

SECURED LOAN FACILITY AGREEMENT

THIS AGREEMENT is made effective this 6th of April 2023.

BETWEEN:

CLOVER LEAF CAPITAL CORP. a corporation incorporated under the laws of British Columbia (the “**Lender**”)

AND:

NORTH SHORE ENERGY METALS LTD. a corporation incorporated under the laws of British Columbia (the “**Borrower**”)

WHEREAS the Lender proposes to provide a secured loan facility of \$250,000 (the “**Loan Facility**”) to the Borrower subject to the terms and conditions of this Loan Agreement.

AND WHEREAS the Lender advanced \$25,000 to the Borrower on March 28, 2023 (the “**Initial Draw**”), which Initial Draw is subject to interest at a rate of 7% per annum, calculated daily and payable on the Maturity Date and which is evidenced by a promissory note delivered to the Lender by the Borrower (the “**Initial Promissory Note**”).

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which each party acknowledges, each of the parties agree as follows:

1. **Definitions.** In this Agreement:

- (a) “**Agreement**” or “**Loan Agreement**” means this agreement;
- (b) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in British Columbia;
- (c) “**Collateral**” has the meaning given to such term in the Security Agreement;
- (d) “**Draw**” refers to each draw by the Borrower against the Loan Facility, including the Initial Draw;
- (e) “**Draw Date**” means the date of each Draw or such other date as the Parties hereto may agree to;
- (f) “**Event of Default**” means any event enumerated in Section 9 hereof;
- (g) “**Exchange**” means the TSX Venture Exchange;
- (h) “**Loan Facility**” means the secured loan facility of \$250,000 in Canadian currency provided by the Lender and available to the Borrower, inclusive of the Initial Draw;
- (i) “**Maturity Date**” means June 30, 2023;
- (j) “**Outstanding Balance**” has the meaning given to such term in Section 3(a);
- (k) “**Principal Amount**” means the amount the Lender has lent to the Borrower, being the aggregate amount of the Draws;

- (l) “**Promissory Note**” means a promissory note in the form attached as Schedule “A” for the amount of each Draw and to be delivered to the Lender in connection with each Draw other than the Initial Draw, together with the Initial Promissory Note;
- (m) “**Security**” means the security for the Loan Facility referred to in Section 5(a) hereof;
- (n) “**Security Agreement**” means the security agreement referred to in Section 5(a) hereof;
- (o) “**Security Documents**” means each Promissory Note delivered to the Lender and the Security Agreement; and
- (p) “**Share Exchange Agreement**” means the share exchange agreement made as of December 19, 2022, as amended, among the Lender, the Borrower and the securityholders of the Borrower.

2. **Loan Terms.**

- (a) The Lender agrees to make the Loan Facility available to the Borrower in accordance with the terms of this Agreement.
- (b) During the period between the date of this Agreement and two business days prior to the Maturity Date, the Borrower may request one or more Draws by providing notice of the request in writing to the Lender, which notice will include the proposed use of proceeds of the Draw (the “**Use of Proceeds**”). Upon receipt of written notice, the Lender may, in its sole discretion, advance the requested amount of the Draw to the Borrower within two business days, against delivery of a Promissory Note for the amount of the Draw.
- (c) If the Share Exchange Agreement is terminated in accordance with the terms set out in the Share Exchange Agreement, the Outstanding Balance will become immediately due and payable to the Lender within 30 days of the date of such termination (the “**Termination Date**”).
- (d) The Loan Facility and the obligation to repay the Outstanding Balance may, in the sole discretion of the Lender, be forgiven by the Lender if the transactions contemplated in the Share Exchange Agreement are completed and become effective.

3. **Term and Prepayment.**

- (a) Any outstanding balance of the Principal Amount, accrued interest and other costs or charges payable hereunder (collectively the “**Outstanding Balance**”), will be due and payable by the Borrower to the Lender on the earlier of:
 - (i) immediately on the Maturity Date;
 - (ii) within 30 days of the Termination Date, as described in Section 2(c) of this Agreement; and
 - (iii) immediately upon the occurrence of an Event of Default.
- (b) All payments made hereunder will be applied on account of the Outstanding Balance, firstly to interest payable and secondly, to principal.

