

VIA E-MAIL

July 20, 2022

Fancamp Exploration Ltd.  
7290 Gray Avenue  
Burnaby, British Columbia  
V5J 3Z2

Dear Sirs/Mesdames:

**Re: Purchase by KWG Resources Inc. ("KWG") of the Beneficial Interests Owned by Fancamp Exploration Ltd. ("Fancamp" and together with KWG, the "Parties") in the Mining Claims (as defined below)**

The purpose of this binding offer (the "**Binding Offer**" or the "**Binding Offer Letter**") is to establish certain binding agreements between KWG and Fancamp relating to a proposed transaction consisting, among other things, of the acquisition by KWG of all of the right, title and interests beneficially owned by Fancamp in and to the mineral properties referred to by KWG as the "Black Horse Project" and by Fancamp as "Koper Lake-McFaulds", comprised of four (4) mining claims (the "**Mining Claims**"), located within the "Ring of Fire" in the Province of Ontario.

Upon your acceptance and execution of this Binding Offer Letter on or before 11:59 p.m. (Eastern Standard Time) on July 20, 2022, this Binding Offer, including the terms set out in the binding term sheet attached hereto at Schedule "A" (the "**Binding Term Sheet**") and in the appendices attached thereto, each of which form an integral part of this Binding Offer Letter, will constitute an irrevocable, legally binding and enforceable agreement between the Parties.

This Binding Offer is conditioned on: (a) the receipt of an executed waiver from Bold Ventures Inc. ("**Bold**") in respect of its right of first refusal (the "**Bold ROFR**") under section 14.2 of the joint venture agreement dated as of October 18, 2018 between Bold and Fancamp, as amended (the "**JVA**"); or (b) the expiry of the thirty (30) day period in respect thereof without such right of first refusal having been exercised by Bold, whichever first occurs.

For purposes of compliance with the terms of the Bold ROFR under the JVA: (a) we acknowledge that you are hereby authorized to deliver this Binding Offer Letter to Bold in furtherance of the terms of the Bold ROFR; and (b) we confirm our agreement with you that the monetary equivalent of our proposed purchase price (in cash) for the sale of the Mining Claims is [Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.], such value representing our joint assessment with you of the aggregate fair market value thereof.

We believe that the proposed terms set out herein present a compelling value proposition for Fancamp and its shareholders. We look forward to your response.

*[Signature page follows.]*

If this Binding Offer meets with your approval, please sign, date and return one counter-signed copy of this Binding Offer Letter on or before 11:59 p.m. (Eastern Standard Time) on July 20, 2022, failing which this Binding Offer shall be null and void.

Yours very truly,

**KWG RESOURCES INC.**

By: (Signed) Frank Smeenk

Name: Frank Smeenk

Title: Chief Executive Officer

**ACCEPTED AND AGREED**

on July 20, 2022.

**FANCAMP EXPLORATION LTD.**

By: (Signed) Rajesh Sharma

Name: Rajesh Sharma

Title: President and Chief Executive Officer

SCHEDULE "A"

**BINDING TERM SHEET**

Capitalized terms used in this Schedule "A", but not otherwise defined herein, have the meanings ascribed thereto in the Binding Offer Letter to which this Schedule "A" is attached.

<b>A. Principal Deal Terms</b>		
<b>1.</b>	<b>Proposed Transaction</b>	<p>Subject to the terms and conditions of this Binding Term Sheet, the "<b>Proposed Transaction</b>" will consist of: (a) the acquisition by KWG of all of the right, title and interests beneficially owned by Fancamp in and to the mineral properties known as the "Black Horse Project" by KWG and "Koper Lake-McFaulds" by Fancamp, comprised of four (4) Mining Claims, the details of which are set out in Appendix "A" of this Binding Term Sheet, such Mining Claims located within the "Ring of Fire" in the Province of Ontario; and (b) a one-time payment by Fancamp to KWG of C\$1,500,000 (the "<b>Fancamp Closing Payment</b>"), the proceeds of which will be used by KWG for the advancement and development of the Mining Claims and for other general working capital purposes.</p> <p>For greater certainty, on completion of the Proposed Transaction, the Mining Claims will continue to be subject to the same contractual arrangements to which Fancamp is currently subject, including: (i) the JVA, which will be assigned to and assumed by KWG on the Closing Date (as defined below); and (ii) the 2.0% Net Smelter Returns Royalty held by [REDACTED] [Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.] pursuant to the agreement dated June 17, 2003 between Fancamp and [REDACTED] [Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions].</p>
<b>2.</b>	<b>Interpretation</b>	<p>For the purposes of this Binding Term Sheet:</p> <ul style="list-style-type: none"><li>(a) "<b>Business Day</b>" means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in the City of Toronto, Ontario;</li><li>(b) all references in this Binding Term Sheet or any Ancillary Agreement (as defined below) to dollars, or to C\$ are expressed in Canadian currency, unless otherwise specifically indicated;</li><li>(c) any reference in this Binding Term Sheet or any Ancillary Agreement to gender includes all genders, and words importing the singular only includes the plural and <i>vice versa</i>;</li><li>(d) any reference in this Binding Term Sheet to a "<b>person</b>" includes its heirs, administrators, executors, legal representatives, successors and permitted assigns;</li><li>(e) the division of this Binding Term Sheet into Sections and the insertion of headings are for convenient reference only and do not affect the interpretation of this Binding Term Sheet;</li></ul>

		<p>(f) the appendices attached to this Binding Term Sheet form an integral part of this Binding Term Sheet for all purposes of it, and any reference herein to this Binding Term Sheet shall be deemed to include all appendices thereto;</p> <p>(g) the words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” and words of similar import refer to this Binding Term Sheet as a whole (including all appendices hereto) and not to any particular provision;</p> <p>(h) whenever the term “include” or “including” is used in this Binding Term Sheet, it means “including, without limitation,” (whether or not such language is specifically set forth) and shall not be deemed to limit the range of possibilities to those items specifically enumerated;</p> <p>(i) except as otherwise provided in this Binding Term Sheet, any reference in this Binding Term Sheet to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced;</p> <p>(j) the number of outstanding multiple voting shares in the capital of KWG (“MVS”) shall be calculated on the basis that all outstanding subordinate voting shares in the capital of KWG (“SVS”) at the relevant time are deemed to be converted into MVS at the then applicable exchange ratio, which exchange ratio is currently 100 SVS for each MVS, subject to any future adjustments thereon, including in respect of any stock consolidation, stock split or reclassification; and</p> <p>(k) “VWAP” refers to the volume-weighted average trading price of the MVS and the SVS (the SVS adjusted for the then applicable exchange ratio, which exchange ratio is currently 100 SVS for each MVS) on the Canadian Securities Exchange and any other exchange where such SVS and MVS are listed and posted for trading as of the applicable date referenced herein.</p>
<p>3.</p>	<p><b>Purchase Price</b></p>	<p>The consideration payable by KWG to Fancamp for the purchase of the Mining Claims and the Fancamp Closing Payment (the “<b>Purchase Price</b>”) is equal to the aggregate of the following:</p> <p>(a) C\$34.5 million, subject to adjustment as contemplated by Section 13 (<i>Change of Control and Other Adjustments</i>) (the “<b>Base Purchase Price</b>”);</p> <p>(b) such number of warrants to purchase MVS of KWG issued in favour of Fancamp (the “<b>Consideration Warrants</b>”) equal to one-half (1/2) of the following:</p> <p style="text-align: center;">(the Base Purchase Price) ÷ (the 10-day VWAP ending on the trading day immediately prior to the date of acceptance and execution by Fancamp of the Binding Offer Letter (the “<b>Base Conversion Price</b>”))</p>

