 105555416,	23	03	3	32.529	0.000	0.000	0.000
01	SE	105555405, CL	23	03	3	65.757	0.000	0.000	0.000
01	SW	An undivided one-half interest in Mineral Parcel Number 105555427,	23	03	3	32.695	0.000	0.000	0.000
02	NE	105555438, CL	23	03	3	65.107	0.000	0.000	0.000
02	NW	105555449, CL	23	03	3	65.096	0.000	0.000	0.000
02	SE	161839110, CL	23	03	3	65.553	0.000	0.000	0.000
02	SW	161839109, CL	23	03	3	66.160	0.000	0.000	0.000
03	NE	105555461, CL	23	03	3	65.150	0.000	0.000	0.000
03	NW	105555472, CL	23	03	3	65.123	0.000	0.000	0.000
03	SE	105555483, CL	23	03	3	65.000	0.000	0.000	0.000

Certified True copy
Helissa Rae Lagan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Road Allowances Int
03	SW	105555494, CL	23	03	3	66.050	0.000	0.000	0.000
04	NE	105555506, CL	23	03	3	65.305	0.000	0.000	0.000
04	NW	105555517, CL	23	03	3	65.321	0.000	0.000	0.000
04	SE	105555450, CL	23	03	3	65.941	0.000	0.000	0.000
04	SW	105555528, CL	23	03	3	65.836	0.000	0.000	0.000
09	NE	105555630, CL	23	03	3	65.292	0.000	0.000	0.000
09	NW	105555641, CL	23	03	3	64.953	0.000	0.000	0.000
09	SE	105555652, CL	23	03	3	65.529	0.000	0.000	0.000
09	SW	105555663, CL	23	03	3	65.735	0.000	0.000	0.000
10	NE	105555674, CL	23	03	3	64.530	0.000	0.000	0.000
10	NW	105555685, CL	23	03	3	64.992	0.000	0.000	0.000
10	SE	105555696, CL	23	03	3	65.331	0.000	0.000	0.000
10	SW	105555708, CL	23	03	3	65.315	0.000	0.000	0.000
11	NE	105555719, CL	23	03	3	65.110	0.000	0.000	0.000
11	NW	163402286, CL	23	03	3	64.667	0.000	0.000	0.000
11	SE	163000853, CL	23	03	3	64.924	0.000	0.000	0.000
11	SW	163000730, CL	23	03	3	65.221	0.000	0.000	0.000
12	NE	105555720, CL	23	03	3	64.859	0.000	0.000	0.000
12	NW	105555742, CL	23	03	3	65.241	0.000	0.000	0.000
12	SE	105555731, CL	23	03	3	64.841	0.000	0.000	0.000
12	SW	105555753, CL	23	03	3	64.806	0.000	0.000	0.000
13	NE	105555775, CL	23	03	3	65.214	0.000	0.000	0.000
13	NW	105555786, CL	23	03	3	65.122	0.000	0.000	0.000
13	SE	105555797, CL	23	03	3	65.048	0.000	0.000	0.000
13	SW	105555809, CL	23	03	3	65.186	0.000	0.000	0.000
14	NE	105555810, CL	23	03	3	65.100	0.000	0.000	0.000
14	NW	105690258, CL	23	03	3	64.811	0.000	0.000	0.000
14	SE	105555764, CL	23	03	3	65.220	0.000	0.000	0.000
14	SW	105555821, CL	23	03	3	64.815	0.000	0.000	0.000
15	NE	105555865, CL	23	03	3	64.698	0.000	0.000	0.000
15	NW	105555832, CL	23	03	3	64.729	0.000	0.000	0.000
15	SE	105555843, CL	23	03	3	64.707	0.000	0.000	0.000
15	SW	105555854, CL	23	03	3	65.051	0.000	0.000	0.000
16	NE	105555876, CL	23	03	3	64.729	0.000	0.000	0.000
16	NW	105555887, CL	23	03	3	64.876	0.000	0.000	0.000
16	SE	105555922, CL	23	03	3	65.275	0.000	0.000	0.000
16	SW	105555933, CL	23	03	3	64.865	0.000	0.000	0.000
21	NE	105556057, CL	23	03	3	64.479	0.000	0.000	0.000
21	NW	164934074, CL	23	03	3	64.140	0.000	0.000	0.000
21	SE	105556068, CL	23	03	3	64.756	0.000	0.000	0.000
21	SW	163000662, CL	23	03	3	64.948	0.000	0.000	0.000
22	NE	163000741, CL	23	03	3	65.010	0.000	0.000	0.000
22	NW	163000921, CL	23	03	3	64.970	0.000	0.000	0.000
22	SE	105556080, CL	23	03	3	64.990	0.000	0.000	0.000
22	SW	105556091, CL	23	03	3	64.950	0.000	0.000	0.000
23	NE	163000752, CL	23	03	3	65.045	0.000	0.000	0.000
23	NW	163000943, CL	23	03	3	64.992	0.000	0.000	0.000
23	SE	105556103, CL	23	03	3	64.936	0.000	0.000	0.000
23	SW	105556114, CL	23	03	3	64.953	0.000	0.000	0.000
24	NE	104744965, CL	23	03	3	64.956	0.000	0.000	0.000
24	NW	105690269, CL	23	03	3	64.950	0.000	0.000	0.000
24	SE	105220189, CL	23	03	3	65.078	0.000	0.000	0.000

