

## AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT

**AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), dated as of March 31, 2014, by and among BRS Resources Ltd., a company organized under the laws of the Province of British Columbia, with headquarters located at 5910 N. Central Expressway, Suite 1250, Dallas TX 75206 (the "**Company**") and the investors listed on the Schedule of Buyers attached hereto (individually, a "**Buyer**" and collectively, the "**Buyers**").

### WHEREAS:

A. The Company and each Buyer is executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Rule 903 of Regulation S ("**Regulation S**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**1933 Act**") and pursuant to section 2.3 of National Instrument 45-106, *Prospectus and Registration Exemptions*.

B. The Company previously authorized a new series of senior secured convertible notes of the Company, in substantially the form attached hereto as Exhibit A-1 (the "**Initial Notes**"), which Initial Notes are convertible into the Company's common shares, without par value (the "**Common Shares**") (the Initial Notes as converted, collectively, and together with any Interest Shares (as defined in the Initial Notes) payable pursuant to the terms of the Initial Notes, the "**Initial Conversion Shares**"), in accordance with the terms of the Initial Notes.

C. The Company has authorized an additional new series of senior secured convertible notes of the Company, in substantially the form attached hereto as Exhibit A-2 (the "**Additional Notes**" and together with the Initial Notes, the "**Notes**"), which Additional Notes shall be convertible into Common Shares, (the Additional Notes as converted, collectively, and together with any Interest Shares (as defined in the Additional Notes) payable pursuant to the terms of the Additional Notes, the "**Additional Conversion Shares**" and together with the Initial Conversion Shares, the "**Conversion Shares**"), in accordance with the terms of the Additional Notes.

D. The Company and each Buyer entered into a Securities Purchase Agreement dated as of March 28, 2013 (the "**Original Agreement**"), pursuant to which each Buyer purchased, and the Company sold, upon the terms and conditions stated in the Original Agreement, that aggregate principal amount of the Initial Notes set forth opposite such Buyer's name in column (3) on the Schedule of Buyers attached hereto (which aggregate amount for all Buyers together was CDN\$1,000,000).

E. The Company and each Buyer wish to amend and restate the Original Agreement in its entirety to incorporate the issuance of the Additional Notes, and in connection therewith, each Buyer wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, that aggregate principal amount of Additional Notes, set forth opposite such Buyer's name in column (4) on the Schedule of Buyers attached hereto (which aggregate principal amount of Notes for all Buyers shall be CDN\$2,126,825).

F. Contemporaneously with the execution and delivery of the Original Agreement, the parties hereto executed and delivered a Registration Rights Agreement, which is being amended and restated by the Amended and Restated Registration Rights Agreement dated of even date herewith by and among the Company and the Buyers listed on the signature pages attached thereto substantially in the form attached hereto as Exhibit B (the "**Registration Rights Agreement**"), pursuant to which the Company has agreed to provide certain registration rights with respect to the Registrable Securities (as defined in the Registration Rights Agreement) under the applicable Canadian Securities Laws (as defined herein).

G. The Notes shall rank senior to all outstanding and future indebtedness of the Company and its Subsidiaries (as defined below). The Initial Notes are and continue to be, and the Additional Notes will be, secured by a perfected first priority security interest in (i) 100% of the stock of Bonanza Resources (Texas) Inc. ("**Bonanza**"), as evidenced by a Pledge Agreement, in the form attached hereto as Exhibit C (as amended or modified from time to time in accordance with its terms, the "**Pledge Agreement**") and (ii) all assets of Bonanza, as evidenced by a Pledge and Security Agreement, in the form attached hereto as Exhibit D (as amended or modified from time to time in accordance with its terms, the "**Security Agreement**"). The obligations under the Initial Notes and the other Transaction Documents (as defined below) are and continue to be, and the obligations under the Additional Notes will be, guaranteed by the Subsidiaries of the Company (other than, for the avoidance of doubt, AleAnna Energy, LLC) in the form attached hereto as Exhibit E (as amended or modified from time to time in accordance with its terms, the "**Guaranty**").

H. The Company's and Bonanza's obligations under the Security Documents and the other Transaction Documents are reaffirmed pursuant to that certain Reaffirmation Agreement in the form attached hereto as Exhibit I (as amended or modified from time to time in accordance with its terms, the "**Reaffirmation Agreement**" and together with the Pledge Agreement, the Security Agreement, the Guaranty and any other documents executed and delivered pursuant hereto and thereto or otherwise evidencing or securing the Company's and the Subsidiaries' obligations under the Notes and the Guaranty, collectively, the "**Security Documents**").

I. The Notes and the Conversion Shares collectively are referred to herein as the "**Securities**".

**NOW, THEREFORE**, the Company and each Buyer hereby agree to amend and restate the Original Agreement in its entirety as follows:

1. PURCHASE AND SALE OF NOTES.

(a) Purchase of Notes. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, (i) the Company shall issue and sell to each Buyer, and each Buyer severally, but not jointly, agrees to purchase from the Company on the Initial Closing Date (as defined below), a principal amount of Initial Notes as is set forth opposite such Buyer's name in column (3) on the Schedule of Buyers (the "**Initial Closing**") and (ii) the Company shall issue and sell to each Buyer, and each Buyer severally, but not jointly, agrees to purchase from the Company on the Additional Closing Date (as defined below), a principal amount of Additional Notes as is set forth opposite such Buyer's name in column (4) on

the Schedule of Buyers (the "**Additional Closing**" and each of the Initial Closing and the Additional Closing, a "**Closing**").

(b) Closing. The date and time of the Initial Closing (the "**Initial Closing Date**") was 10:00 a.m., New York City time, on March 28, 2013. The date and time of the Additional Closing (the "**Additional Closing Date**" and each of the Initial Closing Date and the Additional Closing Date, a "**Closing Date**") shall be 10:00 a.m., New York City time, on the date hereof (or such other date and time as is mutually agreed to by the Company and each Buyer) after notification of satisfaction (or waiver) of the conditions to the Additional Closing set forth in Sections 6(b) and 7(b) below at the offices of Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022.

(c) Purchase Price. The purchase price for the Initial Notes purchased by each Buyer at the Initial Closing (the "**Initial Purchase Price**") was the amount set forth opposite each Buyer's name in column (5) of the Schedule of Buyers. Each Buyer shall pay CDN\$1,000 for each CDN\$1,000 of principal amount of Initial Notes. The purchase price for the Additional Notes to be purchased by each Buyer at the Additional Closing (the "**Additional Purchase Price**") shall be the amount set forth opposite such Buyer's name in column (4) of the Schedule of Buyers. Each Buyer shall pay \$1,000 in aggregate consideration for each \$1,000 aggregate principal amount of Additional Notes to be purchased by such Buyer at the Additional Closing.

(d) Form of Payment. On the Initial Closing Date, each Buyer paid its Initial Purchase Price to the Company for the Initial Notes issued and sold to such Buyer at the Initial Closing (less, in the case of Double Black Diamond L.P. ("**Double Black Diamond**"), the amounts withheld pursuant to Section 4(g)), by wire transfer of immediately available funds in accordance with the Company's written wire instructions. On the Additional Closing Date, each Buyer shall pay its Additional Purchase Price to the Company for the Additional Notes to be issued and sold to such Buyer at the Additional Closing by (i) directing that the sum of (A) the aggregate principal amount of the Initial Notes set forth opposite such Buyer's name in column (3) of the Schedule of Buyers plus (B) the accrued and unpaid interest on the Initial Notes (the "**Accrued Interest**") set forth opposite such Buyer's name in column (6) of the Schedule of Buyers, be cancelled contemporaneously with the Additional Closing and retained by the Company, and (ii) paying cash (the "**Cash Amount**") set forth opposite such Buyer's name in column (7) of the Schedule of Buyers (less, in the case of Double Black Diamond, the amounts withheld pursuant to Section 4(g)), by wire transfer of immediately available funds in accordance with the Company's written wire instructions. At each Closing, the Company shall deliver to each Buyer the applicable Notes (allocated in the principal amounts as such Buyer shall request) which such Buyer is then purchasing hereunder, duly executed on behalf of the Company and registered in the name of such Buyer or its designee. Each Buyer and the Company agree that any amounts withheld from the applicable Purchase Price of any Notes pursuant to Section 4(g) hereof shall constitute a reimbursement of the expenses described in such Section and shall not constitute original issue discount or other discount in respect of such Notes for any tax or other purpose.