		<p>(c) Fancamp being granted a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for C\$5 million and the next one-quarter of which will be subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after the Closing Date (the “<b>Royalty</b>”).</p>								
<p>4.</p>	<p><b>Payment of Purchase Price</b></p>	<p>The Purchase Price will be paid on the Closing Date by way of:</p> <p>(a) the issuance by KWG to Fancamp (or otherwise as Fancamp may direct to be held in trust for Fancamp) of a secured convertible promissory note in the principal amount equal to C\$34.5 million (the “<b>Secured Convertible Promissory Note</b>”), such Secured Convertible Promissory Note having the terms and conditions described in this Binding Term Sheet and to be executed and delivered on the Closing Date, subject to adjustment as contemplated by Section 13 (<i>Change of Control and Other Adjustments</i>);</p> <p>(b) the issuance by KWG to Fancamp (or otherwise as Fancamp may direct to be held in trust for Fancamp) of the Consideration Warrants having the terms and conditions described herein, as evidenced by a warrants certificate (the “<b>Warrants Certificate</b>”) to be executed and delivered on the Closing Date, whereby each warrant will:</p> <p>(i) subject to adjustment as contemplated by Section 13 (<i>Change of Control and Other Adjustments</i>), have an exercise price equal to the following (in each case, the “<b>Exercise Price</b>”):</p> <table border="1" data-bbox="727 1163 1416 1528"> <thead> <tr> <th data-bbox="727 1163 1203 1197">Exercise Period</th> <th data-bbox="1203 1163 1416 1197">Exercise Price</th> </tr> </thead> <tbody> <tr> <td data-bbox="727 1197 1203 1285">From (and including) the Closing Date to (but excluding) the date which is the one (1) year anniversary of the Closing Date.</td> <td data-bbox="1203 1197 1416 1285">110% of the Base Conversion Price</td> </tr> <tr> <td data-bbox="727 1285 1203 1407">From (and including) the one (1) year anniversary of the Closing Date to (but excluding) the date which is the second (2<sup>nd</sup>) year anniversary of the Closing Date.</td> <td data-bbox="1203 1285 1416 1407">105% of the Base Conversion Price</td> </tr> <tr> <td data-bbox="727 1407 1203 1528">From (and including) the second (2<sup>nd</sup>) year anniversary of the Closing Date to (and including) the Expiry Date (as defined below).</td> <td data-bbox="1203 1407 1416 1528">Base Conversion Price</td> </tr> </tbody> </table> <p>(ii) have an expiry date which is the five (5) year anniversary of the Closing Date (subject to acceleration in the event of the completion of a business combination, take-over bid or other change of control of KWG, provided that the shareholders of KWG do not have the continued controlling interest in the public company resulting from the completion of such transaction and holding the Mining Claims) (the “<b>Expiry Date</b>”);</p> <p>(iii) be exercisable anytime by Fancamp on or before the Expiry Date; and</p>	Exercise Period	Exercise Price	From (and including) the Closing Date to (but excluding) the date which is the one (1) year anniversary of the Closing Date.	110% of the Base Conversion Price	From (and including) the one (1) year anniversary of the Closing Date to (but excluding) the date which is the second (2 <sup>nd</sup> ) year anniversary of the Closing Date.	105% of the Base Conversion Price	From (and including) the second (2 <sup>nd</sup> ) year anniversary of the Closing Date to (and including) the Expiry Date (as defined below).	Base Conversion Price
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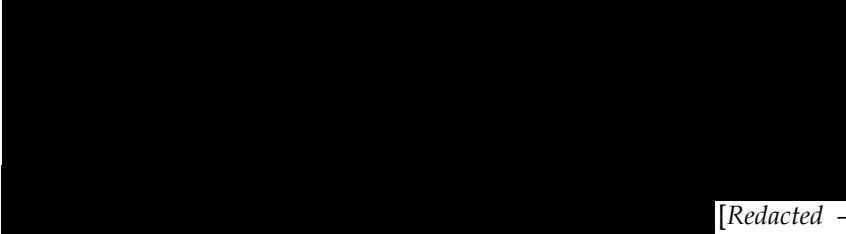
		<p>(iv) on payment of the Exercise Price, will entitle Fancamp to receive one MVS for each warrant exercised (subject to customary adjustments, including in respect of any stock consolidation, stock split or reclassification); and</p> <p>(c) the execution and delivery on the Closing Date of a royalty agreement (the "<b>Royalty Agreement</b>") in favour of Fancamp in respect of the Royalty.</p>
5.	<b>Closing Date</b>	<p><u>Date, Time and Place of Closing</u></p> <p>The closing of the Proposed Transaction will take place electronically at 8:00 a.m. (Eastern Standard Time) on August 31, 2022, or on such other date and time as is mutually agreed to between the Parties, acting reasonably (the "<b>Closing Date</b>"), subject to the satisfaction or waiver by the Parties of the closing conditions set out in Section 6 below. Notwithstanding the foregoing, Fancamp may, by way of notice in writing to KWG on or before August 31, 2022, elect to extend the Closing Date if required in order to satisfy the closing condition (if any) set out in Section 6(i)(d) below for such period of time (up to a maximum of 150 days from the date of acceptance of this Binding Offer Letter) as may be required by Fancamp, acting reasonably, to satisfy such closing condition, and, upon such election, the Closing Date for purposes of this Binding Term Sheet shall be such extended date.</p> <p><u>Closing Procedures</u></p> <p>On the Closing Date, subject to the satisfaction or waiver by the relevant Party of the closing conditions set out in Section 6 below, KWG shall make the payments described in and in accordance with Section 4 above and Fancamp shall make the Fancamp Closing Payment.</p>
6.	<b>Closing Conditions</b>	<p>(i) <u>Conditions for the Benefit of Fancamp</u></p> <p>The completion of the Proposed Transaction is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of Fancamp and may be waived, in whole or in part, by Fancamp in its sole discretion:</p> <p>(a) <b>Truth of Representations and Warranties.</b> The representations and warranties of KWG contained in this Binding Term Sheet must be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date. However, if a representation and warranty is qualified by materiality, it must be true and correct in all respects after giving effect to such qualification. Fancamp shall receive a certificate of a senior officer of KWG (certifying as a senior officer of KWG and without personal liability) confirming the matters in this paragraph.</p> <p>(b) <b>Performance of Covenants.</b> KWG must have fulfilled or complied with all covenants contained in this Binding Term Sheet required to be fulfilled or complied with by it at or prior to the Closing Date. Fancamp shall receive a certificate of a senior officer of KWG</p>

		<p>(certifying as a senior officer of KWG and without personal liability) confirming the matters in this paragraph.</p> <p>(c) <b>Closing Deliveries.</b> KWG shall deliver the following documentation to Fancamp, in form and substance satisfactory to Fancamp, acting reasonably, such documentation to be on terms consistent with the terms set out in this Binding Term Sheet and on such additional terms as would reasonably be required by Fancamp to preserve its security interest:</p> <ul style="list-style-type: none"><li>(i) the Secured Convertible Promissory Note, duly executed by KWG;</li><li>(ii) the Warrants Certificate, duly executed by KWG;</li><li>(iii) the Royalty Agreement, duly executed by KWG;</li><li>(iv) the execution or delivery by KWG of such documentation required to register or effect a security interest pursuant to the Secured Convertible Promissory Note, including, as applicable, a debenture, a general security agreement and a registration under the <i>Personal Property Security Act</i> (Ontario) (collectively, the "<b>Security Documentation</b>");</li><li>(v) an assignment and assumption agreement in respect of the JVA (the "<b>JVA Assignment and Assumption Agreement</b>"), duly executed by KWG; and</li><li>(vi) such other instruments of transfer, assumptions, filings or documents as may be required to give effect to this Binding Term Sheet.</li></ul> <p>(d) <b>Consents, Approvals, etc.</b> Approval (if any) by the TSX Venture Exchange of the Proposed Transaction on such terms and conditions as are satisfactory to Fancamp in its sole discretion (the "<b>TSXV Approval</b>") and any JV Consent (as defined below) obtained prior to the Closing Date, as contemplated in Section 8(c).</p> <p>(e) <b>No Legal Action.</b> No action or proceeding will be pending or threatened by any person in any jurisdiction and no order or notice will have been made, issued or delivered by any Governmental Entity (as defined in Appendix "B"), seeking to enjoin, restrict or prohibit or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Binding Term Sheet or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Binding Term Sheet.</p> <p>(ii) <u>Conditions for the Benefit of KWG</u></p> <p>The completion of the Proposed Transaction is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of KWG and may be waived, in whole or in part, by KWG in its sole discretion:</p> <ul style="list-style-type: none"><li>(a) <b>Truth of Representations and Warranties.</b> The representations and warranties of Fancamp contained in this Binding Term Sheet must be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date. However, if a representation and warranty is qualified by materiality, it must be</li></ul>
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		<p>true and correct in all respects after giving effect to such qualification. KWG shall receive a certificate of a senior officer of Fancamp (certifying as a senior officer of Fancamp and without personal liability) confirming the matters in this paragraph.</p> <p>(b) <b>Performance of Covenants.</b> Fancamp must have fulfilled or complied with all covenants contained in this Binding Term Sheet required to be fulfilled or complied with by it at or prior to the Closing Date. KWG shall receive a certificate of a senior officer of Fancamp (certifying as a senior officer of Fancamp and without personal liability) confirming the matters in this paragraph.</p> <p>(c) <b>Closing Deliveries.</b> Fancamp shall pay the Fancamp Closing Payment and deliver the following documentation to KWG, in form and substance satisfactory to KWG, acting reasonably, such documentation to be on terms consistent with the terms set out in this Binding Term Sheet and on such additional terms as would reasonably be required by Fancamp to preserve its security interest:</p> <ul style="list-style-type: none"><li>(i) the Secured Convertible Promissory Note, duly executed by Fancamp;</li><li>(ii) the Warrants Certificate, duly executed by Fancamp;</li><li>(iii) the Royalty Agreement, duly executed by Fancamp;</li><li>(iv) the execution or delivery by Fancamp of the Security Documentation, as applicable;</li><li>(v) the JVA Assignment and Assumption Agreement, duly executed by Fancamp;</li><li>(vi) a general conveyance in respect of Fancamp's beneficial interest in the Mining Claims, duly executed by Fancamp; and</li><li>(vii) such other instruments of transfer, assumptions, filings or documents as may be required to give effect to this Binding Term Sheet.</li></ul> <p>(d) <b>No Legal Action.</b> No action or proceeding will be pending or threatened by any person in any jurisdiction and no order or notice will have been made, issued or delivered by any Governmental Entity, seeking to enjoin, restrict or prohibit or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Binding Term Sheet or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Binding Term Sheet.</p> <p>For purposes of this Binding Term Sheet, "<b>Ancillary Agreements</b>" means, collectively, the Secured Convertible Promissory Note, the Warrants Certificate, the Royalty Agreement, the Security Documentation, the JVA Assignment and Assumption Agreement and any other agreements, certificates or instruments to be delivered pursuant to this Binding Term Sheet.</p> <p>Although the registration and transfer of Fancamp's interests in the Mining Claims are intended to be completed on the Closing Date, the Parties agree to work cooperatively with each other on a post-closing basis in order to complete any formal registration and transfer</p>
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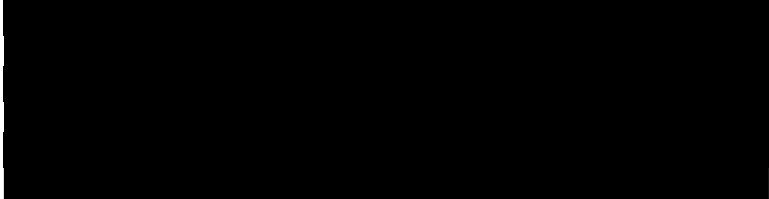
		requirements in respect of Fancamp’s interests in the Mining Claims to be transferred to KWG.
7.	<b>Representations and Warranties</b>	Each of KWG and Fancamp represent and warrant to each other as set forth in Appendix “B” hereof.
8.	<b>Pre-Closing Covenants</b>	<p>(a) <u>Conduct of Business</u></p> <p>During the period between the date of the acceptance of this Binding Term Sheet and the Closing Date, the Parties will use commercially reasonable efforts to conduct their business (including in respect of the Mining Claims and the KWG Assets Collateral (as defined below)) in the ordinary course of normal day-to-day operations and consistent with past practices.</p> <p>(b) <u>Actions to Satisfy Closing Conditions</u></p> <p>The Parties will use their commercially reasonable efforts to ensure compliance with all of the closing conditions set forth in Section 6.</p> <p>(c) <u>Consents Relating to KWG Non-Material Mineral Exploration Claims</u></p> <p>Between the date of this Binding Term Sheet and the Closing Date, KWG will use commercially reasonable efforts to obtain and deliver to Fancamp (in a form acceptable to Fancamp, acting reasonably), on or before the Closing Date, any and all consents, approvals, waivers or authorizations required to effect a security interest in the KWG Non-Material Mineral Exploration Claims (as defined in Appendix “B”) as part of the KWG Assets Collateral (a “JV Consent”). In addition, to the extent a joint venture agreement relating to the KWG Non-Material Mineral Exploration Claims is unable to be located, KWG will use its commercially reasonable efforts to locate or obtain a copy of same.</p> <p>For greater certainty, the covenant in this Section 8(c) applies only to those KWG Non-Material Mineral Exploration Claims in which the applicable joint venture agreement to which KWG is a party cannot be obtained by KWG using reasonable commercial efforts or, if obtained, prohibits security on such interests or restricts security on such interests without a JV Consent. If no such JV Consent is required in respect of a KWG Non-Material Mineral Exploration Claim, then Fancamp will have a valid security interest thereon as part of the KWG Assets Collateral as of the Closing Date, subject only to the KWG Non-Material Encumbrances (as defined below), if any.</p>
<b>B. Terms Relating to the Secured Convertible Promissory Note</b>		
9.	<b>Interest</b>	The Secured Convertible Promissory Note will bear interest at a rate of six percent (6%) <i>per annum</i> . Interest shall accrue daily (on the basis of the actual number of days elapsed in a 365-day year) and be compounded annually, with interest on any unpaid indebtedness accruing at the same rate. Accrued interest payments will be made quarterly in arrears on the last day of February, May, August and November of each year, beginning November 30, 2022.