Certified True copy:
Melissa Rae Logan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Road Allowances Int
24	SW	105690270, CL	23	03	3	64.971	0.000	0.000	0.000
25	NE	105556125, CL	23	03	3	64.712	0.000	0.000	0.000
25	NW	105556136, CL	23	03	3	64.433	0.000	0.000	0.000
25	SE	105556181, CL	23	03	3	64.961	0.000	0.000	0.000
25	SW	105556192, CL	23	03	3	65.065	0.000	0.000	0.000
26	NE	163000673, CL	23	03	3	64.625	0.000	0.000	0.000
26	NW	105556204, CL	23	03	3	64.971	0.000	0.000	0.000
26	SE	105556215, CL	23	03	3	65.225	0.000	0.000	0.000
26	SW	105556226, CL	23	03	3	65.194	0.000	0.000	0.000
27	NE	163000763, CL	23	03	3	65.229	0.000	0.000	0.000
27	NW	163000774, CL	23	03	3	65.122	0.000	0.000	0.000
27	SE	163000864, CL	23	03	3	65.208	0.000	0.000	0.000
27	SW	163000954, CL	23	03	3	65.102	0.000	0.000	0.000
28	NE	163000684, CL	23	03	3	64.787	0.000	0.000	0.000
28	NW	163000785, CL	23	03	3	64.960	0.000	0.000	0.000
28	SE	163000796, CL	23	03	3	64.791	0.000	0.000	0.000
28	SW	105556079, CL	23	03	3	64.947	0.000	0.000	0.000
33	NE	163000831, CL	23	03	3	64.369	0.000	0.000	0.000
33	NW	163000707, CL	23	03	3	64.321	0.000	0.000	0.000
33	SE	163000842, CL	23	03	3	64.788	0.000	0.000	0.000
33	SW	163000987, CL	23	03	3	64.938	0.000	0.000	0.000
34	NE	163000909, CL	23	03	3	64.990	0.000	0.000	0.000
34	NW	163000628, CL	23	03	3	64.872	0.000	0.000	0.000
34	SE	163000718, CL	23	03	3	65.078	0.000	0.000	0.000
34	SW	163000639, CL	23	03	3	65.097	0.000	0.000	0.000
35	NE	163000640, CL	23	03	3	65.332	0.000	0.000	0.000
35	NW	163000910, CL	23	03	3	65.115	0.000	0.000	0.000
35	SE	163000651, CL	23	03	3	64.773	0.000	0.000	0.000
35	SW	163000729, CL	23	03	3	64.891	0.000	0.000	0.000
36	NE	105556147, CL	23	03	3	64.764	0.000	0.000	0.000
36	NW	105556158, CL	23	03	3	65.108	0.000	0.000	0.000
36	SE	105556169, CL	23	03	3	64.633	0.000	0.000	0.000
36	SW	105556170, CL	23	03	3	64.571	0.000	0.000	0.000
Sub Totals =						6,178.993	0.000	0.000	0.000