2. BUYER'S REPRESENTATIONS AND WARRANTIES. Each Buyer, severally and not jointly, represents and warrants with respect to only itself that, as of the date of the Original Agreement, the date hereof, the Initial Closing Date and the Additional Closing Date:

(a) No Public Sale or Distribution. Such Buyer is (i) acquiring the Notes and (ii) upon conversion of the Notes will acquire the Conversion Shares issuable upon conversion of the Notes, as principal for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales qualified for public distribution or exempted under the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and published interpretation notes of, the securities regulatory authorities of the provinces as territories of Canada (the "**Canadian Securities Laws**"), as applicable; provided, however, that by making the representations herein, such Buyer does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act and in accordance with Canadian Securities Laws. Such Buyer is acquiring the Securities hereunder in the ordinary course of its business. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined in Section 3(r)) to distribute any of the Securities.

(b) Buyer's Status. Such Buyer is an "accredited investor" within the meaning National Instrument 45-106 - Prospectus and Registration Exemptions of the Canadian Securities Administrators. Such Buyer (i) is acquiring the Securities in an offshore transaction in accordance with Rule 903 of Regulation S, (ii) is acquiring the Securities for such Buyer's own account and (iii) understands that the Securities may not, absent an applicable exemption, be transferred without registration and/or qualification under the 1933 Act and applicable state securities laws and the laws of any other applicable jurisdiction.

(c) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from (i) the registration requirements of United States federal securities laws and (ii) the registration and prospectus requirements of applicable Canadian Securities Laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(d) Information. Such Buyer and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been requested by such Buyer. Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its advisors, if any, or its representatives shall modify, amend or affect such Buyer's right to rely on the Company's representations and warranties contained herein. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. The foregoing shall not

modify, amend or effect such Buyer's right to rely on the Company's representations and warranties contained herein.

(e) No Governmental Review. Such Buyer understands that no United States or Canadian federal, state or provincial agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(f) Transfer or Resale. Such Buyer understands that: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws or qualified by prospectus under Canadian Securities Laws; (ii) such Buyer agrees that if it decides to offer, sell or otherwise transfer any of the Notes or Conversion Shares, such Notes or Conversion Shares may be offered, sold or otherwise transferred only: (A) pursuant to an effective registration statement under the 1933 Act; (B) to the Company; (C) outside the United States in accordance with Regulation S under the 1933 Act and in compliance with local laws; or (D) within the United States (1) in accordance with an exemption from registration under the 1933 Act provided by Rule 144 or Rule 144A thereunder, if available, and in compliance with any applicable state securities laws or (2) in a transaction that does not require registration under the 1933 Act or applicable state securities laws; and (iii) any sale or transfer of the Securities to a purchaser or transferee whose address is in Canada (or who is a resident of Canada) is prohibited unless it is made in compliance with applicable Canadian Securities Laws. Notwithstanding the foregoing, the Securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document (as defined below), including, without limitation, this Section 2(f).

(g) U.S. Legends. The Securities shall not bear any restrictive legend referencing the U.S. securities laws.

(h) Canadian Legends. Such Buyer understands that the certificates or other instruments representing the Additional Notes and the Additional Conversion Shares, shall bear a legend set forth below:

"UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THESE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE AUGUST 1, 2014.

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

THE BENEFIT OF A CANADIAN RESIDENT UNTIL AUGUST 1, 2014, SUCH RESTRICTION ALSO APPLIES TO THE UNDERLYING LISTED SHARES OF THE CORPORATION AND THAT THE HOLD PERIOD WILL CONTINUE, IN EITHER CASE, UNTIL THE DATE FOLLOWING THE DATE WHICH IS FOUR MONTHS AFTER THE INITIAL DISTRIBUTION DATE OF THE CONVERTIBLE, EXERCISABLE OR EXCHANGEABLE SECURITY."

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of the Additional Notes and the Additional Conversion Shares upon which it is stamped or issue to such holder by electronic delivery at the applicable balance account at The Canadian Depository for Securities ("CDS") through a sub-register for The Depository Trust Company ("DTC") at the earlier of the date the Additional Notes and the Additional Conversion Shares are qualified for public distribution under applicable Canadian Securities Laws and August 1, 2014. The Company shall be responsible for the fees of its transfer agent and all CDS and DTC fees associated with such issuance.

(i) Validity; Enforcement. This Agreement and the Registration Rights Agreement have been duly and validly authorized, executed and delivered on behalf of such Buyer and shall constitute the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(j) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the Registration Rights Agreement and the consummation by such Buyer of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Buyer or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

(k) Residency. Such Buyer is a resident of that jurisdiction specified below its address on the Schedule of Buyers.

### 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each of the Buyers that as of the date of the Original Agreement and as of the Initial Closing Date (in each case, as such representations and warranties are qualified by reference to the schedules attached to the Original Agreement),

the date hereof and as of the Additional Closing Date (in each case, as such representations and warranties are qualified by reference to the schedules attached to this Agreement):

(a) Organization and Qualification. Each of the Company and its "**Subsidiaries**" (which for purposes of this Agreement means any entity in which the Company, directly or indirectly, owns a majority of the voting share capital) are entities duly organized and validly existing in good standing under the laws of the jurisdiction in which they are formed, and have the requisite power and authorization to own their properties and to carry on their business as now being conducted. Each of the Company and its Subsidiaries is duly qualified as a foreign entity to do business and, to the extent legally applicable, is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means any material adverse effect on the business, properties, assets, operations, results of operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries, individually or taken as a whole, or on the transactions contemplated hereby or on the other Transaction Documents or by the agreements and instruments to be entered into in connection herewith or therewith, or on the authority or ability of the Company to perform its obligations under the Transaction Documents (as defined below). The Company has no Subsidiaries except as set forth on Schedule 3(a).

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under the Original Agreement, this Agreement, the Notes, the Registration Rights Agreement, the Security Documents and each of the other agreements entered into by the parties hereto in connection with the transactions contemplated by this Agreement (collectively, the "**Transaction Documents**") and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Notes and the issuance of the Conversion Shares issuable upon conversion of the Notes have been duly authorized by the Company's Board of Directors and (other than such filings required under applicable Canadian Securities Laws) no further filing, consent, or authorization is required by the Company, its Board of Directors or its shareholders, other than post-closing filings required to be made pursuant to the conditional approval issued by the TSX Venture Exchange (the "**Principal Market**") and the notice of exempt distribution to be filed with the British Columbia Securities Commission. This Agreement and the other Transaction Documents have been duly executed and delivered by the Company, and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(c) Issuance of Securities. The issuance of the Notes is duly authorized and, upon issuance, the Notes shall be validly issued and free from all taxes, liens and charges with respect to the issue thereof. Upon conversion in accordance with the Notes, the Conversion Shares will be validly issued, fully paid and nonassessable and free from all preemptive or similar rights, taxes, liens and charges with respect to the issue thereof, with the holders being

entitled to all rights accorded to a holder of Common Shares. Assuming the accuracy of each of the representations and warranties set forth in Section 2 of the Original Agreement and of this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act and from the prospectus and registration requirements of applicable Canadian Securities Laws.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes and the issuance of the Conversion Shares) will not (i) result in a violation of any memorandum of association, articles of incorporation, certificate of formation, notice of articles, any certificate of designations or other constituent documents of the Company or any of its Subsidiaries, any share capital of the Company or any of its Subsidiaries or the articles of association or bylaws of the Company or any of its Subsidiaries or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including U.S. federal and state securities laws or Canadian Securities Laws and regulations and the rules and regulations of the Principal Market applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected).

(e) Consents. Other than the approval of the Principal Market and the filings under Canadian Securities Laws, neither the Company nor any of its Subsidiaries is required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents, in each case in accordance with the terms hereof or thereof. Other than the approval of the Principal Market and the filings under Canadian Securities Laws, all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to each applicable Closing Date, and the Company and its Subsidiaries are unaware of any facts or circumstances that might prevent the Company from obtaining or effecting any of the registration, application or filings pursuant to the preceding sentence. The Company is not in violation of the listing requirements of the Principal Market and has no knowledge of any facts that would reasonably lead to delisting or suspension of the Common Shares in the foreseeable future. The issuance by the Company of the Securities shall not have the effect of delisting or suspending the Common Shares from the Principal Market.