		<p>Such interest payments will be payable in cash or, at the option of KWG, in MVS at an issue price equal to the VWAP for the five (5) trading days ending on the trading day immediately prior to: (a) the day the accrued interest becomes payable; (b) the Maturity Date (as defined below); or (c) such other applicable date referenced in this Binding Term Sheet, as the case may be.</p>
10.	<b>Maturity Date</b>	<p>The Secured Convertible Promissory Note will mature on the date which is the four (4) year anniversary of the Closing Date or earlier on an Event of Default (the "<b>Maturity Date</b>"); <i>provided, however</i>, that, in the event that notice is provided by KWG to Fancamp not less than six (6) months prior to such Maturity Date, and provided further that there is no Event of Default on the date of such notice or thereafter prior to the Maturity Date, such Maturity Date may be extended at the option of KWG by up to an additional twelve (12) months (the end of such additional period, the "<b>Extended Maturity Date</b>").</p>  <p>[Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]</p>
11.	<b>Security Interest, Ranking, Enforcement, etc.</b>	<p><u>Security Interest</u></p> <p>The Secured Convertible Promissory Note will be secured by a security interest over all of the assets of KWG and its subsidiaries (including all of its tangible and intangible personal property and all present and after-acquired personal property of KWG), excluding KWG's interests in the Mining Claims and any KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained, and subject to:</p> <ul style="list-style-type: none"><li>(a) the KWG Material Encumbrances (as defined below); and</li><li>(b) in the case of the KWG Non-Material Mineral Exploration Claims, any security interest which has been granted thereon by KWG in favour of the other joint venture parties prior to the date hereof (the "<b>KWG Non-Material Encumbrances</b>" or the "<b>KWG Non-Material Encumbered Assets</b>")</li></ul> <p>(such secured assets, collectively, the "<b>KWG Assets Collateral</b>").</p> <p>Notwithstanding anything to the contrary in this Binding Term Sheet, in respect of the KWG Material Mineral Exploration Claims (as defined in Appendix "B"), the Parties acknowledge and agree that KWG and its subsidiaries have made, as of the date hereof, certain encumbrances described in Appendix "C" hereof (the "<b>KWG Material Encumbrances</b>" or the "<b>KWG Material Encumbered Assets</b>"), and that the KWG Assets Collateral will be subject to such KWG Material Encumbrances, and KWG will be permitted to implement such KWG Material</p>

Encumbrances free and clear of the security under the Secured Convertible Promissory Note, provided that such KWG Material Encumbrances are commercially reasonable and consistent with the disclosure set out in Appendix "C" hereof.

Substituted Security Interest

On or after the closing of the Proposed Transaction on the Closing Date, KWG will use commercially reasonable best efforts to arrange to obtain, in each case, in a form satisfactory to Fancamp, acting reasonably:

(a) 

*[Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]*


(b) 

*[Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]*

(c) 

*[Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]*

(the documents referred to in (a), (b) and (c) collectively referred to herein as the "**Substituted Security Documentation**").

If, on or after the Closing Date, KWG delivers the Substituted Security Documentation, including any additional interests in the Mining Claims which KWG may acquire from Bold if KWG hereafter acquires any or all of Bold's interests in the Mining Claims 



*[Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]*, then, upon delivery by KWG of security over all of its interests in the Mining Claims in favour of Fancamp in a form acceptable to Fancamp and as contemplated hereunder, Fancamp will release its security interest over the KWG Assets Collateral.

Ranking

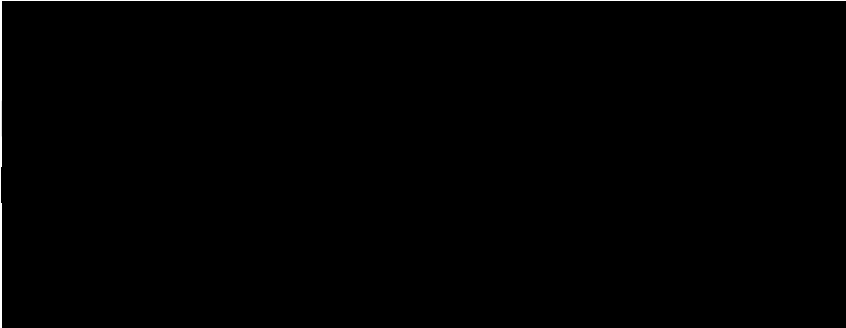
The security for the indebtedness represented by the Secured Convertible Promissory Note will be senior and first ranking to all other indebtedness of KWG and its subsidiaries, but subject to the KWG