01	NE	105650568, CL	24	03	3	64.721	0.000	0.000	0.000
01	NW	105650579, CL	24	03	3	64.691	0.000	0.000	0.000
01	SE	105650580, CL	24	03	3	64.512	0.000	0.000	0.000
01	SW	105650591, CL	24	03	3	64.290	0.000	0.000	0.000
02	NE	105650603, CL	24	03	3	64.588	0.000	0.000	0.000
02	NW	105650614, CL	24	03	3	64.595	0.000	0.000	0.000
02	SE	105650625, CL	24	03	3	64.371	0.000	0.000	0.000
02	SW	105650636, CL	24	03	3	64.649	0.000	0.000	0.000
03	NE	105650647, CL	24	03	3	64.815	0.000	0.000	0.000
03	NW	105650658, CL	24	03	3	64.997	0.000	0.000	0.000
03	SE	105650669, CL	24	03	3	64.714	0.000	0.000	0.000
03	SW	105650670, CL	24	03	3	64.447	0.000	0.000	0.000
04	NE	105650704, CL	24	03	3	65.064	0.000	0.000	0.000
04	NW	105650715, CL	24	03	3	64.853	0.000	0.000	0.000
04	SE	105650681, CL	24	03	3	64.164	0.000	0.000	0.000
04	SW	105650692, CL	24	03	3	64.386	0.000	0.000	0.000
09	NE	105650883, CL	24	03	3	64.100	0.000	0.000	0.000

Certified True Copy
 Melissa Rae Logan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	West	Int
09	NW	105650894, CL	24	03	3	63.508	0.000	0.000	0.000
09	SE	105650906, CL	24	03	3	65.442	0.000	0.000	0.000
09	SW	105651019, CL	24	03	3	66.056	0.000	0.000	0.000
10	NE	105650917, CL	24	03	3	64.724	0.000	0.000	0.000
10	NW	105651020, CL	24	03	3	64.751	0.000	0.000	0.000
10	SE	105651031, CL	24	03	3	64.698	0.000	0.000	0.000
10	SW	105650928, CL	24	03	3	64.756	0.000	0.000	0.000
11	NE	105650939, CL	24	03	3	64.885	0.000	0.000	0.000
11	NW	105650940, CL	24	03	3	64.361	0.000	0.000	0.000
11	SE	105650951, CL	24	03	3	64.818	0.000	0.000	0.000
11	SW	105650962, CL	24	03	3	64.513	0.000	0.000	0.000
12	NE	105651008, CL	24	03	3	64.763	0.000	0.000	0.000
12	NW	105650973, CL	24	03	3	64.799	0.000	0.000	0.000
12	SE	105650984, CL	24	03	3	64.818	0.000	0.000	0.000
12	SW	105650995, CL	24	03	3	64.918	0.000	0.000	0.000
13	NE	105696669, CL	24	03	3	64.739	0.000	0.000	0.000
13	NW	105696704, CL	24	03	3	64.776	0.000	0.000	0.000
13	SE	105696670, CL	24	03	3	64.682	0.000	0.000	0.000
13	SW	105696681, CL	24	03	3	64.643	0.000	0.000	0.000
14	NE	105696715, CL	24	03	3	64.806	0.000	0.000	0.000
14	NW	105696726, CL	24	03	3	64.605	0.000	0.000	0.000
14	SE	105696737, CL	24	03	3	64.821	0.000	0.000	0.000
14	SW	105696748, CL	24	03	3	64.493	0.000	0.000	0.000
15	NE	105696759, CL	24	03	3	64.842	0.000	0.000	0.000
15	NW	105696760, CL	24	03	3	64.869	0.000	0.000	0.000
15	SE	105696771, CL	24	03	3	64.908	0.000	0.000	0.000
15	SW	105696782, CL	24	03	3	64.831	0.000	0.000	0.000
16	NE	105696793, CL	24	03	3	65.130	0.000	0.000	0.000
16	NW	105696805, CL	24	03	3	64.983	0.000	0.000	0.000
16	SE	105696816, CL	24	03	3	65.179	0.000	0.000	0.000
16	SW	105696827, CL	24	03	3	64.879	0.000	0.000	0.000
21	NE	104837610, CL	24	03	3	65.084	0.000	0.000	0.000
21	NW	104837621, CL	24	03	3	65.136	0.000	0.000	0.000
21	SE	104837632, CL	24	03	3	65.105	0.000	0.000	0.000
21	SW	104837643, CL	24	03	3	65.142	0.000	0.000	0.000
22	NE	104837654, CL	24	03	3	65.459	0.000	0.000	0.000
22	NW	104837665, CL	24	03	3	65.024	0.000	0.000	0.000
22	SE	104837676, CL	24	03	3	64.763	0.000	0.000	0.000
22	SW	104837687, CL	24	03	3	64.826	0.000	0.000	0.000
23	NE	104837788, CL	24	03	3	64.861	0.000	0.000	0.000
23	NW	104837755, CL	24	03	3	65.232	0.000	0.000	0.000
23	SE	104837801, CL	24	03	3	64.636	0.000	0.000	0.000
23	SW	104837766, CL	24	03	3	64.567	0.000	0.000	0.000
24	NE	104837812, CL	24	03	3	64.427	0.000	0.000	0.000
24	NW	104837845, CL	24	03	3	64.971	0.000	0.000	0.000
24	SE	104837823, CL	24	03	3	64.586	0.000	0.000	0.000
24	SW	104837867, CL	24	03	3	64.775	0.000	0.000	0.000
25	NE	105651378, CL	24	03	3	64.413	0.000	0.000	0.000
25	NW	162996003, CL	24	03	3	64.712	0.000	0.000	0.000
25	SE	162995912, CL	24	03	3	64.137	0.000	0.000	0.000
25	SW	162995923, CL	24	03	3	64.692	0.000	0.000	0.000
26	NE	104905582, CL	24			64.700	0.000	0.000	0.000