(f) Acknowledgment Regarding Buyer's Purchase of Securities. The Company acknowledges that no Buyer is acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by a Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to each Buyer that the Company's decision to



enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives.

(g) Placement Agent's Fees. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions (other than for persons engaged by any Buyer or its investment advisor) relating to or arising out of the transactions contemplated hereby, in connection with the sale of the Securities. The Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, attorney's fees and out-of-pocket expenses) arising in connection with any such claim. Neither the Company nor any of its Subsidiaries has engaged any placement agent or other agent in connection with the sale of the Securities.

(h) No Integrated Offering. None of the Company, its Subsidiaries, any of their affiliates, and any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of shareholders of the Company for purposes of the 1933 Act or any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated. None of the Company, its Subsidiaries, their affiliates and any Person acting on their behalf will take any action or steps referred to in the preceding sentence that would require registration of any of the Securities under the 1933 Act or cause the offering of the Securities to be integrated with other offerings for purposes of any such applicable shareholder approval provisions.

(i) Dilutive Effect. The Company understands and acknowledges that the number of Conversion Shares issuable upon conversion of the Notes will increase in certain circumstances. The Company further acknowledges that its obligation to issue Conversion Shares upon conversion of the Notes in accordance with the Original Agreement and this Agreement and the Notes is absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other shareholders of the Company.

(j) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Notice of Articles (as defined below) or the laws of the jurisdiction of its formation which is or could become applicable to any Buyer as a result of the transactions contemplated by the Original Agreement or this Agreement, including, without limitation, the Company's issuance of the Securities and any Buyer's ownership of the Securities. The Company has not adopted a shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Shares or a change in control of the Company.

(k) CSA Documents; Financial Statements. Since the date that is two (2) years prior to the date of the Original Agreement, the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the Canada

Securities Administrators (the "CSA") pursuant to the reporting requirements of the applicable Canadian Securities Laws (all of the foregoing filed prior to the date of the Original Agreement or prior to the date hereof, as applicable, and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "CSA Documents"). The Company has delivered to the Buyers or their respective representatives true, correct and complete copies of the CSA Documents not available on the SEDAR system. As of their respective filing dates, the CSA Documents complied in all material respects with the requirements of the Canadian Securities Laws and the rules and regulations of the CSA promulgated thereunder applicable to the CSA Documents, and none of the CSA Documents, at the time they were filed with the CSA, contained or, as amended or supplemented, presently contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective filing dates, the financial statements of the Company included in the CSA Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the CSA with respect thereto. Such financial statements have been prepared in accordance with International Financial Reporting Standards in Canada, consistently applied ("IFRS"), during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of the Company to the Buyers which is not included in the CSA Documents, including, without limitation, information referred to in Section 2(d) of the Original Agreement or this Agreement, as applicable, or in the disclosure schedules to the Original Agreement or this Agreement, as applicable, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstance under which they are or were made, not misleading.

(l) Absence of Certain Changes. Except as disclosed in Schedule 3(l) or the CSA Documents, since October 31, 2013, there has been no material adverse change and no material adverse development in the business, assets, properties, operations, condition (financial or otherwise), results of operations or prospects of the Company or its Subsidiaries. Except as disclosed in Schedule 3(l) or the CSA Documents, since October 31, 2013, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, in excess of CDN\$100,000 outside of the ordinary course of business or (iii) had capital expenditures, individually or in the aggregate, in excess of CDN\$100,000. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any bankruptcy law nor does the Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact that would reasonably lead a creditor to do so.

(m) No Undisclosed Events, Liabilities, Developments or Circumstances. No event, liability, development or circumstance has occurred or exists, or is contemplated to occur with respect to the Company, its Subsidiaries or their respective business, properties, prospects,

operations or financial condition, that would be required to be disclosed by the Company under applicable securities laws which has not been publicly announced.

(n) Conduct of Business; Regulatory Permits. Neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Notice of Articles or Articles (as defined below) or their organizational charter or memorandum of association or certificate of incorporation or articles of association or bylaws, respectively. Neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing, except for possible violations which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, the Company is not in violation of any of the rules, regulations or requirements of the Principal Market and has no knowledge of any facts or circumstances that would reasonably lead to delisting or suspension of the Common Shares by the Principal Market in the foreseeable future. Except as set forth in Schedule 3(n), during the two (2) years prior to the date of the Original Agreement, the Common Shares has been designated for quotation on the Principal Market. Except as set forth in Schedule 3(n), during the two (2) years prior to the date of the Original Agreement, (i) trading in the Common Shares has not been suspended by the CSA or the Principal Market and (ii) the Company has received no communication, written or oral, from the CSA or the Principal Market regarding the suspension or delisting of the Common Shares from the Principal Market. The Company and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit. Except as set forth on Schedule 3(n), the Company is a reporting issuer in good standing under applicable Canadian Securities Laws.

(o) Regulation S. The Securities are being offered and sold to the Buyers pursuant to an exemption from the 1933 Act pursuant to Category 1 of Rule 903 of Regulation S. Neither the issuer, any distributor, any of their respective affiliates, nor any person acting on behalf of any of the foregoing has made any directed selling efforts in the United States in violation of Regulation S.

(p) Transactions With Affiliates. Except as set forth on Schedule 3(p), none of the officers, directors or employees of the Company or any of its Subsidiaries is presently a party to any transaction with the Company or any of its Subsidiaries (other than for ordinary course services as employees, officers or directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director or employee or, to the knowledge of the Company or any of its Subsidiaries, any corporation, partnership, trust or other entity in which any such officer, director, or employee has a substantial interest or is an officer, director, trustee or partner.

(q) Equity Capitalization. As of the date of the Original Agreement and as of the date hereof, the authorized share capital of the Company consists of an unlimited number of Common Shares. As of (i) the date of the Original Agreement 52,724,779 shares were issued and outstanding, 6,100,000 shares were reserved for issuance pursuant to the Company's share option and purchase plans and 12,755,400 shares were reserved for issuance pursuant to securities (other than the aforementioned options and Notes) exercisable or exchangeable for, or convertible into, Common Shares and (ii) the date hereof 52,724,776 shares are issued and outstanding, 10,015,000 shares are reserved for issuance pursuant to the Company's share option and purchase plans and 1,500,000 shares are reserved for issuance pursuant to outstanding warrants, and 13,333,333 shares are reserved for issuance on conversion of the Initial Notes (other than the aforementioned options and Notes) exercisable or exchangeable for, or convertible into, Common Shares. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed in Schedule 3(q): (i) none of the Company's share capital is subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any share capital of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional share capital of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any share capital of the Company or any of its Subsidiaries; (iii) there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound; (iv) there are no financing statements securing obligations in any material amounts, either singly or in the aggregate, filed in connection with the Company or any of its Subsidiaries; (v) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act or under any applicable Canadian Securities Laws (other than the Registration Rights Agreement); (vi) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; (viii) the Company does not have any share appreciation rights or "phantom shares" plans or agreements or any similar plan or agreement; and (ix) the Company and its Subsidiaries have no liabilities or obligations required to be disclosed in the CSA Documents but not so disclosed in the CSA Documents, other than those incurred in the ordinary course of the Company's or any of its Subsidiary's' respective businesses and which, individually or in the aggregate, do not or would not have a Material Adverse Effect. The Company has furnished or made available to the Buyers true, correct and complete copies of the Company's Notice of Articles, as amended and as in effect on the date hereof (the "**Notice of Articles**"), and the Company's Articles, as amended and as in effect on the date hereof (the "**Articles**"), and the terms of all securities convertible into, or

exercisable or exchangeable for, Common Shares and the material rights of the holders thereof in respect thereto.