	<p>Material Encumbrances and to the KWG Non-Material Encumbrances (if any).</p> <p><u>Realization/Enforcement</u></p> <p>On a realization by Fancamp of its security interest under the Secured Convertible Promissory Note, Fancamp will be entitled to receive consideration from KWG that is equal to the principal amount and accrued interest owing under the Secured Convertible Promissory Note, plus any enforcement costs associated therewith (collectively, the “<b>Enforcement Consideration</b>”).</p> <p>At any time after the occurrence of an Event of Default, Fancamp will be entitled, at its sole discretion, in accordance with the valuation procedures described below, to satisfy the Enforcement Consideration by realizing on its security interest under the Secured Convertible Promissory Note to the maximum extent possible in order to fully satisfy the amount of the Enforcement Consideration (i.e. until such debt is satisfied in full).</p> <p>If, following the realization by Fancamp of its security interest under the Secured Convertible Promissory Note, KWG remains indebted to Fancamp for a portion of the Enforcement Consideration (the “<b>Shortfall</b>”), then the balance owing on the Secured Convertible Promissory Note will be (collectively, the “<b>Shortfall Terms</b>”):</p> <ul style="list-style-type: none"><li>(i) unsecured for the amount of the Shortfall;</li><li>(ii) subject to the Default Interest Rate (as defined below);</li><li>(iii) subject to demand, provided that KWG shall only be required to make such payments from time to time relating to such demand, to the extent that such payment would not result in KWG failing to be able to satisfy its liabilities as they become due; and</li><li>(iv) subject to a conversion price per MVS equal to the lesser of: (a) the Base Conversion Price; and (b) the 10-day VWAP ending on the date of the notice of conversion by Fancamp to KWG,</li></ul> <p>with all other terms of the Secured Convertible Promissory Note remaining in full force and effect, or, if required under the policies of the Canadian Securities Exchange or any other exchanges where the SVS and MVS are listed and posted for trading, such Secured Convertible Promissory Note to be replaced with a new comparable secured convertible promissory note on terms which are to be mutually agreed to between the Parties, each acting reasonably.</p> <p>In addition, in the event of and for such time as there exists a Shortfall wherein Fancamp does not have a security interest in: (a) the Mining Claims Collateral; and/or (b) any KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained, then Fancamp, in its sole discretion, shall have the right and option to require KWG to make an offer to or agree with Fancamp to sell to Fancamp the direct and indirect portion of KWG’s interest in the Mining Claims and/or the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained (in each case, as determined by the independent valutors in accordance</p>
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	<p>with this Section 11) corresponding to the value of the Shortfall (the “<b>Shortfall Participating Interest</b>”).</p> <p>In connection with the sale of such Shortfall Participating Interest, to the extent that, as the case may be:</p> <ul style="list-style-type: none"><li>(a) in accordance with the terms of the JVA, Bold exercises its right of first refusal in respect of the sale of the direct and indirect portion of KWG’s interests in the Mining Claims; and/or</li><li>(b) in accordance with the terms of the applicable joint venture agreement to which KWG is a party, any other joint venture party exercises any pre-emptive right granted by KWG prior to the date hereof in respect of the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained,</li></ul> <p>then any cash proceeds thereon shall be irrevocably directed to and in favour of Fancamp in satisfaction of the amount of the Shortfall.</p> <p>In connection with the sale of such Shortfall Participating Interest, to the extent that, as the case may be:</p> <ul style="list-style-type: none"><li>(i) in accordance with the terms of the JVA, Bold does not exercise its right of first refusal in respect of the sale of the direct and indirect portion of KWG’s interests in the Mining Claims; and/or</li><li>(ii) in accordance with the terms of the applicable joint venture agreement to which KWG is a party, any other joint venture party does not exercise any pre-emptive right granted by KWG prior to the date hereof in respect of the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained,</li></ul> <p>then the amount of the Shortfall shall be set-off in full against the value of the Shortfall Participating Interest, after which, as the case may be, such Shortfall Participating Interest: (A) in the Mining Claims shall be registered and transferred in favour of Fancamp in accordance with and subject to the JVA and KWG-Bold Option Agreement; or (B) in the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained shall be transferred in favour of Fancamp in accordance with and subject to the terms of the applicable joint venture agreement to which KWG is a party.</p> <p>In the event that the Shortfall Participating Interest does not satisfy in full the amount of the Shortfall, the remainder of the Shortfall will remain outstanding in accordance with the Shortfall Terms referred to above.</p> <p>From and after the Closing Date, on any enforcement by Fancamp of its security interest under the Secured Convertible Promissory Note, Fancamp shall have the right to:</p> <ul style="list-style-type: none"><li>(a) acquire some or all of the security collateral thereunder (for value up to an amount equal to the Enforcement Consideration then owing) following the valuation procedure, including, if applicable, the independent valuers’ determinations with</li></ul>
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		<p>respect to the value of the security interest in accordance with this Section 11); and/or</p> <p>(b) exercise a power of sale in respect of the applicable portion (as chosen by Fancamp) of the secured collateral, the net proceeds of which shall be irrevocably directed to and in favour of Fancamp in satisfaction of the amount of the Enforcement Consideration then owing to Fancamp (with the remaining cash proceeds thereon, if any, to be for the benefit of KWG),</p> <p>and provided that, in each case, to the extent of a Shortfall, such Shortfall will remain outstanding in accordance with the Shortfall Terms referred to above. Notwithstanding the foregoing, in the event that Fancamp proceeds with the enforcement procedure contemplated in clause (a) above and KWG does not, within 30 days after completion of such procedure under this Section 11, transfer the applicable portion (as chosen by Fancamp) of the security collateral to Fancamp, then Fancamp shall have the right to foreclose on the applicable portion (as chosen by Fancamp) of the security collateral, which foreclosure procedure shall be the only manner in which Fancamp may exercise any foreclosure procedures.</p> <p>In the event that the Substituted Security Documentation is delivered by KWG to Fancamp, and KWG continues to have an interest in the Mining Claims following an Event of Default (as defined below) and enforcement by Fancamp of the Mining Claims Collateral, or other sale or disposition of some of KWG's interests in the Mining Claims, in either case, subject to and as contemplated by this Section 11, pursuant to which Fancamp acquires an interest in the Mining Claims from KWG, then: (a) Fancamp will, from and after the date of the enforcement of the Mining Claims Collateral, become the Operator (as defined in the JVA) to the extent that Fancamp owns or controls a majority interest in the Mining Claims; (b) at any time following an enforcement by Fancamp of the Mining Claims Collateral, Fancamp shall have the option, exercisable in its sole discretion anytime within six (6) months following the date it has received an ownership interest in the Mining Claims Collateral pursuant to such enforcement, to acquire for cash such additional interest of KWG in the Mining Claims (on the basis of the valuation of the Mining Claims which is determined by the independent valuers in accordance with this Section 11) which would enable Fancamp to become the Operator by having a majority (51%) interest in such Mining Claims; and (c) the Amended and Restated JVA will become operative.</p> <p>Following any Event of Default, KWG will, upon reasonable notice, permit Fancamp and its representatives to have reasonable access to information and documentation relating to, among other things, the secured collateral under the Secured Convertible Promissory Note and to KWG's assets, contracts, books and records so as to inform the exercise by Fancamp of its rights under this Binding Term Sheet and the Ancillary Agreements.</p> <p><u>Negative Covenants re KWG Assets</u></p> <p>At any time while there are any amounts outstanding under the Secured Convertible Promissory Note, KWG will be subject to negative</p>
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	<p>covenants as it relates to: (i) the Mining Claims; (ii) the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained; and (iii) all of the assets of KWG and its subsidiaries (including all of its tangible and intangible personal property and all present and after-acquired personal property of KWG), including any direct or indirect interest by KWG in the Mining Claims and the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained, but subject to the KWG Material Encumbrances and to the KWG Non-Material Encumbrances (if any). Such negative covenants shall, without limitation, provide that KWG will be precluded from selling, transferring or taking any other actions vis-à-vis such assets, including granting any security interest or encumbrance on such assets, unless the cash proceeds from any such transaction are irrevocably directed to and in favour of Fancamp in satisfaction of all of the outstanding indebtedness under the Secured Convertible Promissory Note (with any remaining cash proceeds thereon, if any, to be for the benefit of KWG). In addition, for so long as there remains any outstanding indebtedness under the Secured Convertible Promissory Note, KWG agrees not to encumber or to grant a security interest: (a) on the Mining Claims; (b) the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained; and (c) on all of the assets of KWG and its subsidiaries (including all of its tangible and intangible personal property and all present and after-acquired personal property of KWG), including the Mining Claims and the KWG Non-Material Mineral Exploration Claims on which a JV Consent is required but has not been obtained, but subject to the KWG Material Encumbrances and to the KWG Non-Material Encumbrances (if any).</p> <p><u>Valuing the Secured Collateral</u></p> <p>For purposes of determining the value of KWG's interests in the security collateral under the Secured Convertible Promissory Note, unless such value is mutually agreed to by the Parties or a single valuator is agreed to by the Parties, each Party will nominate one independent valuator with substantial experience in mineral exploration and mining, which may be or include investment banking-related expertise (each Party and the nominated independent valuator to certify as to their independence). The two independent valuers will collectively select a third independent valuator with substantial experience in mineral exploration and mining, which may be or include investment banking-related expertise. Together, the three independent valuers will provide a valuation in respect of the security collateral under the Secured Convertible Promissory Note, which valuation will not provide for any control premium or minority discount and will take into account the KWG Material Encumbered Assets and the KWG Non-Material Encumbered Assets (if any). If the single valuator agreed upon by the Parties determines a valuation, or a majority of the independent valuers (i.e. if at least two out of three of the independent valuers) agree to a valuation, then such valuation will be conclusive and binding on the Parties. If no valuation is agreed to by a majority of the independent valuers, then the Parties agree to average the three independent valuations, which average valuation shall be conclusive</p>
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		<p>and binding on the Parties. The Parties agree to share in the costs of such independent valuers, provided that such costs are comparable (otherwise, each Party will be responsible for the costs of the independent valuator nominated by such Party and will share equally the costs of the third independent valuator).</p> <p>At any time that, after commencing enforcement under the Secured Convertible Promissory Note, Fancamp determines that a valuation of KWG's interests in the security collateral is required, Fancamp shall notify KWG of such requirement for a valuation (the "<b>Valuation Notice</b>"). The Parties agree to attempt in good faith to agree upon a valuation and, if the Parties are unable to agree upon a valuation within two (2) weeks, to attempt in good faith to agree upon a single valuator within one week thereafter and, if the Parties are unable to agree upon a single valuator, the Parties agree to cause the engagement of the valuers contemplated above by no later than 30 days from the date of the Valuation Notice, and the valuations shall be completed and delivered by such valuers to the Parties by no later than 60 days from the date that the single valuator or all three valuers, as the case may be, have been retained. Each Party shall be entitled to make submissions to the valuers regarding the valuation of the secured collateral.</p>
12.	<b>Prepayment</b>	<p>Any or all of the principal amount owing under the Secured Convertible Promissory Note may be prepaid, at any time and from time to time, by KWG in cash on thirty (30) days' prior written notice, <i>provided that</i> Fancamp will have the right to convert, in whole or in part, the amount of the Secured Convertible Promissory Note being prepaid, at the option of Fancamp, at the Base Conversion Price during such thirty (30) day period.</p>
13.	<b>Change of Control and Other Adjustments</b>	<p>On any announcement of a business combination, take-over bid or other change of control involving KWG as the target, Fancamp will have the right to convert the Secured Convertible Promissory Note at the Base Conversion Price and/or to exercise the Consideration Warrants at the Base Conversion Price, in each case, in whole or in part, at the option of Fancamp, prior to completion of the change of control event. If Fancamp does not exercise its option to convert all of the Secured Convertible Promissory Note prior to completion of the change of control event, then, as a condition to closing such change of control event transaction, all unconverted principal and accrued unpaid interest under the Secured Convertible Promissory Note shall be due and paid to Fancamp.</p> 