Certified True copy
Helissa Rae Logan Oct 7, 19

Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)			
						Sectional Area	Road Allowances South	Road Allowances West	Road Allowances Int
26	NW	104837889, CL	24	03	3	64.464	0.000	0.000	0.000
26	SE	104837878, CL	24	03	3	64.404	0.000	0.000	0.000
26	SW	104837890, CL	24	03	3	64.303	0.000	0.000	0.000
27	NE	105651097, CL	24	03	3	64.680	0.000	0.000	0.000
27	NW	162995989, CL	24	03	3	64.902	0.000	0.000	0.000
27	SE	105651109, CL	24	03	3	64.600	0.000	0.000	0.000
27	SW	162995934, CL	24	03	3	64.800	0.000	0.000	0.000
28	NE	105651121, CL	24	03	3	65.105	0.000	0.000	0.000
28	NW	105651132, CL	24	03	3	64.864	0.000	0.000	0.000
28	SE	162996014, CL	24	03	3	65.152	0.000	0.000	0.000
28	SW	162995945, CL	24	03	3	65.141	0.000	0.000	0.000
33	NE	105651345, CL	24	03	3	64.817	0.000	0.000	0.000
33	NW	105651390, CL	24	03	3	64.988	0.000	0.000	0.000
33	SE	105651222, CL	24	03	3	64.982	0.000	0.000	0.000
33	SW	105651233, CL	24	03	3	65.146	0.000	0.000	0.000
34	NE	104357695, CL	24	03	3	65.066	0.000	0.000	0.000
34	NW	104357572, CL	24	03	3	64.928	0.000	0.000	0.000
34	SE	105651110, CL	24	03	3	64.897	0.000	0.000	0.000
34	SW	104357583, CL	24	03	3	64.846	0.000	0.000	0.000
35	NE	105651323, CL	24	03	3	64.599	0.000	0.000	0.000
35	NW	104449608, CL	24	03	3	65.081	0.000	0.000	0.000
35	SE	105651334, CL	24	03	3	64.580	0.000	0.000	0.000
35	SW	104449619, CL	24	03	3	64.773	0.000	0.000	0.000
36	NE	105651312, CL	24	03	3	64.714	0.000	0.000	0.000
36	NW	105651301, CL	24	03	3	64.589	0.000	0.000	0.000
36	SE	105651389, CL	24	03	3	64.564	0.000	0.000	0.000
36	SW	105651244, CL	24	03	3	64.465	0.000	0.000	0.000
Sub Totals =						6,218.237	0.000	0.000	0.000