(r) Indebtedness and Other Contracts. Except as disclosed in Schedule 3(r), neither the Company nor any of its Subsidiaries (i) has any outstanding Indebtedness (as defined below), (ii) is a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is in violation of any term of or in default under any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, or (iv) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. Schedule 3(r) provides a detailed description of the material terms of any such outstanding Indebtedness. For purposes of this Agreement: (x) "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services, including, without limitation, "capital leases" in accordance with IFRS (other than trade payables entered into in the ordinary course of business consistent with past practice), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with IFRS for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above; (y) "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; and (z) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(s) Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, the Common Shares or any of the

Company's Subsidiaries or any of the Company's or its Subsidiaries' officers or directors, whether of a civil or criminal nature or otherwise, in their capacities as such, except as set forth in Schedule 3(s). The matters set forth in Schedule 3(s) would not reasonably be expected to have a Material Adverse Effect.

(t) Insurance. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to obtain insurance that is reasonable and customary for businesses in which the Company and its Subsidiaries are engaged.

(u) Employee Relations.

(i) Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company and its Subsidiaries believe that their relations with their employees are good. No officer of the Company or any of its Subsidiaries has notified the Company or any such Subsidiary that such officer intends to leave the Company or any such Subsidiary or otherwise terminate such officer's employment with the Company or any such Subsidiary. No officer of the Company or any of its Subsidiaries, to the knowledge of the Company or any of its Subsidiaries, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters.

(ii) The Company and its Subsidiaries are in compliance with all United States and Canadian federal, state, provincial, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(v) Title. The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. The Company and its Subsidiaries each has good and defensible title to oil and gas properties constituting real property free and clear of Liens except for Permitted Liens (as defined in the Notes). Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

(w) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, original works of authorship, patents, patent rights,

copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor necessary to conduct their respective businesses as now conducted.

(x) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all Environmental Laws (as hereinafter defined), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term "**Environmental Laws**" means all United States and Canadian federal, state, provincial, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(y) Subsidiary Rights. The Company or one of its Subsidiaries has the unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of its Subsidiaries as owned by the Company or such Subsidiary.

(z) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities, and for so long any Buyer holds any Securities, will not be, an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(aa) Tax Status. The Company and each of its Subsidiaries (i) has timely filed all Tax returns, reports, information returns, elections, declarations and other documents required by applicable law (collectively, "**Tax Returns**"), including without limitation, United States federal and state, Canadian federal and provincial and foreign Tax Returns, and all such Tax Returns are correct and complete in all material respects, (ii) has timely paid all Taxes levied, assessed or imposed on it, except for those being contested in good faith, and (iii) has set aside on its books adequate provision for the payment of all Taxes for all subsequent periods. The Company and each of its Subsidiaries have properly withheld from all payments made by them, or otherwise collected, and have remitted all amounts in respect of Taxes required to be withheld, collected or remitted by them to the appropriate governmental authority within the time required under applicable law. There are no liens for Taxes on the assets of the Company or its Subsidiaries. There are no unpaid taxes in any material amount claimed to be due by the Taxing authority of any jurisdiction, and the officers of the Company know of (i) no basis for any such claim, or (ii) any unresolved assessments, audits, claims or investigations that exist or have been initiated with respect to Taxes. The Company and each of its Subsidiaries are not party to, or

bound by, or obligated under any Tax sharing agreement, Tax indemnification agreement or similar contract or arrangement. The Company and its Subsidiaries are in compliance, in all material respects, with all applicable laws and guidelines related to transfer pricing. There are no circumstances which exist and are expected to result in any of sections 17, 78, 80 or 80.01 to 80.04 of the Income Tax Act (Canada), or any equivalent provision of Tax legislation of another jurisdiction, applying to the Company or its Subsidiaries. For purposes of this Agreement, "Tax" or "Taxes" shall mean all federal, provincial, municipal, state, local, foreign and other duties, levies, taxes, assessments, reassessments or other government charges of any nature whatsoever, including interest, penalties, fines and additions in connection therewith for which the Company and its Subsidiaries may be liable.

(bb) Internal Accounting and Disclosure Controls. The Company and each of its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference.

(cc) Ranking of Notes. Except as set forth in Schedule 3(cc), no Indebtedness of the Company is senior to or ranks *pari passu* with the Notes in right of payment, whether with respect of payment of redemptions, interest, damages or upon liquidation or dissolution or otherwise.

(dd) Shares Freely Tradeable. The Initial Conversion Shares were freely tradable under Canadian Securities Laws, subject to compliance with Canadian Securities Laws regarding sales by "control persons" if applicable, on the Principal Market from and after the earlier of the date the Initial Notes and Initial Conversion Shares were qualified for public distribution under the applicable Canadian Securities Laws and July 29, 2013. The Additional Conversion Shares will be freely tradable under Canadian Securities Laws, subject to compliance with Canadian Securities Laws regarding sales by "control persons" if applicable, on the Principal Market from and after the earlier of the date the Additional Notes and Additional Conversion Shares are qualified for public distribution under the applicable Canadian Securities Laws and August 1, 2014.

(ee) Transfer Taxes. On each Closing Date, all transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the sale and transfer of the Securities to be sold to each Buyer hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(ff) Manipulation of Price. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result, or that could reasonably be expected to cause or result, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities,



(ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(gg) Acknowledgement Regarding Buyers' Trading Activity. The Company acknowledges and agrees that (i) none of the Buyers has been asked to agree, nor has any Buyer agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term; (ii) any Buyer, and counter-parties in "derivative" transactions to which any such Buyer is a party, directly or indirectly, presently may have a "short" position in the Common Shares, and (iii) each Buyer shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that one or more Buyers may engage in hedging and/or trading activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Conversion Shares are being determined and (b) such hedging and/or trading activities, if any, can reduce the value of the existing shareholders' equity interest in the Company both at and after the time the hedging and/or trading activities are being conducted. The Company acknowledges that such aforementioned hedging and/or trading activities do not constitute a breach of the Original Agreement or this Agreement, the Notes or any of the documents executed in connection herewith.

(hh) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended (the "**Code**").

(ii) Controlled Foreign Corporation. As of the date of the Original Agreement and as of the date hereof, the Company is not classified as a controlled foreign corporation ("**CFC**") (as defined by Section 957 of the Code).

(jj) Taxable Canadian Property. Neither the Notes, nor the Common Shares derive, for purposes of the *Income Tax Act* (Canada) as amended, more than 50 percent of their fair market value from one or any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties, or (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii) whether or not such property exists.

(kk) No Additional Agreements. The Company does not have any agreement or understanding with any Buyer with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents.

(ll) Disclosure. All disclosure provided to the Buyers regarding the Company, or any of its Subsidiaries, their business and the transactions contemplated hereby, including the disclosure schedules to the Original Agreement and to this Agreement, furnished by or on behalf of the Company is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Each press release issued by the Company or any of its Subsidiaries since the date that was twelve (12) months

prior to the date of the Original Agreement did not at the time of release contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or information exists with respect to the Company or any of its Subsidiaries or its or their business, properties, prospects, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed. The Company acknowledges and agrees that no Buyer makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2.

(mm) Share Option Plans. Each share option granted by the Company was granted (i) in accordance with the terms of the applicable Company share option plan and (ii) with an exercise price equal to the fair market value of the Common Shares or such other price permitted by the Principal Market on the date such share option would be considered granted under IFRS and applicable law. No share option granted under the Company's share option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, share options prior to, or otherwise knowingly coordinate the grant of share options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(nn) No Disagreements with Accountants and Lawyers. There are no material disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

#### 4. COVENANTS.

(a) Best Efforts. Each party shall use its best efforts timely to satisfy each of the covenants and the conditions to be satisfied by it as provided in Sections 6 and 7 of this Agreement.

(b) Canadian Law Filings. The Company shall make all of its filings and reports relating to the offer and sale of the Securities required under applicable Canadian Securities Laws following each Closing Date.

(c) Reporting Status. Until the date on which the Investors (as defined in the Registration Rights Agreement) shall have sold all the Conversion Shares and none of the Notes are outstanding (the "**Reporting Period**"), the Company shall timely file all reports required to be filed with the CSA pursuant to the applicable Canadian Securities Laws, and the Company will remain in good standing as a "reporting issuer" under applicable Canadian Securities Laws.