		<p>[Redacted – Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]</p>								
<p>14.</p>	<p><b>Conversion and Trading Restrictions</b></p>	<p>Subject to Sections 11 to 13 inclusive, the Secured Convertible Promissory Note will be convertible, in whole or in part, at the option of Fancamp, at any time following the Closing Date, up to and including the Maturity Date, into fully-paid MVS at a conversion price equal to the following (in each case, the “<b>Conversion Price</b>”):</p> <table border="1" data-bbox="574 508 1416 840"> <thead> <tr> <th data-bbox="574 508 1156 541">Conversion Period</th> <th data-bbox="1156 508 1416 541">Conversion Price</th> </tr> </thead> <tbody> <tr> <td data-bbox="574 541 1156 630">From (and including) the Closing Date to (but excluding) the date which is the one (1) year anniversary of the Closing Date.</td> <td data-bbox="1156 541 1416 630">110% of the Base Conversion Price</td> </tr> <tr> <td data-bbox="574 630 1156 751">From (and including) the one (1) year anniversary of the Closing Date to (but excluding) the date which is the second (2<sup>nd</sup>) year anniversary of the Closing Date.</td> <td data-bbox="1156 630 1416 751">105% of the Base Conversion Price</td> </tr> <tr> <td data-bbox="574 751 1156 840">From (and including) the second (2<sup>nd</sup>) year anniversary of the Closing Date to (and including) the Maturity Date.</td> <td data-bbox="1156 751 1416 840">Base Conversion Price</td> </tr> </tbody> </table> <p>The Conversion Price will be subject to customary adjustments, including in respect of any stock consolidation, stock split or reclassification.</p> <p>If, at any time during the twelve (12) month period prior to the Maturity Date, or during the period between the Maturity Date and the Extended Maturity Date (as applicable), the VWAP for twenty (20) consecutive trading days exceeds two (2) times the Base Conversion Price, then KWG may, at its option, exercisable at any time and from time to time during such period, prepay any or all of the principal amount owing under the Secured Convertible Promissory Note in MVS as opposed to cash, <i>provided that</i>: (i) MVS shall be issued to Fancamp at a price equal to the Base Conversion Price; and (ii) at the date of receipt of notice by Fancamp of the exercise of such option by KWG, the VWAP for twenty (20) consecutive trading days ending on the trading day immediately prior to such date exceeds two (2) times the Base Conversion Price.</p> <p>If, at any time following the receipt by Fancamp of MVS as payment for interest on the Secured Convertible Promissory Note or on conversion of some or all of the principal of the Secured Convertible Promissory Note or on exercise of Consideration Warrants, Fancamp holds, directly or indirectly, more than 10% of the MVS issued and outstanding at the applicable time (calculated on a non-diluted basis other than in respect of any short-selling activity vis-à-vis the MVS or SVS carried out by or on behalf of Fancamp, in which circumstance it shall be calculated on a partially-diluted basis), Fancamp shall not, without the express written consent of KWG, sell or transfer over the Canadian Securities Exchange and any other exchanges where the SVS and MVS are traded (other than any pre-clearance trades): (i) more than 40% of the total trading volume of MVS and SVS collectively on such exchanges on any given trading day; or (ii) any MVS or SVS during the ten (10) trading days ending on the trading day immediately prior to the day any accrued interest</p>	Conversion Period	Conversion Price	From (and including) the Closing Date to (but excluding) the date which is the one (1) year anniversary of the Closing Date.	110% of the Base Conversion Price	From (and including) the one (1) year anniversary of the Closing Date to (but excluding) the date which is the second (2 <sup>nd</sup> ) year anniversary of the Closing Date.	105% of the Base Conversion Price	From (and including) the second (2 <sup>nd</sup> ) year anniversary of the Closing Date to (and including) the Maturity Date.	Base Conversion Price
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From (and including) the second (2 <sup>nd</sup> ) year anniversary of the Closing Date to (and including) the Maturity Date.	Base Conversion Price									

		<p>becomes payable. Notwithstanding the foregoing, any sale or transfer of MVS and/or SVS by Fancamp which is conducted by way of a private agreement, through a prospectus or in connection with a change of control transaction will not be subject to these requirements.</p> <p>The restriction to sell contained herein shall cease to apply following an Event of Default, provided that in the case of an Event of Default triggered by item (f) under Section 17, subject to a ten (10)-day cure period following notice from Fancamp to KWG describing the occurrence of such Event of Default (or from KWG to Fancamp to the extent that KWG becomes aware of an Event of Default under item (f) of Section 17), to the extent such breach is capable of being cured; <i>provided, however, that, if the cure for any such breach requires third-party approvals or consents, including any regulatory or shareholder approvals, KWG may, on written notice provided to Fancamp prior to the expiry of such ten (10)-day cure period, request a reasonable extension to the ten (10)-day cure period in order to procure such third-party approvals or consents, which extension shall be subject to approval by Fancamp, such approval not to be unreasonably delayed, conditioned or refused, with such extension to the cure period not to exceed ninety (90) days from the date that notice of the Event of Default under item (f) of Section 17 was given by Fancamp to KWG (or from KWG to Fancamp to the extent KWG becomes aware of an Event of Default under item (f) of Section 17).</i></p>
<p>15.</p>	<p><b>Anti-Dilution</b></p>	<p>The MVS issuable under the Proposed Transaction will be subject to customary anti-dilution provisions providing for adjustment in certain events, including, without limitation, the subdivision or consolidation of the outstanding MVS or SVS, the issue of MVS or SVS or securities convertible into MVS or SVS by way of stock dividend or distribution, the issue of rights, options or warrants to all or substantially all of the holders of MVS or SVS, and the distribution to all or substantially all of the holders of MVS or SVS or of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.</p>
<p>16.</p>	<p><b>Governance Rights</b></p>	<p>(a) At any time while there is any amount outstanding under the Secured Convertible Promissory Note or while Fancamp holds at least five percent (5%) of the outstanding MVS in the capital of KWG (calculated on a non-diluted basis), Fancamp shall have the right to nominate one member to the board of directors of KWG, and KWG shall use all commercially reasonable efforts to facilitate such director nominee's election to the board of directors of KWG. The initial director nominee of Fancamp will be mutually agreed to between the Parties (with KWG acknowledging that Rajesh Sharma is acceptable to KWG). Fancamp agrees to consult with KWG prior to making any substitution or replacement of such initial nominee.</p> <p>(b) Subject to subsection (d) below (except as qualified therein), at any time while there is any amount outstanding under the Secured Convertible Promissory Note or while Fancamp holds at least five percent (5%) of the outstanding MVS in the capital of</p>

		<p>KWG (calculated on a non-diluted basis) (the “<b>Restricted Period</b>”): (i) Fancamp shall not, directly or indirectly, vote or cause to be voted any KWG shares, or encourage anyone else to vote or cause to be voted any of their KWG shares, at any meeting of shareholders of KWG against any resolutions put before the shareholders of KWG by or upon the recommendation of the then incumbent KWG board of directors; and (ii) Fancamp agrees it shall not vote or cause to be voted any KWG shares or encourage anyone else to vote or cause to be voted any of their KWG shares in favour of (x) the election of nominees to the KWG board of directors not proposed by the then incumbent KWG board of directors, or (y) any shareholder resolution or proposal unless the then incumbent KWG board of directors recommends voting in favour of such shareholder resolution or proposal.</p> <p>(c) Subject to subsection (d) below (except as qualified therein), during the Restricted Period, Fancamp shall not, directly or indirectly: (i) commence, assist, commit to tender or act in concert with an offeror in a take-over bid for any securities of KWG; (ii) solicit proxies from any shareholders of KWG or attempt to influence the voting by any shareholders of KWG other than in support of initiatives recommended by the KWG board of directors; (iii) otherwise seek or propose to influence or control the management of KWG, the KWG board of directors, or the policies or affairs of KWG (but, for certainty, this shall not limit or restrict in any way any nominee of Fancamp to the KWG board of directors in fulfilling such nominee’s duties and responsibilities as a director on the KWG board of directors); or (iv) make any public or private announcement or disclosure with respect to the foregoing.</p> <p>(d) The restrictions set out in items (b) and (c) shall cease to apply following an Event of Default, provided that in the case of an Event of Default triggered by item (f) under Section 17, subject to a ten (10)-day cure period following notice from Fancamp to KWG (or from KWG to Fancamp if KWG becomes aware of an the Event of Default under item (f) of Section 17) describing the occurrence of such Event of Default, to the extent such breach is capable of being cured; <i>provided, however</i>, that, if the cure for any such breach requires third-party approvals or consents, including any regulatory or shareholder approvals, KWG may, on written notice provided to Fancamp prior to the expiry of such ten (10)-day cure period, request a reasonable extension to the ten (10)-day cure period in order to procure such third-party approvals or consents, which extension shall be subject to approval by Fancamp, such approval not to be unreasonably delayed, conditioned or refused, with such extension to the cure period not to exceed ninety (90) days from the date that notice of the Event of Default under item (f) of Section 17 was given by Fancamp to KWG (or from KWG to Fancamp to the extent KWG becomes aware of an Event of Default under item (f) of Section 17). The restrictions set out in items (b) and (c) shall not apply in respect of a change of control</p>
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		<p>or other fundamental transaction involving KWG or if ISS or Glass Lewis is not in support of the particular matter or if the matter in any way restricts the ability of Fancamp to dispose or pledge its shares in KWG (other than as contemplated in this Binding Term Sheet) or if the particular matter reduces or compromises Fancamp's security interest under the Secured Convertible Promissory Note or would result in failure to comply with applicable laws in any material respect. The Parties will communicate with one another relating to any matter contemplated in the foregoing sentence so as to allow KWG to take necessary actions to obtain Fancamp support on such matter(s), notwithstanding that the restrictions set out in items (b) and (c) do not apply.</p>
<p>17.</p>	<p><b>Events of Default</b></p>	<p>Each of the following shall constitute an “<b>Event of Default</b>” under the Secured Convertible Promissory Note, this Binding Term Sheet and any Ancillary Agreement:</p> <ul style="list-style-type: none"> <li>(a) if KWG fails to pay any principal amount or interest due and payable under the Secured Convertible Promissory Note within five (5) Business Days after the same becomes due and payable;</li> <li>(b) if KWG makes any assignment for the benefit of its creditors under applicable law;</li> <li>(c) if KWG is the subject of an involuntary petition for bankruptcy under any insolvency laws and such petition is not dismissed within 60 days after the filing thereof;</li> <li>(d) if KWG becomes bankrupt or institutes proceedings under the <i>Bankruptcy and Insolvency Act</i> (Canada) or the <i>Companies' Creditors Arrangement Act</i> (Canada) or applicable corporate law;</li> <li>(e) if KWG has a trustee, receiver or similar official appointed for the benefit of creditors in respect of KWG or any of its assets; or</li> <li>(f) other than as contemplated in items (a) to (e) hereof, if KWG fails to observe or perform, or is in breach of any covenant, obligation, condition or agreement involving Fancamp under this Binding Term Sheet or any other Ancillary Agreement between the Parties pertaining to the Proposed Transaction.</li> </ul> <p>KWG shall promptly notify Fancamp if it becomes aware of any Event of Default, <i>provided that</i>, for all purposes hereunder, such awareness shall be based on the actual knowledge of KWG, including any directors or officers of KWG.</p> <p>Upon an Event of Default (unless cured as herein provided for), all principal and any accrued interest under the Secured Convertible Promissory Note will become immediately due and payable, and a default interest rate of 10% <i>per annum</i> (the “<b>Default Interest Rate</b>”) will apply to all outstanding amounts from the day of default until the day on which all amounts have been fully paid.</p>
<p>18.</p>	<p><b>Transferability and Hold Period</b></p>	<p>The Secured Convertible Promissory Note will not be transferable except after sixty (60) days' notice from Fancamp to KWG (which notice shall include the name of the proposed transferee and the terms on which the proposed transfer are intended to occur) and provided that, during such</p>