Certified True copy:

Melissa Kay Logan Oct 7, 19

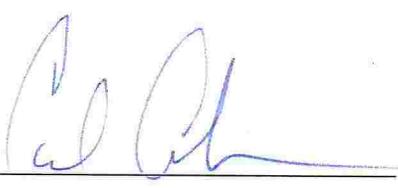
Sec	Portion	Description / Mineral Parcel Number	Twp	Rge	Mer	Crown Land (hectares)		
						Sectional Area	Road Allowances	South West Int

Total Lease Area =

16,562.832	0.000	0.000	0.000
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Aggregating 16,562.832 hectares, more or less, all in the province of Saskatchewan.

Dated: Aug 30 / 16



(Signature)

CARL ANDERSON

(Name in full)

Acting Director Tenure Services

(Title)

Yancoal Canada Resources Co., Ltd.
100%



(Signature)

Jiguo HAN

(Name in full - print)

president

(Title)

Certified True copy:
Melissa Rae Lazar Oct 7, 19

SCHEDULE "B"

REPRESENTATIONS AND WARRANTIES OF GENSOURCE

Subject to the disclosure provided in Schedule "E", Gensource hereby represents and warrants to Purchaser as follows and acknowledges that Purchaser is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Gensource validly exists as a company in good standing under the laws of Saskatchewan, and is duly qualified, authorized or licensed in all jurisdictions where the nature or character of the Mineral Dispositions requires it to be so qualified, authorized or licensed in accordance with Applicable Laws.
- (b) Gensource does not have any subsidiaries, other than Gensource Technologies Corporation, which is currently non-active.
- (c) Gensource has all necessary corporate power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it will be or is a party. Gensource has taken all corporate action necessary to authorize the execution and delivery, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it will be a party.
- (d) Gensource has all necessary corporate power and authority to own the Mineral Dispositions and related assets and to carry on the Business as presently carried on by it.
- (e) This Agreement has been, and each Closing Document to which Gensource will be or is a party, when executed and delivered, will be duly executed and delivered by Gensource, and this Agreement constitutes, and each Closing Document to which Gensource will be a party, when executed and delivered, will constitute, a legal, valid and binding obligation of Gensource enforceable against Gensource in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (f) No proceedings have been taken or authorized by Gensource, or, to Gensource's knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of Gensource or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to Gensource.
- (g) The execution and delivery of, or the observance and performance by Gensource of, any covenant, condition or obligation under this Agreement or any Closing Document to which it will be a party does not and will not:
 - (i) contravene or result in a material violation of or a breach or default under (with or without the giving of notice or lapse of time, or both), or in the acceleration of any obligation under:
 - (1) the articles, directors' or shareholders' resolutions of Gensource;