(d) Use of Proceeds. The Company will use the Cash Amount of the proceeds from the sale of the Securities for general corporate purposes and for working capital purposes, including, without limitation, for the payment of salaries, travel expenses and funding of capital

calls of AleAnna Energy, LLC, a Delaware limited liability company, but not for (i) the repayment of any outstanding Indebtedness of the Company or any of its Subsidiaries or (ii) the redemption or repurchase of any of its or its Subsidiaries' equity securities.

(e) Financial Information. The Company agrees to send the following to each Investor (as defined in the Registration Rights Agreement) during the Reporting Period (i) unless the following are filed with the CSA through SEDAR and are available to the public through the SEDAR system, within one (1) Business Day after the filing thereof with the CSA, a copy of annual reports, annual information forms (at such time as the Company is not exempt from the requirement to prepare and file same), annual and interim financial statements including management discussion and analysis, material change reports and any offering documents or amendments filed pursuant to applicable Canadian Securities Laws, (ii) on the same day as the release thereof, facsimile or e-mailed copies of all press releases issued by the Company or any of its Subsidiaries, and (iii) copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders. As used herein, "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in the City of New York, New York, U.S.A. or the City of Vancouver, British Columbia, Canada are authorized or required by law to remain closed; provided, that the Company shall provide on January 1 of each calendar year a list of the days during such calendar year on which commercial banks in the City of Vancouver, British Columbia, Canada are authorized or required by law to remain closed.

(f) Listing. The Company shall promptly secure the listing of all of the Registrable Securities (as defined in the Registration Rights Agreement) upon each Canadian securities exchange and automated quotation system, if any, upon which the Common Shares are then listed (subject to official notice of issuance) and shall maintain such listing of all Registrable Securities from time to time issuable under the terms of the Transaction Documents. The Company shall maintain the listing of the Common Shares on the Principal Market. Neither the Company nor any of its Subsidiaries shall take any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on the Principal Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(f).

(g) Fees. The Company shall reimburse Double Black Diamond (a Buyer) or its designee(s) (in addition to any other expense amounts paid to any Buyer or its counsel prior to the date of this Agreement) for all costs and expenses incurred in connection with the transactions contemplated by the Transaction Documents (including (i) all legal fees and disbursements in connection therewith, documentation and implementation of the transactions contemplated by the Transaction Documents and due diligence in connection therewith and (ii) all reasonable legal fees and disbursements in connection with the amendment and restatement of the Original Agreement and implementation of the transactions contemplated hereby, including the purchase and sale of the Additional Notes) in an amount not to exceed (x) CDN\$50,000 in case of clause (i) above and (y) CDN\$40,000 in case of clause (ii) above, which amounts may be withheld by such Buyer from its Initial Purchase Price or Additional Purchase Price, as applicable, at the applicable Closing. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or broker's commissions (other than for Persons engaged by any Buyer) relating to or arising out of the transactions contemplated hereby and by

the Original Agreement. The Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, reasonable attorney's fees and out-of-pocket expenses) arising in connection with any claim relating to any such payment. Except as otherwise set forth in the Transaction Documents, each party to the Original Agreement and this Agreement shall bear its own expenses in connection with the sale of the Securities to the Buyers.

(h) Pledge of Securities. The Company acknowledges and agrees that the Securities may be pledged by a Buyer or any transferee or assignee thereof (an "**Investor**") in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Investor effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including, without limitation, Section 2(f) hereof; provided that an Investor and its pledgee shall be required to comply with the provisions of Section 2(f) hereof in order to effect a sale, transfer or assignment of Securities to such pledgee. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by an Investor.

(i) Disclosure of Transactions and Other Material Information. On or before 8:30 a.m., New York City time, on the first Business Day after the Original Agreement was executed, the Company issued a press release and filed a material change report on Form 51-102F3 in accordance with National Instrument 51-102 of the CSA and Multilateral Instrument 61-101 of the CSA with respect thereto describing the terms of the transactions contemplated by the Transaction Documents in the form required by the Canadian Securities Laws and attaching the material Transaction Documents (including, without limitation, the Original Agreement (and all schedules and exhibits to the Original Agreement), the Registration Rights Agreement, the Security Documents and the form of the Initial Notes as exhibits to such filing (including all attachments, the "**Initial Material Change Report**"). On or before 8:30 a.m., New York City time, on the first Business Day after this Agreement has been executed, the Company shall issue a press release and file a material change report on Form 51-102F3 in accordance with National Instrument 51-102 of the CSA and Multilateral Instrument 61-101 of the CSA with respect thereto describing the terms of the transactions contemplated by the Transaction Documents in the form required by the Canadian Securities Laws and attaching the material Transaction Documents (including, without limitation, this Agreement (and all schedules and exhibits to this Agreement), the Registration Rights Agreement, the Security Documents and the form of the Additional Notes as exhibits to such filing (including all attachments, the "**Additional Material Change Report**" and together with the Initial Material Change Report, the "**Material Change Reports**"). If at any time the Buyers do not have a designee or observer on the Company's Board of Directors, the Company shall not, and shall cause each of its Subsidiaries and its and each of their respective officers, directors, employees and agents, not to, provide any Buyer with any material, nonpublic information regarding the Company or any of its Subsidiaries from and after the filing of the applicable Material Change Report with the CSA without the express prior written consent of such Buyer. If in connection with any conversion of any Note or at any other time requested by any Buyer, a Buyer has, or believes it has, received any such material, nonpublic information regarding the Company or any of its Subsidiaries from the Company, any

of its Subsidiaries or any of their respective officers, directors, affiliates or agents, it may provide the Company with written notice thereof. The Company shall, as soon as practicable but in no event later than the six (6) month anniversary of receipt of such notice, make public disclosure of such material, nonpublic information. In the event of a breach of the foregoing covenant by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees and agents, in addition to any other remedy provided herein or in the Transaction Documents, a Buyer shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such material, nonpublic information without the prior approval by the Company, its Subsidiaries, or any of its or their respective officers, directors, employees or agents. No Buyer shall have any liability to the Company, its Subsidiaries, or any of its or their respective officers, directors, employees, shareholders or agents for any such disclosure. To the extent that the Company delivers any material, non-public information to a Buyer without such Buyer's consent, the Company hereby covenants and agrees that such Buyer shall not have any duty of confidentiality with respect to, or a duty not to trade on the basis of, such material, non-public information. Subject to the foregoing, neither the Company, its Subsidiaries nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, that the Company shall be entitled, without the prior approval of any Buyer, to make any press release or other public disclosure with respect to such transactions (i) in substantial conformity with the Material Change Reports and contemporaneously therewith and (ii) as is required by applicable law and regulations (provided that in the case of clause (i) each Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of any applicable Buyer, except as required by applicable law or regulation, neither the Company nor any of its Subsidiaries or affiliates shall disclose the name of such Buyer in any filing, announcement, release or otherwise; provided, however, that, even if a filing, announcement, release or other document is required by applicable law or regulation, the Company shall provide the Buyers with an adequate and appropriate opportunity to review and comment on any such filing, announcement, release or other document, but in no event less than one Business Day.

(j) Restriction on Redemption and Dividends. So long as any Notes are outstanding, the Company shall not, directly or indirectly, redeem, or declare or pay any dividend or distribution on, the Common Shares without the prior express written consent of the holders of Notes representing not less than a majority of the aggregate principal amount of the then outstanding Notes.

(k) Additional Notes; Variable Securities. So long as any Buyer beneficially owns any Securities, the Company will not issue any Notes other than to the Buyers as contemplated hereby and the Company shall not issue any other securities that would cause a breach or default under the Notes. For so long as any Notes remain outstanding, the Company shall not, in any manner, issue or sell any rights, warrants or options to subscribe for or purchase Common Shares or directly or indirectly convertible into or exchangeable or exercisable for Common Shares at a price which varies or may vary with the market price of the Common Shares, including by way of one or more reset(s) to any fixed price unless the conversion, exchange or exercise price of any such security cannot be less than the then applicable Conversion Price (as defined in the Notes) with respect to the Common Shares into which any Note is convertible.

(l) Corporate Existence. So long as any Buyer beneficially owns any Securities, the Company shall maintain its corporate existence and shall not be party to any Fundamental Transaction (as defined in the Notes) unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Notes.

(m) No Change to Authorized Capital. So long as any Buyer owns any Notes, the Company shall not take any action to reduce the number of Common Shares authorized for issuance.