		<p>notice period, KWG shall have the right to elect to acquire the Secured Convertible Promissory Note on the same terms and conditions described in such notice. The Consideration Warrants will not be transferable except after notice from Fancamp to KWG (which notice shall include the name of the proposed transferee and the terms on which the proposed transfer are intended to occur) and provided that, during such notice period, KWG shall have the right to elect to acquire the Consideration Warrants on the same terms and conditions described in such notice. The notice period applicable for the transfer of Consideration Warrants shall be as follows: (i) if no more than 25% of the Consideration Warrants issued on the Closing Date are proposed to be transferred, then five (5) days' notice; (ii) if more than 25% but less than 50% of the Consideration Warrants issued on the Closing Date are proposed to be transferred, then ten (10) days' notice; (iii) if 50% or more but less than 75% of the Consideration Warrants issued on the Closing Date are proposed to be transferred, then fifteen (15) days' notice; and (iv) if 75% or more of the Consideration Warrants issued on the Closing Date are proposed to be transferred, then twenty (20) days' notice.</p> <p>However: (i) the Secured Convertible Promissory Note; (ii) any MVS issued by KWG in payment of interest or principal; and (iii) the Consideration Warrants and any MVS issued on exercise thereof, will be, in each case, subject to a hold period of four months and one day after the Closing Date and will not be freely tradable during that time except in compliance with Canadian securities laws, as applicable. Upon the expiry of such hold period, the legend will be removed at such time.</p>
<b>C. Other Deal Terms</b>		
<p><b>19.</b></p>	<p><b>Survival</b></p>	<p>The representations and warranties contained in this Binding Term Sheet will survive the closing and continue in full force and effect for a period of eighteen (18) months after the Closing Date, except that:</p> <ul style="list-style-type: none"> <li>(a) there shall be no limitation as to time for claims against a Party based on actual or intentional fraud or misrepresentation by that Party in this Binding Term Sheet or any Ancillary Agreement; and</li> <li>(b) if, at any time, any indemnified party delivers a written notice asserting a claim for recovery under Section 20, then the claim asserted in such notice shall survive the applicable expiration date until such time as such claim is fully and finally resolved.</li> </ul> <p>The covenants or other agreements contained in this Binding Term Sheet or any Ancillary Agreement which by their terms contemplate performance after the Closing Date shall survive indefinitely.</p>
<p><b>20.</b></p>	<p><b>Indemnification</b></p>	<p>For purposes of this Section 20, "<b>Damages</b>" means any losses, liabilities, damages or out-of-pocket expenses (including reasonable legal fees and expenses) whether resulting from an action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a third party or a cause, matter, thing, act, omission or state of facts not involving a third party.</p> <p><u>Indemnification in Favour of KWG</u></p>

		<p>Following the Closing Date, Fancamp shall indemnify and save KWG harmless of and from, and will pay for, any Damages suffered by, imposed upon or asserted against it as a result of, in respect of, connected with, or arising out of, under, or pursuant to: (a) any breach or inaccuracy of any representation or warranty of Fancamp under Section 2 of Appendix "B" hereof; or (b) any failure of Fancamp to perform or fulfil any of its covenants or obligations under this Binding Term Sheet or any Ancillary Agreement.</p> <p><u>Indemnification in Favour of Fancamp</u></p> <p>Following the Closing Date, KWG shall indemnify and save Fancamp harmless of and from, and will pay for, any Damages suffered by, imposed upon or asserted against it as a result of, in respect of, connected with, or arising out of, under, or pursuant to: (a) any breach or inaccuracy of any representation or warranty of KWG under Section 3 of Appendix "B" hereof; or (b) any failure of KWG to perform or fulfil any of its covenants or obligations under this Binding Term Sheet or any Ancillary Agreement.</p>
21.	<b>Termination</b>	<p><u>Termination</u></p> <p>This Binding Term Sheet may, by notice in writing given at or prior to the Closing Date, be terminated:</p> <ul style="list-style-type: none"><li>(a) by mutual consent of KWG and Fancamp;</li><li>(b) by KWG if any of the conditions for the benefit of KWG in Section 6(ii) have not been satisfied as of the Closing Date and KWG has not waived such condition at or prior to the Closing Date;</li><li>(c) by Fancamp if any of the conditions for the benefit of Fancamp in Section 6(i) have not been satisfied as of the Closing Date and Fancamp has not waived such condition at or prior to the Closing Date; or</li><li>(d) by either Party if the Closing Date has not occurred by 8:00 a.m. (Eastern Standard Time) on or before the Closing Date.</li></ul> <p><u>Effect of Termination</u></p> <p>If this Binding Term Sheet is terminated, the Parties will be released from all of their obligations under this Binding Term Sheet, except that: (i) each Party's obligations under Section 22 (<i>Public Announcement</i>) and 25 (<i>Fees and Expenses</i>) will survive; and (ii) if this Binding Term Sheet is terminated pursuant to (b), (c) or (d) above on account of a breach by a Party of the terms of this Binding Term Sheet caused by the failure of such Party to perform any one or more of its obligations or covenants under this Binding Term Sheet required to be performed by it at or prior to the closing, and the closing has not occurred because of such failure, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.</p>
22.	<b>Public Announcement</b>	<p>Upon the delivery and acceptance by Fancamp of the Binding Offer, the Parties intend to publicly disclose that such Binding Offer Letter has been entered into as well as such additional terms relating to the Binding Offer as are legally required to be disclosed or requested by any</p>

		<p>regulatory agency. On the Closing Date, the Parties will be permitted to publicly disclose the closing of the Proposed Transaction and to make any necessary filings in connection therewith.</p> <p>For all purposes hereof, each Party agrees to use its commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of any such press release, public statement or announcement or other public disclosure with respect to this Binding Term Sheet or the transactions contemplated herein.</p>
<p>23.</p>	<p><b>Post-Closing Covenants</b></p>	<p><u>KWG Financing</u></p> <p>At any time while there are any amounts outstanding under the Secured Convertible Promissory Note, KWG will use commercially reasonable efforts to consummate (if necessary) one or more financings (each, a “KWG Financing”) for working capital purposes in order to remain solvent and to repay the Secured Convertible Promissory Note in cash prior to the Maturity Date. [Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]</p> <p><u>Consents Relating to KWG Non-Material Mineral Exploration Claims</u></p> <p>To the extent that a JV Consent in respect of any KWG Non-Material Mineral Exploration Claims was required to be obtained, but was not obtained, as of the Closing Date, KWG will use commercially reasonable efforts to obtain and deliver to Fancamp (in a form acceptable to Fancamp, acting reasonably) such outstanding JV Consents prior to the Maturity Date. In addition, to the extent a joint venture agreement relating to the KWG Non-Material Mineral Exploration Claims is unable to be located, KWG will use its commercially reasonable efforts to locate or obtain a copy of same.</p>
<p><b>D. Miscellaneous Terms</b></p>		
<p>24.</p>	<p><b>Further Assurances</b></p>	<p>From time to time after the Closing Date, each Party will, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to carry out the intent of this Binding Term Sheet and the Ancillary Agreements.</p>
<p>25.</p>	<p><b>Fees and Expenses</b></p>	<p>The Parties are each responsible for and shall bear all of their respective fees and expenses (including any broker’s or finder’s fees and the expenses of their representatives, including their legal counsel) incurred in connection with the Proposed Transaction.</p>
<p>26.</p>	<p><b>Notices</b></p>	<p>Any notice, direction or other communication given regarding the matters contemplated by this Binding Term Sheet or any Ancillary Agreement (each, a “Notice”) must be made by personal delivery or e-mail:</p>

		<p>(a) to Fancamp at:</p> <p>Fancamp Exploration Ltd. 7290 Gray Avenue Burnaby, British Columbia V5J 3Z2</p> <p>Attention: Rajesh Sharma Telephone: 514-887-2294 E-mail: <a href="mailto:rsharma6970pro@gmail.com">rsharma6970pro@gmail.com</a></p> <p>(b) to KWG at:</p> <p>KWG Resources Inc. 141 Adelaide Street West Suite 240 Toronto, Ontario M5H 3L5</p> <p>Attention: Frank Smeenck Telephone: 416-642-2375 E-mail: <a href="mailto:fcs@kwgresources.com">fcs@kwgresources.com</a></p> <p>Any Notice hereunder shall be deemed to have been given: (i) when delivered by hand; or (ii) on the date sent by e-mail if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient.</p>
27.	<b>Third-Party Beneficiaries</b>	<p>The Parties intend that this Binding Term Sheet will not benefit or create any right or cause of action in favour of any person other than the Parties. No person, other than the Parties, shall be entitled to rely on the provisions of this Binding Term Sheet in any action, suit, proceeding, hearing or other forum.</p>
28.	<b>Waiver</b>	<p>No waiver of any of the provisions of this Binding Term Sheet will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Binding Term Sheet will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.</p>
29.	<b>Entire Agreement</b>	<p>This Binding Term Sheet, together with the Ancillary Agreements which are to be entered into on the Closing Date, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Binding Term Sheet and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to such transactions.</p>
30.	<b>Governing Law</b>	<p>This Binding Term Sheet is governed by and will be interpreted and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.</p>