- (2) the provisions of any material Contract, mortgage, security document, obligation, licence, permit or instrument to which Gensource is a party, or by which Gensource is bound or affected; or
 - (ii) result in the creation or imposition of any Encumbrance on the assets of Gensource other than the Overriding Royalty.
- (h) Except as disclosed in Schedule "D" of this Agreement, no Third Party consent, approval, Order, authorization, registration or declaration of, or filing with, any Governmental Body or other Person is required by Gensource in connection with:
 - (i) the Closing;
 - (ii) the execution and delivery by Gensource of this Agreement or the Closing Documents to which it will be a party; or
 - (iii) the observance and performance by Gensource of its obligations under this Agreement or the Closing Documents to which it will be or is a party.
- (i) No order or judgment of any court or any Governmental Body has been issued or made and no legal or regulatory requirement remains to be satisfied, which has the effect of making void, unlawful or otherwise prohibiting the Transaction;
- (j) All transactions in respect of the Mineral Dispositions have been properly and accurately recorded in the appropriate Books and Records and such Books and Records are correct and complete and have been maintained and retained in accordance with Applicable Laws, IFRS, and in the case of technical and scientific information, customary standards in the mining industry.
- (k) Other than the Permitted Encumbrances, to the knowledge of Gensource no Person other than Purchaser has any oral or written agreement, option, right, privilege or any other right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase of a royalty or a mineral stream or similar asset in respect of subsurface minerals produced from the Mineral Dispositions.
- (l) There is no outstanding, or, to the knowledge of Gensource, pending, threatened, court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation, audit, assessment, inquiry, request for information, warrant, charge, suit or claim by any Person, or any similar matter or proceeding (collectively, "**Proceedings**") in respect of the Mineral Dispositions or against Gensource, and there is no order, ordinance, writ, judgment, decree, injunction, award or order of any Governmental Body outstanding against Gensource.
- (m) Gensource has filed or caused to be filed, in a timely manner all Tax Returns required to be filed by it (all of which Tax Returns were correct and complete in all material respects) and has paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all Taxes that are due and payable, collectible and remittable in respect of the relevant period.
- (n) Gensource is the holder of record of, and is the owner of a 100% undivided beneficial interest in and to the Mineral Dispositions, and has not granted any Encumbrances (other

than the Permitted Encumbrances) to any Third Party in respect to same. For the purpose of clarity, Gensource does not have a fee simple interest in any mineral lands that are subject to the Mineral Dispositions, which mineral lands are held by Her Majesty the Queen in Right of the Province of Saskatchewan.

- (o) Except for Permitted Encumbrances: (1) Gensource has not received written notice of any adverse interests or options to acquire or purchase the Mineral Dispositions or any portion thereof or any right, title or interest therein, and (2) to the knowledge of Gensource, there are no adverse interests or options to acquire or purchase the Mineral Dispositions or any portion thereof or any right, title or interest therein. To the knowledge of Gensource, except for Permitted Encumbrances, no Person has any proprietary or possessory interest in the Mineral Dispositions other than Gensource.
- (p) The Mineral Dispositions are in good standing in all material respects with respect to the performance of all material obligations required under Applicable Laws (including, without limitation, the payment of all Taxes and maintenance costs, the performance of all minimum assessment work and the filing of reports with respect to minimum assessment work).
- (q) Gensource has not received from any Governmental Body or any other Person any notice in respect of (1) any revocation or intention to revoke or not renew Gensource's interests in the Mineral Dispositions, or to renew Gensource's interests in the Mineral Dispositions on terms or conditions that are less favourable to Gensource than the terms and conditions applicable to the Mineral Dispositions as presently in effect, or (2) any threat or intention to not issue or renew any Governmental Approval or other authorizations, approvals, orders, rulings, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights required by Gensource in connection with the Mineral Dispositions. None of the Mineral Dispositions has been taken, condemned or expropriated by any Governmental Body nor has any notice or proceeding in respect thereof been given or commenced nor does Gensource have any knowledge of any intent or proposal by any Governmental Body to give any such notice or commence any such proceedings.
- (r) All work and activities carried out in relation to the Mineral Dispositions by Gensource or any other Person appointed by Gensource have been carried out in compliance in all material respects with all Applicable Laws, and neither Gensource, nor, to the knowledge of Gensource, any other Person, has received any notice of any breach or violation of any such Applicable Laws.
- (s) Gensource has not received any notice of any Indigenous Claims of any community or communities respecting the Mineral Dispositions, and, to the knowledge of Gensource, there are no such Claims pending or threatened.
- (t) With respect to the Mineral Dispositions:
 - (i) Gensource has been and is in material compliance with all applicable Environmental Laws and it has not received any notice from any Governmental Body alleging that it or any of its predecessors in interest has violated or is violating in any material respect any Environmental Law to which Gensource or the Mineral Dispositions are subject;