(n) Conduct of Business. The business of the Company and its Subsidiaries shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

(o) Additional Issuances of Securities.

(i) For purposes of this Section 4(o), the following definitions shall apply.

(1) "**Approved Share Plan**" means any employee benefit plan which has been approved by the Board of Directors of the Company, pursuant to which the Company's securities may be issued to any employee, officer or director in connection with services provided to the Company.

(2) "**Convertible Securities**" means any shares or securities (other than Options) convertible into or exercisable or exchangeable for Common Shares.

(3) "**Options**" means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities.

(4) "**Common Share Equivalents**" means, collectively, Options and Convertible Securities.

(5) "**Subsequent Placement**" means any direct or indirect, offer, sale, grant of any option to purchase, or otherwise dispose of any of its or its Subsidiaries' equity or equity equivalent securities, including without limitation any debt, preferred shares or other instrument or security that is, at any time during its life and under any circumstances, convertible into or exchangeable or exercisable for Common Shares or Common Shares Equivalents.

(ii) From the Additional Closing Date until the date that is six (6) months immediately following the date that the Additional Notes are repaid or redeemed in full, the Company will not, directly or indirectly, effect any Subsequent Placement unless the Company shall have first complied with this Section 4(o)(ii).

(1) The Company shall deliver to each Buyer an irrevocable written notice (the "**Offer Notice**") of any proposed or intended issuance or sale or exchange (the "**Offer**") of the securities being offered (the

"**Offered Securities**") in a Subsequent Placement, which Offer Notice shall (w) identify and describe the Offered Securities, (x) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the Offered Securities to be issued, sold or exchanged, (y) identify the persons or entities (if known) to which or with which the Offered Securities are to be offered, issued, sold or exchanged and (z) offer to issue and sell to or exchange with such Buyers all of the Offered Securities, allocated among such Buyers (a) based on such Buyer's pro rata portion of the aggregate amount of Additional Notes purchased hereunder (the "**Basic Amount**"), and (b) with respect to each Buyer that elects to purchase its Basic Amount, any additional portion of the Offered Securities attributable to the Basic Amounts of other Buyers as such Buyer shall indicate it will purchase or acquire should the other Buyers subscribe for less than their Basic Amounts (the "**Undersubscription Amount**"), which process shall be repeated until the Buyers shall have an opportunity to subscribe for any remaining Undersubscription Amount.

(2) To accept an Offer, in whole or in part, such Buyer must deliver a written notice to the Company prior to the end of the fifth (5<sup>th</sup>) Business Day after such Buyer's receipt of the Offer Notice (the "**Offer Period**"), setting forth the portion of such Buyer's Basic Amount that such Buyer elects to purchase and, if such Buyer shall elect to purchase all of its Basic Amount, the Undersubscription Amount, if any, that such Buyer elects to purchase (in either case, the "**Notice of Acceptance**"). If the Basic Amounts subscribed for by all Buyers are less than the total of all of the Basic Amounts, then each Buyer who has set forth an Undersubscription Amount in its Notice of Acceptance shall be entitled to purchase, in addition to the Basic Amounts subscribed for, the Undersubscription Amount it has subscribed for; provided, however, that if the Undersubscription Amounts subscribed for exceed the difference between the total of all the Basic Amounts and the Basic Amounts subscribed for (the "**Available Undersubscription Amount**"), each Buyer who has subscribed for any Undersubscription Amount shall be entitled to purchase only that portion of the Available Undersubscription Amount as the Basic Amount of such Buyer bears to the total Basic Amounts of all Buyers that have subscribed for Undersubscription Amounts, subject to rounding by the Company to the extent it deems reasonably necessary. Notwithstanding anything to the contrary contained herein, if the Company desires to modify or amend the terms and conditions of the Offer prior to the expiration of the Offer Period, the Company may deliver to the Buyers a new Offer Notice and the Offer Period shall expire on the fifth (5<sup>th</sup>) Business Day after such Buyer's receipt of such new Offer Notice.

(3) The Company shall have five (5) Business Days from the expiration of the Offer Period above to offer, issue, sell or exchange all or any part of such Offered Securities as to which a Notice of Acceptance has not been given by the Buyers (the "**Refused Securities**") pursuant to a definitive agreement (the "**Subsequent Placement Agreement**") but only to the offerees described in the Offer Notice (if so described therein) and only upon terms and conditions (including, without limitation, unit prices and interest rates) that are

not more favorable to the acquiring Person or Persons or less favorable to the Company than those set forth in the Offer Notice and (ii) to publicly announce (a) the execution of such Subsequent Placement Agreement, and (b) either (x) the consummation of the transactions contemplated by such Subsequent Placement Agreement or (y) the termination of such Subsequent Placement Agreement, which shall be filed with the CSA on a material change report on Form 51-102F3 in accordance with National Instrument 51-102 of the CSA with such Subsequent Placement Agreement and any documents contemplated therein filed as exhibits thereto.

(4) In the event the Company shall propose to sell less than all the Refused Securities (any such sale to be in the manner and on the terms specified in Section 4(o)(ii)(3) above), then each Buyer may, at its sole option and in its sole discretion, reduce the number or amount of the Offered Securities specified in its Notice of Acceptance to an amount that shall be not less than the number or amount of the Offered Securities that such Buyer elected to purchase pursuant to Section 4(o)(ii)(2) above multiplied by a fraction, (i) the numerator of which shall be the number or amount of Offered Securities the Company actually proposes to issue, sell or exchange (including Offered Securities to be issued or sold to Buyers pursuant to Section 4(o)(ii)(3) above prior to such reduction) and (ii) the denominator of which shall be the original amount of the Offered Securities. In the event that any Buyer so elects to reduce the number or amount of Offered Securities specified in its Notice of Acceptance, the Company may not issue, sell or exchange more than the reduced number or amount of the Offered Securities unless and until such securities have again been offered to the Buyers in accordance with Section 4(o)(ii)(1) above.

(5) Upon the closing of the issuance, sale or exchange of all or less than all of the Refused Securities, the Buyers shall acquire from the Company, and the Company shall issue to the Buyers, the number or amount of Offered Securities specified in the Notices of Acceptance, as reduced pursuant to Section 4(o)(ii)(3) above if the Buyers have so elected, upon the terms and conditions specified in the Offer. The purchase by the Buyers of any Offered Securities is subject in all cases to the preparation, execution and delivery by the Company and the Buyers of a purchase agreement relating to such Offered Securities reasonably satisfactory in form and substance to the Buyers and their respective counsel.

(6) Any Offered Securities not acquired by the Buyers or other persons in accordance with Section 4(o)(ii)(3) above may not be issued, sold or exchanged until they are again offered to the Buyers under the procedures specified in this Agreement.

(7) The Company and the Buyers agree that if any Buyer elects to participate in the Offer, (x) neither the Subsequent Placement Agreement with respect to such Offer nor any other transaction documents related thereto (collectively, the "**Subsequent Placement Documents**") shall include any



term or provisions whereby any Buyer shall be required to agree to any restrictions in trading as to any securities of the Company owned by such Buyer prior to such Subsequent Placement, and (y) any registration rights set forth in such Subsequent Placement Documents shall be similar in all material respects to the registration rights contained in the Registration Rights Agreement.

(8) Notwithstanding anything to the contrary in this Section 4(o) and unless otherwise agreed to by the Buyers, the Company shall either confirm in writing to the Buyers that the transaction with respect to the Subsequent Placement has been abandoned or shall publicly disclose its intention to issue the Offered Securities, in either case in such a manner such that the Buyers will not be in possession of material non-public information, by the fifteenth (15<sup>th</sup>) Business Day following delivery of the Offer Notice. If by the fifteenth (15<sup>th</sup>) Business Day following delivery of the Offer Notice no public disclosure regarding a transaction with respect to the Offered Securities has been made, and no notice regarding the abandonment of such transaction has been received by the Buyers, such transaction shall be deemed to have been abandoned and the Buyers shall not be deemed to be in possession of any material, non-public information with respect to the Company. Should the Company decide to pursue such transaction with respect to the Offered Securities, the Company shall provide each Buyer with another Offer Notice and each Buyer will again have the right of participation set forth in this Section 4(o)(ii). The Company shall not be permitted to deliver more than one such Offer Notice to the Buyers in any 60 day period.