<b>31.</b>	<b>Counterparts</b>	The Binding Offer Letter may be executed in any number of counterparts, each of which shall be deemed to be an original, such counterparts together constituting one and the same instrument. Transmission of an executed signature page by e-mail or other electronic means is as effective as a manually executed counterpart of the Binding Offer Letter.
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APPENDIX "A"

MINING CLAIMS

<b>MNR District / Mining Division</b>	<b>Township Name</b>	<b>Claim Abstract</b>	<b>Legacy Claim</b>	<b>UTM Zone</b>
Nipigon / Porcupine	BMA 526 862	128257	3012258	16
Nipigon / Porcupine	BMA 526 862	252864	3012255	16
Nipigon / Porcupine	BMA 526 862	285797	3012257	16
Nipigon / Porcupine	BMA 527 862	340207	3012254	16

## APPENDIX "B"

### REPRESENTATIONS AND WARRANTIES

#### 1. Definitions

As used in this Appendix "B", the following terms have the following meanings:

**"Authorization"** means, with respect to any person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the person;

**"Disclosure Record"** means all publicly available documents in respect of KWG filed on SEDAR;

**"Governmental Entity"** means: (a) any governmental or public department, central bank, court, minister, governor-in-counsel, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, municipal, local, or other; (b) any subdivision or authority of any of the above; (c) any stock exchange; and (d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

**"Laws"** means any and all applicable: (a) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, by-laws; (b) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity; and (c) policies, guidelines, notices and protocols, to the extent that they have the force of law;

**"Lien"** means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation;

**"misrepresentation"** means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made;

**"person"** means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning;

**"Reporting Jurisdictions"** means British Columbia, Alberta, Manitoba, Ontario, Québec and Nova Scotia;

**"Securities Commission"** means the applicable securities commission or regulatory authority in each of the Reporting Jurisdictions;

**"Securities Laws"** means, collectively, and, as the context may require, the applicable securities laws of each of the Reporting Jurisdictions and the respective regulations and rules made under those securities laws together with all applicable published policy statements, blanket orders and rulings of the Securities Commissions together with applicable published policy statements of the Canadian Securities Administrators; and

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval.

## 2. Representations and Warranties of Fancamp

Fancamp represents and warrants as follows to KWG and acknowledges that KWG is relying upon such representations and warranties in connection with the Proposed Transaction:

- (a) **Incorporation and Qualification.** Fancamp is a corporation incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power to own and operate its property, carry on its business and enter into and perform its obligations under the Binding Term Sheet and the Ancillary Agreements.
- (b) **Corporate Authorization.** The execution and delivery of and performance by Fancamp of the Binding Offer Letter and the Ancillary Agreements has been authorized by all necessary corporate action on the part of Fancamp.
- (c) **No Conflict.** Except for the TSXV Approval (if any), the execution and delivery of, and performance by Fancamp of, the transactions contemplated by the Binding Term Sheet and the Ancillary Agreements:
  - (i) do not constitute or result in a violation or breach of, or conflict with, or allow any person to exercise any rights under, any of the terms or provisions of Fancamp's constituting documents or by-laws;
  - (ii) do not constitute or result in a breach or violation of, or conflict with or allow any person to exercise any rights under, any contract, license, lease or instrument to which Fancamp is a party; and
  - (iii) do not result in the violation of any Law.
- (d) **Execution and Binding Obligation.** The Binding Offer Letter and each of the Ancillary Agreements have been duly executed and delivered by Fancamp and constitute legal, valid and binding agreements of it enforceable against it in accordance with its terms, subject to any limitation under applicable Laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other laws of general application affecting the enforcement of creditors' rights; and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (e) **Required Authorizations.** Except for the TSXV Approval (if any) or any other filing with the TSXV, and any other consents, approvals, waivers, exemptions or Authorizations required following the Closing Date to complete the formal registration and transfer of Fancamp's interests in the Mining Claims to KWG, no filing with, notice to or Authorization of, any person (including any Governmental Entity) is required on the part of Fancamp as a condition to the lawful completion of the transactions contemplated by the Binding Term Sheet or the Ancillary Agreements. No shareholder approvals will be required by Fancamp in order to complete the transactions contemplated by the Binding Term Sheet or the Ancillary Agreements.
- (f) **Title to Mining Claims.** Fancamp owns a 50% beneficial interest in the Mining Claims (the "Fancamp Interest"), which Fancamp Interest will be sold to KWG pursuant to the Proposed Transaction with good title, free and clear of all Liens. Except for Bold's rights, if any, under the JVA and the earn-in option agreement dated May 2, 2012 between Fancamp and Bold, as amended by a first amendment dated July 25, 2012, a second amendment dated January 4, 2013, a third amendment dated February 4, 2013, a fourth amendment dated February 22, 2013 and a fifth amendment dated October 23, 2015, no person has any right, title or interest in the Mining Claims.

The sale by Fancamp of the Fancamp Interest in the Mining Claims will be made in accordance with the terms of the JVA, including, for greater certainty, in compliance with section 14.2 (*Right of First Refusal*) thereunder.

3. **Representations and Warranties of KWG**

KWG represents and warrants as follows to Fancamp and acknowledges that Fancamp is relying upon such representations and warranties in connection with the Proposed Transaction, which representations and warranties are in addition to the representations and warranties which may be contained in the Ancillary Agreements:

- (a) **Incorporation and Qualification.** KWG is a corporation continued and existing under the Laws of its jurisdiction of continuance and has the corporate power to own and operate its property, carry on its business and enter into and perform its obligations under the Binding Term Sheet and the Ancillary Agreements.
- (b) **Corporate Authorization.** The execution and delivery of and performance by KWG of the Binding Term Sheet and the Ancillary Agreements has been authorized by all necessary corporate action on the part of KWG.
- (c) **No Conflict.** The execution and delivery of, and performance by KWG of, the transactions contemplated by the Binding Term Sheet and the Ancillary Agreements:
  - (i) do not constitute or result in a violation or breach of, or conflict with, or allow any person to exercise any rights under, any of the terms or provisions of KWG's constituting documents or by-laws;
  - (ii) do not constitute or result in a breach or violation of, or conflict with or allow any person to exercise any rights under, any contract, license, lease or instrument to which KWG is a party; and
  - (iii) do not result in the violation of any Law.
- (d) **Execution and Binding Obligation.** The Binding Offer Letter and each of the Ancillary Agreements have been duly executed and delivered by KWG and constitute legal, valid and binding agreements of KWG, enforceable against it in accordance with its terms, subject only to any limitation under applicable Laws relating to: (i) bankruptcy, winding-up insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar Laws of general application affecting creditors' rights; and (ii) the discretion that a court may exercise in the granting of equitable remedies including specific performance and injunction.
- (e) **Required Authorizations.** Except for filings with the Canadian Securities Exchange, no filing with, notice to or Authorization of, any person (including any Governmental Entity) is required on the part of KWG as a condition to the lawful completion of the transactions contemplated by the Binding Term Sheet or the Ancillary Agreements. No shareholder approvals will be required by KWG in order to complete the transactions contemplated by the Binding Term Sheet or the Ancillary Agreements.

(f) **Capitalization.**

- (i) As at the close of business on the Business Day prior to the date of the Binding Offer Letter, the authorized and issued share capital of KWG consisted of 5,869,537 MVS and 1,093,644,827 SVS (16,805,985 MVS on a fully-diluted basis, assuming the conversion of all outstanding SVS into MVS), as described in Appendix “D” of the Binding Term Sheet. Such securities are duly authorized, validly issued, fully paid and non-assessable, and were not issued in violation of any purchase or call option, right of first refusal, subscription right, pre-emptive right or any similar right under any provision of applicable Law, the constating documents of KWG or any contract or agreement to which KWG is a party or otherwise bound.
- (ii) Except as described in Appendix “D” to the Binding Term Sheet, and other than as contemplated by the Binding Term Sheet and the Ancillary Agreements, no person has any agreement or option or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any un-issued MVS, SVS or other securities of KWG.
- (iii) Except as set out in this Section 3(f) of this Appendix “B”, and except as described in Appendix “D” to the Binding Term Sheet, there are no shares or other equity securities in KWG issued or outstanding or any subscriptions, options, warrants, calls, rights, convertible securities or other similar agreements or commitments of any character obligating KWG to issue, transfer or sell any shares or any other equity securities, or any agreements, arrangements or understandings granting any person any rights in KWG similar to shares of capital stock or other equity securities.
- (iv) Upon a conversion of the Secured Convertible Promissory Note in accordance with its terms, the MVS issuable thereon shall be duly issued as fully paid and non-assessable shares in the capital of KWG (at the applicable Conversion Price thereon).

(g) **Securities Laws.** KWG is a reporting issuer, or the equivalent thereof, under the Securities Laws of each of the Reporting Jurisdictions. KWG is not currently in default of any requirement of the Securities Laws of the Reporting Jurisdictions and KWG is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions. In particular, without limiting the generality of the foregoing, KWG is in compliance at the date hereof with its obligations to make timely disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to KWG which has occurred and with respect to which the requisite material change report has not been filed. No securities commissions or other regulatory authority has issued any order having the effect of suspending or ceasing the trading of any securities of KWG. Each of the documents forming part of the Disclosure Record contains no misrepresentation as required by the Securities Laws of the Reporting Jurisdictions.