- (ii) Gensource (including, if applicable, any predecessor companies of Gensource) has not received any notice of any future prosecution, nor is it currently being prosecuted for, any offence alleging non-compliance with any Environmental Laws, or liability for the investigation or remediation of any Disposal or release of Hazardous Substances; and
- (iii) Gensource has not received any orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the assets of Gensource.
- (u) None of Gensource or any of its directors, officers, agents, employees or other Person associated with or acting on behalf of any of them 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 government official or employee from corporate funds; or (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, in each case related to the Mineral Dispositions or any activities undertaken by or on behalf of Gensource.
- (v) Gensource has complied with and is not in violation of any Applicable Laws, including all Applicable Laws relating to workers' health, mining safety and the workplace.
- (w) The Mineral Dispositions have not been modified or terminated by Gensource and are in good standing and are in full force and effect with no amendments.
- (x) Gensource has complied with all material terms of the Mineral Dispositions, has paid all amounts due thereunder, and has not waived any rights thereunder, and Gensource is not aware of any default or breach by Her Majesty the Queen in Right of the Province of Saskatchewan that exists in respect to the Mineral Dispositions.
- (y) The Option Agreement has been duly entered into, has not been modified or terminated and is in good standing and is in full force and effect with no amendments.
- (z) Neither this Agreement nor any of the schedules, attachments, written statements, documents, certificates or other items prepared or supplied to Purchaser by or on behalf of Gensource with respect to the Transaction contain any untrue statement of a material fact or omit a material fact necessary to make each statement contained herein or therein not misleading.

SCHEDULE "C"

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Purchaser hereby represents and warrants to Gensource as follows and acknowledges that Gensource is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

Confidential Purchaser Information

- (a) Purchaser validly exists as a corporation incorporated under the laws of [REDACTED].
- (b) Purchaser has all necessary corporate power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it will be or is a party. Purchaser has taken all action, including corporate action, necessary to authorize the execution and delivery, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it will be a party.
- (c) This Agreement has been, and each Closing Document to which Purchaser will be or is a party, when executed and delivered, will be duly executed and delivered by Purchaser, and this Agreement constitutes, and each Closing Document to which Purchaser will be a party, when executed and delivered, will constitute, a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (d) No proceedings have been taken or authorized by Purchaser, or, to Purchaser's knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of Purchaser or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to Purchaser.
- (e) The execution and delivery of, or the observance and performance by Purchaser of, any covenant, condition or obligation under this Agreement or any Closing Document to which it will be a party does not and will not:
 - (i) contravene or result in a material violation of or a breach or default under (with or without the giving of notice or lapse of time, or both), or in the acceleration of any obligation under:
 - (1) the constating documents, directors' or shareholders' resolutions of Purchaser;
 - (2) the provisions of any material Contract, mortgage, security document, obligation, licence, permit or instrument to which Purchaser is a party, or by which Purchaser is bound or affected; or
 - (ii) result in the creation or imposition of any Encumbrance on the assets of Purchaser.

- (f) Except as disclosed in Schedule "D", no consent, approval, Order, authorization, registration or declaration of, or filing with, any Governmental Body or other Person is required by Purchaser in connection with:
 - (i) the Closing;
 - (ii) the execution and delivery by Purchaser of this Agreement or the Closing Documents to which it will be a party; or
 - (iii) the observance and performance by Purchaser of its obligations under this Agreement or the Closing Documents to which it will be or is a party.
- (g) There are no suits, claims, actions or Proceedings ongoing or, to the knowledge of Purchaser pending or threatened, against Purchaser seeking to prevent the transactions contemplated by this Agreement or the Overriding Royalty Agreement.
- (h) Neither this Agreement nor any of the schedules, attachments, written statements, documents, certificates or other items prepared or supplied to Gensource by or on behalf of Purchaser with respect to the Transaction, to the knowledge of the Purchaser, contain any untrue statement of a material fact or omit a material fact necessary to make each statement contained herein or therein not misleading.

SCHEDULE "D"
REQUIRED CONSENTS

Nil

SCHEDULE "E"

GENSOURCE DISCLOSURES

A discrepancy may exist with respect to rental payments for KL 244, as between the records of Gensource, and the records of the Saskatchewan Ministry of Energy and Resources. The Ministry may have recorded rental payment amounts in excess of payments Gensource actually made. Gensource plans to resolve this issue with the Ministry, and then take appropriate steps.