(iii) The restrictions contained in subsection (ii) of this Section 4(o) shall not apply in connection with the issuance of any Excluded Securities (as defined in the Additional Notes).

(iv) For the avoidance of doubt, any Buyer may, in its sole and absolute discretion, pay the purchase price of any Offered Securities hereunder in cash, in Additional Notes or in any combination of cash and Additional Notes, as provided in Section 4 of the Additional Notes.

(p) United States Tax Matters. Upon the written request of any Buyer that is a United States person (as defined by Section 7701(a)(30) of the Code), the Company shall take the following actions:

(i) Timely provide such Buyers with a PFIC Annual Information Statement and, if applicable, an Annual Intermediary Statement (as each such term is defined by, and containing the information described in, U.S. Treasury Regulations § 1.1295-1(g)) and cooperate with such Buyers in order to enable such Buyers to make a qualified electing fund election (within the meaning of Section 1295 of the Code) with respect to the Company and with respect to any other passive foreign investment company (as defined by Section 1297(a) of the Code), that such Buyers are deemed to hold by reason of their investment in the Company;

(ii) Use its best efforts to prevent the Company from becoming CFC;

(iii) Notify such Buyers as soon as practical if the Company makes any determination that: (1) it is reasonably likely, as a result of future subscriptions, redemptions or transfers of shares, that the Company may qualify as a CFC, (2) the investment of such Buyers constitutes at least 10% of the outstanding value of the Company, or (3) the Company is classified as a CFC at any time in the future;

(iv) Provide such Buyers with any additional information necessary to permit such Buyers to make all appropriate tax filings arising as a result of the Company's status as a CFC.

(q) Taxes. The Company and its Subsidiaries shall timely file all Tax Returns that are required to be filed by applicable law and such Tax Returns shall be correct and complete in all material respects. The Company and each of its Subsidiaries shall timely pay all Taxes and shall timely withhold, collect, deduct and remit all Taxes that are required to be so withheld, deducted, collected and remitted. The Company shall comply with all applicable laws and guidelines related to transfer pricing.

(r) Taxable Canadian Property. The Company hereby agrees not to take any action (or to fail to take any action) the taking of which (or the failure to take) would cause or result in the Notes, or the Common Shares deriving, for purposes of the Income Tax Act (Canada) as amended, more than 50 percent of their fair market value from one or any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties, or (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii) whether or not such property exists.

(s) U.S. Real Property Holding Corporation. The Company, so long as any Securities remain outstanding, shall not become a U.S. real property holding corporation (within the meaning of Section 897 of the Code), and the Company shall so certify upon any Buyer's request.

(t) Collateral Agent. Double Back Diamond shall initially be the collateral agent (in such capacity, the "**Collateral Agent**") under the applicable Security Documents and shall have the right to appoint any replacement or successor collateral agent in its sole discretion.

(u) Covenants. From and after the date of the Original Agreement, the Company shall not, and shall not cause or permit any of its Subsidiaries, to do or enter into any agreement to do any of the actions set forth in Sections 13(a) through 13(o) of the Notes as if such covenants were in effect as of the date of the Original Agreement.

5. REGISTER. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to each holder of Securities), a register for the Notes in which the Company shall record the name and address of the Person in whose name the Notes have been issued (including the name and address of each transferee), the principal amount of Notes held by such Person, the number of Conversion Shares issuable upon conversion of the Notes held by such Person. The Company shall keep the register open and available at all times during business hours for inspection of any Buyer or its legal representatives.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Initial Notes to each Buyer at the Initial Closing is subject to the satisfaction, at or before the Initial Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Such Buyer shall have executed each of the Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Such Buyer shall have delivered to the Company the Initial Purchase Price (less, in the case of Double Black Diamond, the amounts withheld pursuant to Section 4(g)) for the Initial Notes being purchased by such Buyer at the Initial Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of such Buyer shall be true and correct as of the date when made and as of the Initial Closing Date as though made at that time (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Original Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Initial Closing Date.

(b) The obligation of the Company hereunder to issue and sell the Additional Notes to each Buyer at the Additional Closing is subject to the satisfaction, at or before the Additional Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Such Buyer shall have executed each of the Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Such Buyer shall have delivered to the Company the Additional Purchase Price for the Additional Notes being purchased by such Buyer at the Additional Closing by (i) directing that the sum of (A) the aggregate principal amount of the Initial Notes set forth opposite such Buyer's name in column (3) of the Schedule of Buyers plus (B) the Accrued Interest set forth opposite such Buyer's name in column (6) of the Schedule of Buyers,

be cancelled and retained by the Company, and (ii) paying the Cash Amount set forth opposite such Buyer's name in column (7) of the Schedule of Buyers (less, in the case of Double Black Diamond, the amounts withheld pursuant to Section 4(g)), by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of such Buyer shall be true and correct as of the date when made and as of the Additional Closing Date as though made at that time (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Original Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Additional Closing Date.

## 7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase the Initial Notes at the Initial Closing is subject to the satisfaction, at or before the Initial Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to such Buyer (A) each of the Transaction Documents and (B) the Initial Notes (allocated in such principal amounts as such Buyer shall request), being purchased by such Buyer at the Initial Closing pursuant to the Original Agreement, in each case, in form and substance satisfactory to the Collateral Agent and such Buyer.

(ii) Such Buyer shall have received (A) the opinion of Clark Wilson LLP, the Company's outside Canadian counsel, dated as of the Initial Closing Date, in substantially the form of Exhibit F-1A attached hereto and (B) the opinion of Crady, Jewett & McCulley, LLP, the Company's outside United States counsel, dated as of the Initial Closing Date, in substantially the form of Exhibit F-2A attached hereto.

(iii) The Company shall have delivered to such Buyer a certificate evidencing the formation and good standing of the Company and each of its Subsidiaries in such entity's jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction, as of a date within ten (10) days of the Initial Closing Date.

(iv) The Company shall have delivered to such Buyer a certificate, executed by the Secretary of the Company and dated as of the Initial Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's Board of Directors in a form reasonably acceptable to such Buyer, (ii) the Notice of Articles and (iii) the Articles, each as in effect at the Initial Closing, in the form attached hereto as Exhibit G.

(v) The representations and warranties of the Company shall be true and correct as of the date when made and as of the Initial Closing Date as though made at that time (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date) and the Company shall have performed, satisfied and

complied in all respects with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Initial Closing Date. Such Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Initial Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form attached hereto as Exhibit H.

(vi) The Company shall have delivered to such Buyer a letter from the Company's transfer agent certifying the number of Common Shares outstanding as of a date within five days of the Initial Closing Date.

(vii) The Common Shares (I) shall be listed on the Principal Market and (II) shall not have been suspended, as of the Initial Closing Date, by the CSA or the Principal Market from trading on the Principal Market nor shall suspension by the CSA or the Principal Market have been threatened, as of the Initial Closing Date, either (A) in writing by the CSA or the Principal Market or (B) by falling below the minimum listing maintenance requirements of the Principal Market.

(viii) The (x) approval of the Principal Market for the issuance of the Initial Notes and the Initial Conversion Shares contemplated hereby and (y) the conditional listing of the Conversion Shares by the Principal Market shall have been obtained.

(ix) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Initial Notes and the Initial Conversion Shares.

(x) The Company shall have delivered to the Collateral Agent appropriate financing statements on Form UCC-1 to be duly filed in such office or offices as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the security interests purported to be created by each Security Document.

(xi) The Company shall have delivered or caused to be delivered to such Buyer (i) certified copies of UCC and personal property security search results, listing all effective financing statements which name as debtor the Company or any of its Subsidiaries filed in the prior five (5) years to perfect an interest in any assets thereof, together with copies of such financing statements, none of which, except as otherwise agreed in writing by such Buyer, shall cover any of the Collateral and the results of searches for any tax lien and judgment lien filed against such Person or its property, which results, except as otherwise agreed to in writing by such Buyer shall not show any such Liens (as defined in the Initial Notes) other than Permitted Liens (as defined in the Initial Notes); and (ii) a perfection certificate, duly completed and executed by the Company and each of its Subsidiaries, in form and substance satisfactory to such Buyer.