4. **Interest.** Interest shall be payable on the outstanding balance of the Principal Amount at 7% per annum (“**Interest**”) accruing from the date the Lender advances the amount of the Draw to the Borrower. The Borrower will repay the Outstanding Balance to the Lender on the Maturity Date. Interest shall be payable before and after each of maturity, default and judgment.
5. **Security.**
 - (a) The Loan Facility will be secured by the following (the “**Security**”):
 - (i) in connection with each Draw, a Promissory Note for the amount of the Draw; and
 - (ii) a security agreement (the “**Security Agreement**”) to be entered into between the Lender and the Borrower pursuant to which the Borrower will grant a security interest in favour of the Lender in respect of the Collateral as described in the Security Agreement.
 - (b) The parties will, concurrently with the execution of this Agreement (and prior to the advance of funds), execute or cause to be executed, as applicable, the Promissory Note and the Security Agreement and deliver the executed copies thereof to each other.
6. **Representations and Warranties and acknowledgments of Borrower.** The Borrower represents and warrants to the Lender, as at the date hereof and as at any Draw Date, as follows:
 - (a) the Borrower is a duly organized and validly existing corporation, up-to-date in all filings required by any jurisdiction in which it is registered to do business; the Borrower has the power to own its property and to carry on its respective business as now being conducted; the Borrower is duly qualified and registered to engage in its respective business and is in good standing in each of the jurisdictions in which the properties owned by it or the transaction of its business makes such qualification and registration necessary;
 - (b) the Borrower has full right, power and authority to execute and deliver this Agreement and the documents to be executed by it pursuant hereto, and the performance by it of its obligations under this Agreement (including the borrowing hereunder) has been duly authorized by all necessary action on its part including, without limitation, the authorization of its directors;
 - (c) this Agreement and all other documents and instruments delivered or to be delivered pursuant to this Agreement constitute or will upon execution constitute, legal, valid and binding obligations of the Borrower enforceable in accordance with their terms except as the foregoing may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting enforceability of creditors' rights generally;
 - (d) the execution of, delivery of, and performance by the Borrower of this Agreement and all other documents and instruments delivered or to be delivered pursuant hereto and all obligations contemplated hereunder and thereunder and the borrowing hereunder will not:
 - (i) violate any provision of law, any rule, regulation or order of any court or other agency of government, constating documents or by-laws of any of the Borrower;
 - (ii) violate, be in conflict with, result in a breach of or constitute a default under any mortgage, indenture, contract, undertaking or other agreement to which the

Borrower is a party or by which it is bound or which is binding upon any of its properties, assets or revenues; or

- (iii) result in the creation or imposition of any security interest, lien, charge or other encumbrance of any nature whatsoever upon any of the properties, assets or revenues of the Borrower, except as provided in this Agreement;
 - (e) no registration or filing with, approval by, or consent of, any person (including without limitation any governmental authority) is required to be made or obtained by the Borrower in connection with the execution, delivery or performance of this Agreement or any of the documents contemplated herein;
 - (f) there are no actions, suits, claims or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting it before any court or by or before any government or instrumentality which, if adversely determined, would have a material adverse effect on the Borrower's financial condition or business and there exists no default by it with respect to any order, writ, injunction, decree or demand of any court or government instrumentality;
 - (g) no Event of Default has occurred and is continuing;
 - (h) the Borrower has had the opportunity to obtain independent legal advice in respect of this Agreement and is in no way relying on the advice of the Lender or its legal counsel in connection with this Agreement, and the Lender's legal counsel, may rely on this representation; and
 - (i) the Borrower acknowledges that the Initial Draw forms part of the Loan Facility, which is secured by the Security.
7. **Representations and Warranties of Lender.** The Lender represents and warrants to the Borrower that the Lender has full right, power and authority to execute and deliver this Agreement and the documents to be executed by it pursuant hereto, and the performance by it of its obligations under this Agreement (including the borrowing hereunder) has been duly authorized by all necessary action on its part.
8. **Positive Covenants of the Borrower.** The Borrower covenants and agrees that so long as any part of the Outstanding Balance remains unpaid under this Agreement:
- (a) to duly perform its obligations under this Agreement, the Security Documents and the Share Exchange Agreement;
 - (b) at all times to maintain its corporate existence;
 - (c) to furnish and give to the Lender (if such is the case) notice that an Event of Default has occurred and, if applicable, is continuing or notice in respect of any event which would constitute an Event of Default hereunder and specifying the nature of same;
 - (d) to carry on and continuously conduct its business in a lawful, efficient, diligent and businesslike manner;

- (e) at any reasonable time during business hours, to give access to one or more representatives of the Lender to make such inspection as such representative or representatives shall deem proper of any of its assets, property and undertaking to the extent that the Borrower has the right to inspect such assets, property and undertaking provided that any such representative shall conduct the inspection at the sole risk of the Lender;
- (f) to observe and perform its obligations under any applicable laws and keep proper books and accounts in accordance with Canadian generally accepted accounting principles;
- (g) to fully pay and discharge as and when same become due and payable all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the Borrower or its property or any part thereof, and if the Borrower fails to pay any of such taxes, rates, duties or assessments and if it is not in good faith contesting same, the Lender may pay, but shall not be obliged to pay, the same and any amounts so paid by the Lender shall become and form part of the principal sum and shall bear interest at the aforesaid rate until paid; and
- (h) use the funds in respect of each Draw in accordance with the Use of Proceeds, unless otherwise agreed to in writing by the Lender.