(h) **Compliance with Laws.** KWG is conducting its business in compliance with applicable Laws in all material respects.

(i) **Secured Collateral.**

- (i) Other than the Mining Claims, the only mineral exploration claims of KWG that are material to the business, operations, undertaking and financial condition of KWG are set out in Appendix "C" (such claims referred to in Appendix "C", the "**KWG Material Mineral Exploration Claims**") and the KWG Assets Collateral includes a security interest in and to each of the KWG Material Mineral Exploration Claims, subject only to the KWG Material Encumbrances described in Appendix "C".
- (ii) (A) all mineral exploration claims of KWG other than the KWG Material Mineral Exploration Claims and the Mining Claims (the "**KWG Non-Material Mineral Exploration Claims**") are not material to the business, operations, undertaking and financial condition of KWG; and (B) other than the KWG Non-Material Mineral Exploration Claims on which the applicable joint venture agreement has not been obtained or a JV Consent is required but has not been obtained, the KWG Assets Collateral will, on the Closing Date, include a security interest in and to each of the KWG Non-Material Mineral Exploration Claims, subject only to the KWG Non-Material Encumbrances (if any) and any royalty existing as of the date hereof.
- (iii) As at the Closing Date, the KWG Assets Collateral, including the Mining Claims and the KWG Non-Material Mineral Exploration Claims on which the applicable joint venture agreement has not been obtained or a JV Consent is required but has not been obtained, are beneficially owned by KWG, with good title, free and clear of all Liens (subject to the KWG Material Encumbrances and to the KWG Non-Material Encumbrances (if any)), and no person other than KWG has any right, title or interest in the KWG Assets Collateral, except for [Redacted - Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.] and the security interests held by any other joint venture parties in the case of the KWG Non-Material Encumbrances (if any).
- (iv) On and after the Closing Date, subject to the KWG Material Encumbrances, the KWG Non-Material Encumbrances (if any), KWG's beneficial interest in the Mining Claims and KWG's beneficial interest in any KWG Non-Material Mineral Exploration Claims on which the applicable joint venture agreement has not been obtained or a JV Consent is required but has not been obtained, Fancamp will have a first ranking security over the KWG Assets Collateral and KWG will not create, incur, assume or suffer to exist, any Lien on any of the KWG Assets Collateral, the Mining Claims or the KWG Non-Material Mineral Exploration Claims on which the applicable joint venture agreement has not been obtained or a JV Consent is required but has not been obtained without the express written consent of Fancamp.

- (j) **Liabilities.** There are no actions, suits, appeals, claims, applications, investigations, orders, proceedings, adverse claims or challenges, grievances, arbitrations or alternative dispute resolution processes in progress, pending or threatened against KWG or in respect of the Mining Claims, including any such liabilities which would prohibit, restrict or seek to enjoin the transactions contemplated by the Binding Term Sheet and the Ancillary Agreements.

(k) **Solvency.**

- (i) KWG represents and warrants that it is solvent under the *Business Corporations Act* (Ontario) and that it has no reason to believe that it will not remain solvent while there are any amounts outstanding under the Secured Convertible Promissory Note, assuming that KWG can continue to raise additional financing from time to time, as necessary, for its

operations through the issuance of securities, including MVS, SVS, convertible debentures and other securities, as well as other financing arrangements.

- (ii) No realization by Fancamp of its security interest under the Secured Convertible Promissory Note will constitute a fraudulent preference or conveyance under applicable Laws.



APPENDIX "C"

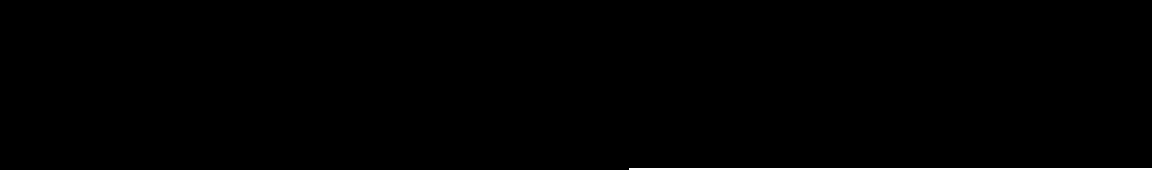
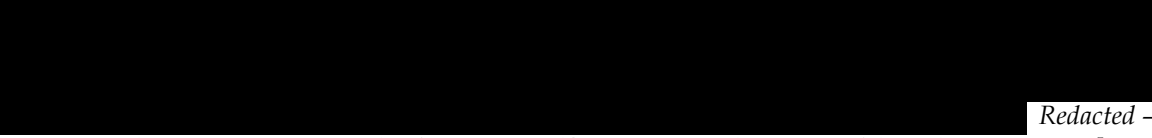
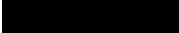
**KWG MATERIAL MINERAL EXPLORATION CLAIMS  
AND KWG MATERIAL ENCUMBRANCES**

KWG Material Mineral Exploration Claims

- A. The beneficial interests of KWG in the mineral exploration claims pursuant to the Joint Venture Agreement dated November 28, 2012 among KWG, Freewest Resources Canada Inc. and Spider Resources Inc., as amended (the "**Big Daddy JVA**").
- B. The mineral exploration claims of KWG comprising the Hornby property.
- C. The mineral exploration claims of KWG's subsidiary, Canada Chrome Corporation ("**CCC**"), covering areas which include (i) the proposed transportation and utility corridor and (ii) any aggregate governed by the *Mining Act* (Ontario) with which to construct the proposed mining works on the said corridor.

KWG Material Encumbrances

- 1. With respect to the Big Daddy JVA:

- (a)  [Redacted – Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]
- (b)  Redacted – Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.]
- (c) certain of the mineral exploration claims covered by the Big Daddy JVA are subject to a 2.0% net smelter royalty in favour of  [Redacted – Competitively sensitive commercial information and/or terms are subject to confidentiality provisions.], half of which may be purchased for C\$1 million at any time prior to production from the property.

- 2. With respect to mineral exploration claims held by CCC (the "**Utility Corridor Claims**"), KWG has proposed or committed to fix transportation costs and bulk commodity enterprise costs in a trust for the benefit of certain indigenous populations and their communities and so also to secure active certainty of title for CCC thereby released from traditional aboriginal imperatives over the claims until completion of mining and reclamation of the claims from those mining works (the "**Utility Corridor Initiative**"). The KWG Assets Collateral will be subject to any such proposals or commitments that have been publicly announced (such public announcements having been provided to Fancamp) prior to the date hereof by KWG to pursue implementation of the Utility Corridor Initiative.
- 3. As referred to in the KWG press release dated August 21, 2015, the Hornby property is subject to a 2.0% net smelter royalty, half of which may be purchased by KWG for C\$1 million at any time prior to production from the property. KWG will also have the first right to buy the balance of the net smelter royalty at any time the holder proposes to sell it.

**APPENDIX “D”**

**List of Currently Issued and Outstanding Securities and Options, Warrants  
and other Convertible Securities of KWG  
(as of July 19, 2022)**

Securities	Number		
	SVS	MVS	MVS fully-diluted (including if all SVS are converted to MVS)
Subordinate Voting Shares (“SVS”)	1,093,644,827		10,936,448
Multiple Voting Shares (“MVS”)		5,869,537	5,869,537
Stock Options (to purchase SVS)	33,700,000		3,370,000
Stock Options (to purchase MVS)		1,124,856	1,124,856
Warrants (exercisable into SVS)	2,868,428		28,684
Warrants (exercisable into one (1) MVS)		4,231,467	4,231,467
Warrants (98,490, each exercisable into three (3) MVS)		295,470	295,470
Finder’s Warrants (exercisable into MVS)		120,961	120,961
2017 Convertible Debenture <sup>(1)</sup>			
• Principal		300,000	300,000
• Interest		71,510	71,510
2021 Convertible Debentures <sup>(2)</sup> :			
• MVS		2,634,264	2,634,264
• Warrants		1,317,132	1,317,132
Conversion of maximum compensation for Tony Marquis into MVS <sup>(3)</sup>		1,680,000	1,680,000
Ferrochrome Delivery Warrants Outstanding: 122,144			N/A

Notes:

- (1) The aggregate principal amount of a debenture issued in 2017 currently outstanding (C\$525,000) is convertible into an aggregate of units at a conversion price of C\$21 per unit, with each unit being comprised of twelve (12) MVS; accrued interest at 12% (C\$339,675.22 to July 19, 2022) is payable in MVS at their VWAP at redemption or conversion (estimated to be implemented at C\$4.75 per share).
- (2) The aggregate amount of debentures issued in 2021 (principal amount currently outstanding - C\$6,032,053.51) issued in 2021 is convertible into an aggregate of 439,044 units at a conversion price of C\$15 per unit, with each unit being comprised of six (6) MVS and one (1) warrant, each warrant entitling the holder to acquire three (3) MVS at an exercise price of C\$3.20 per share on or before December 15, 2023. Interest at 12% *per annum* is also convertible into MVS at the same rate – six (6) MVS and one (1) warrant. Total interest accrued on such outstanding debentures to July 19, 2022 is C\$553,613.74.
- (3) On January 18, 2021, KWG entered into a two-year services agreement with Anthony Marquis for compensation equal to C\$70,000 per month with respect to his services as President, CEO and sole director of Canada Chrome Corporation, a wholly-owned subsidiary of KWG. Within three (3) years from the effective date of such contract, Anthony Marquis has the option, exercisable on or before January 18, 2024, to tender any unpaid installments that have previously vested, for MVS at a price of C\$1.00 per share; accordingly, an aggregate of 1,680,000 MVS have been reserved for issuance under this agreement.