9. **Events of Default.** Each and every of the events set forth in this Section will be an event of default (“**Event of Default**”):

- (a) if the Borrower fails to make any payment of principal or interest on the Maturity Date and such failure continues for 20 Business Days after the Maturity Date;
- (b) if the Borrower defaults in observing or performing any material term, covenant or condition of this Agreement, the Share Exchange Agreement, the Security Documents or any other document delivered hereunder or in connection with the Loan Facility, other than the payment of monies as provided for in subsection (a) hereof, on its part to be observed or performed and such failure continues for 20 Business Days after written notice thereof is given by the Lender to the Borrower;
- (c) if any of the Borrower’s representations, warranties or other statements in this Agreement or any other document delivered pursuant hereto or in connection with the Loan Facility were at the time given false or misleading in any material respect;
- (d) if the Borrower ceases or threatens to cease to carry on business;
- (e) any order is made or an effective resolution is passed for the dissolution, liquidation or winding-up of the Borrower or other cancellation or suspension of its incorporation or if a petition is filed for the winding-up of the Borrower except to the extent that any of these are consented to by the Lender;
- (f) the Borrower is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies’ Creditors Arrangement Act* (Canada), the *Winding Up Act* (Canada) or any other bankruptcy, insolvency or analogous law in Canada or the United States, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver

and manager, interim receiver, custodian or other person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against the Borrower;

- (g) any proceedings with respect to the Borrower are commenced under the *Companies' Creditors Arrangement Act* (Canada);
- (h) if a writ, execution or attachment or similar process is issued against all or a substantial portion of the property and assets of the Borrower as a result of a judgment against the Borrower in an amount which materially affects the assets of the Borrower and such writ, execution, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within thirty (30) days after its levy, issue or entry; or
- (i) a receiver (including a receiver manager) of all or any part of the Borrower's property or assets or a trustee, liquidator, custodian or other official with similar powers is appointed.

10. **Effect of Event of Default.** If any one or more of the Events of Default occur or occurs and is or are continuing, the Lender may without limitation in respect of any other rights it may have in law or pursuant to this Agreement or any other document or instrument delivered hereunder:

- (a) upon the occurrence and during the continuation of an Event of Default, the Lender may by written notice to the Borrower declare the Outstanding Balance hereunder to be immediately due and payable, and enforce all rights and remedies available to the Lender under the law, including those remedies granted under this Agreement and the Security Documents, and all expenses incurred by the Lender in connection with legal actions or proceedings shall be repaid by the Borrower to the Lender; and
- (b) the rights, powers and remedies of the Lender hereunder shall not be deemed exclusive, but shall be cumulative with and in addition to all other rights and remedies existing at law or in equity, including, without limitation, all of the rights, powers and remedies available to the Lender under this Agreement and the Security Documents, and any agreement or instrument contemplated thereby or delivered in support thereof and/or available to a secured creditor under the *Personal Property Security Act* (British Columbia) or any other applicable jurisdiction and the *Business Corporations Act* (British Columbia) or any similar legislation of any other applicable jurisdiction.

11. **Set-Off or Counterclaim.** The obligation of the Borrower to make all payments hereunder or under the Security Documents will be absolute and unconditional and will not be affected by any circumstance, including without limitation any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Lender, or anyone else for any reason whatsoever and any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.

12. **Conditions Precedent.** Unless the Lender otherwise agrees in writing or unless waived by the Lender in writing, the obligations of the Lender under this Agreement are subject to fulfillment of the following conditions:

- (a) The Security will have been executed and delivered pursuant to the terms of this Agreement and the Security Documents;
 - (b) no event shall have occurred and be continuing which constitutes an Event of Default or with the giving of notice or lapse of time or both would constitute an Event of Default; and
 - (c) the approval of the Exchange to the Loan Facility.
13. **Legal Fees.** If there is an Event of Default, the Borrower shall forthwith pay all expenses of the Lender incurred in the enforcement, administration and preservation of any of its rights under this Agreement, including without limitation, all out-of-pocket expenses and legal fees of counsel to the Lender (on a solicitor and his own client basis).
14. **Notices.** In this Agreement:
- (a) any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by transmitted by facsimile and email transmission as follows:
 - if to the Lender:
 - to the attention of **[Redacted]**
 - Email: **[Redacted]**
 - if to the Borrower:
 - to the attention of **[Redacted]**
 - Email: **[Redacted]**
 - or to such other address or facsimile transmission number as any party may designate in the manner set out above; and
 - (b) notice or communication will be considered to have been received, in the case of a fax or email, upon the sender receiving confirmation of the transmission;
15. **Assignment.** This Agreement may not be assigned by the Borrower without the prior written consent of the other party.
16. **Enurement.** This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
17. **Waivers.** No failure or delay on the Lender's part in exercising any power or right hereunder will operate as a waiver thereof.
18. **Remedies are Cumulative.** The Lender's rights and remedies hereunder are cumulative and not exclusive of any rights or remedies at law or in equity.
19. **Time.** Time is of the essence of this Agreement and all documents or instruments delivered hereunder.

20. **Invalidity.** If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby to the fullest extent possible by law.
21. **Governing Laws.** This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The Borrower and the Lender submit to the non-exclusive jurisdiction of the Courts of the Province of British Columbia and agree to be bound by any suit, action or proceeding commenced in such Courts and by any order or judgment resulting from such suit, action or proceeding, but the foregoing will in no way limit the right of the Lender to commence suits, actions or proceedings based on this Agreement in any jurisdiction it may deem appropriate.
22. **Amendment.** This Agreement may be varied or amended only by or pursuant to an agreement in writing signed by the parties hereto.
23. **Further Assurances.** The parties will do, execute and deliver, or will be cause to be done, executed and delivered all such further acts, documents and things as the other party may reasonably require for the purpose of giving effect to this Agreement and the transactions contemplated hereby.
24. **Dealings by the Lender.** The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower as the Lender may see fit without prejudice to the liability of the Borrower hereunder and under the Security or the Lender's right to hold and enforce the Security.
25. **Currency.** Dollar references in this Agreement shall denote the lawful currency of Canada.
26. **Counterparts.** This Agreement may be signed in one or more counterparts, originally or by facsimile, each such counterpart taken together will form one and the same agreement.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF each of the parties has executed this Agreement on the date first above written.

CLOVER LEAF CAPITAL CORP.

NORTH SHORE ENERGY METALS LTD.

“Doris Meyer”

“Brooke Clements”

Per Authorized Signatory
Doris Meyer, Director

Per Authorized Signatory
Brooke Clements, President

Schedule "A"

Principal Amount: \$ _____

Due Date: June 30, 2023

FOR VALUE RECEIVED, in accordance with the terms of a secured loan facility agreement (the "**Loan Agreement**") dated April 6th, 2023 (the "**Loan Agreement**") between North Shore Energy Metals Ltd. (the "**Borrower**") and Clover Leaf Capital Corp., having an address at Unit 1 – 15782 Marine Drive, White Rock, British Columbia (the "**Lender**"), the Borrower promises to pay to the order of the Lender, the sum of C\$ _____ (the "**Principal Amount**") plus interest thereon at the rate of 7% per annum, calculated daily from the date hereof and payable upon maturity, by no later than June 30, 2023 (the "**Maturity Date**").

The Borrower and the Lender are parties to a share exchange agreement made as of December 19, 2022, as amended (the "**Share Exchange Agreement**"). If the Share Exchange Agreement is terminated in accordance with the terms set out in the Share Exchange Agreement, the Principal Amount, together with all interest payable in respect of such amount will become immediately due and payable to the Lender within 30 days of the date of such termination.

The Borrower hereby waives all demand, presentment, protest and notice of default and consents that this promissory note shall become due and payable not later than the Maturity Date.

Any extension of time granted by the Lender for payment of all or any portion of the amount owing hereunder at any time, or the failure of the Lender to enforce any of its rights or remedies hereunder or under any instrument collateral to or in addition to this promissory note, will not release the Borrower and will not constitute a waiver of any of the rights of the Lender to enforce its rights or remedies hereunder.

All amounts paid by the Borrower hereunder shall be applied firstly to reduce interest and secondly to reduce the Principal Amount.

Time shall be of the essence. This promissory note and all matters arising hereunder shall be governed by and construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without giving effect to any rule or principle of the conflict of laws that would apply the laws of any other jurisdiction.

This promissory note will be binding upon the successors and permitted assigns of the Company.

Any electronic signature shall be taken as an original.

DATED at Vancouver, British Columbia,, this ____ day of _____, 2023.

NORTH SHORE ENERGY METALS LTD.

Per: _____
Authorized Signatory