(xii) The Company shall cause any Subsidiary party to any Security Documents to duly execute and deliver such Security Documents to such Buyer.

(xiii) The Collateral Agent and such Buyer shall be satisfied that the Collateral Agent has been granted, and holds, for the benefit of the Collateral Agent and such

Buyer, a perfected, first priority Lien on, and security interest in, all of the Collateral, subject only to Permitted Liens (as defined in the Initial Notes).

(xiv) The Company shall have delivered to such Buyer such other documents relating to the transactions contemplated by the Original Agreement as such Buyer or its counsel may reasonably request.

(b) The obligation of each Buyer hereunder to purchase the Additional Notes at the Additional Closing is subject to the satisfaction, at or before the Additional Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to such Buyer (A) each of the Transaction Documents and (B) the Additional Notes (allocated in such principal amounts as such Buyer shall request), being purchased by such Buyer at the Additional Closing pursuant to this Agreement, in each case, in form and substance satisfactory to the Collateral Agent and such Buyer.

(ii) Such Buyer shall have received (A) the opinion of Clark Wilson LLP, the Company's outside Canadian counsel, dated as of the Additional Closing Date, in substantially the form of Exhibit F-1B attached hereto and (B) the opinion of Crady, Jewett & McCulley, LLP, the Company's outside United States counsel, dated as of the Additional Closing Date, in substantially the form of Exhibit F-2B attached hereto.

(iii) The Company shall have delivered to such Buyer a certificate evidencing the formation and good standing of the Company and each of its Subsidiaries in such entity's jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction, as of a date within ten (10) days of the Additional Closing Date.

(iv) The Company shall have delivered to such Buyer a certificate, executed by the Secretary of the Company and dated as of the Additional Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's Board of Directors in a form reasonably acceptable to such Buyer, (ii) the Notice of Articles and (iii) the Articles, each as in effect at the Additional Closing, in the form attached hereto as Exhibit G.

(v) The representations and warranties of the Company shall be true and correct as of the date when made and as of the Additional Closing Date as though made at that time (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Additional Closing Date. Such Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Additional Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form attached hereto as Exhibit H.

(vi) The Company shall have delivered to such Buyer a letter from the Company's transfer agent certifying the number of Common Shares outstanding as of a date within five days of the Additional Closing Date.

(vii) The Common Shares (I) shall be listed on the Principal Market and (II) shall not have been suspended, as of the Additional Closing Date, by the CSA or the Principal Market from trading on the Principal Market nor shall suspension by the CSA or the Principal Market have been threatened, as of the Additional Closing Date, either (A) in writing by the CSA or the Principal Market or (B) by falling below the minimum listing maintenance requirements of the Principal Market.

(viii) The (x) approval of the Principal Market for the issuance of the Additional Notes and the Additional Conversion Shares contemplated hereby and (y) the conditional listing of the Conversion Shares by the Principal Market shall have been obtained.

(ix) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Additional Notes and the Additional Conversion Shares.

(x) The Company shall have delivered to the Collateral Agent appropriate additional financing statements on Form UCC-1 to be duly filed in such office or offices as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the security interests purported to be created by each Security Document, if any.

(xi) The Company shall have delivered or caused to be delivered to such Buyer (i) certified copies of UCC and personal property security search results, listing all effective financing statements which name as debtor the Company or any of its Subsidiaries filed in the prior five (5) years to perfect an interest in any assets thereof, together with copies of such financing statements, none of which, except as otherwise agreed in writing by such Buyer, shall cover any of the Collateral and the results of searches for any tax lien and judgment lien filed against such Person or its property, which results, except as otherwise agreed to in writing by such Buyer shall not show any such Liens (as defined in the Additional Notes) other than Permitted Liens (as defined in the Additional Notes); and (ii) a perfection certificate, duly completed and executed by the Company and each of its Subsidiaries, in form and substance satisfactory to such Buyer.

(xii) The Security Documents shall be in full force and effect.

(xiii) The Company shall have executed and delivered to such Buyer the Reaffirmation Agreement.

(xiv) The Collateral Agent and such Buyer shall be satisfied that the Collateral Agent has been granted, and holds, for the benefit of the Collateral Agent and such Buyer, a perfected, first priority Lien on, and security interest in, all of the Collateral, subject only to Permitted Liens (as defined in the Additional Notes).

(xv) The Company shall have delivered to such Buyer such other documents relating to the transactions contemplated by this Agreement as such Buyer or its counsel may reasonably request.

8. TERMINATION. In the event that the Additional Closing shall not have occurred with respect to a Buyer on or before five (5) Business Days from the date hereof due to the Company's or such Buyer's failure to satisfy the conditions set forth in Sections 6(b) and 7(b) above (and the nonbreaching party's failure to waive such unsatisfied condition(s)), the nonbreaching party shall have the option to terminate its obligations under Section 1 of this Agreement regarding the purchase of Additional Notes with respect to such breaching party at the close of business on such date without liability of any party to any other party.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in The City of New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; This Agreement, any and all agreements and instruments executed and delivered in accordance herewith, along with any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, scanned email or internet transmission copy or other means of electronic transmission, shall be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.



(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement and the other Transaction Documents supersede all other prior oral or written agreements between the Buyers, the Company, their affiliates and Persons acting on their behalf with respect to the matters discussed herein, including the Original Agreement, and this Agreement, the other Transaction Documents and the instruments referenced herein and therein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the holders of at least a majority of the aggregate amount of Registrable Securities issued and issuable hereunder and under the Notes, and any amendment to this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities; provided that any such amendment that complies with the foregoing but that disproportionately, materially and adversely affects the rights and obligations of any Buyer relative to the comparable rights and obligations of the other Buyers shall require the prior written consent of such adversely affected Buyer. No provision hereof may be waived other than by an instrument in writing signed by the party against whom enforcement is sought. No such amendment shall be effective to the extent that it applies to less than all of the holders of the applicable Securities then outstanding. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration (other than the reimbursement of legal fees) also is offered to all of the parties to the Transaction Documents or holders of Notes. The Company has not, directly or indirectly, made any agreements with any Buyers relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company or otherwise.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be

deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) or by electronic mail; or (iii) one Business Day after deposit with an overnight courier service, in each case properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such communications shall be:

If to the Company:

BRS Resources Ltd.  
5910 N. Central Expressway, Suite 1250  
Dallas TX 75206  
Telephone: (214) 276-0375  
Facsimile: (214) 361-5084  
Attention: Steve Moore  
E-mail: [smoore@brsresources.com](mailto:smoore@brsresources.com)

With a copy to:

Clark Wilson LLP  
900-885 West Georgia Street  
Vancouver, BC  
V6C 3H1  
Telephone: (604) 687-5700  
Facsimile: (604) 687-6314  
Attention: Virgil Hlus  
E-mail: [VZH@cwilson.com](mailto:VZH@cwilson.com)

If to the Transfer Agent:

Canadian Stock Transfer Company  
1066 West Hastings Street, Suite 1600  
Vancouver, BC  
V6C 3X1  
Telephone: (604) 891-3025  
Facsimile: (604) 688-4301  
Attention: Tricia Murphy  
E-mail: [tmurphy@canstockta.com](mailto:tmurphy@canstockta.com)

If to a Buyer, to its address, facsimile number and e-mail address set forth on the Schedule of Buyers, with copies to such Buyer's representatives as set forth on the Schedule of Buyers,

with a copy (for informational purposes only) to:

Schulte Roth & Zabel LLP  
919 Third Avenue

New York, New York 10022  
Telephone: (212) 756-2000  
Facsimile: (212) 593-5955  
Attention: Eleazer N. Klein, Esq.  
E-mail: eleazer.klein@srz.com

and

Goodmans LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON  
M5H 2S7  
Telephone: (416) 979-2211  
Facsimile: (416) 979-1234  
Attention: Neill May, Esq.  
E-mail: nmay@goodmans.ca

or to such other address, facsimile number and/or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or email containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any purchasers of the Notes. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the holders of at least a majority of the aggregate number of Registrable Securities issued and issuable hereunder and under the Notes, including by way of a Fundamental Transaction (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Notes). A Buyer may assign some or all of its rights hereunder without the consent of the Company, in which event such assignee shall be deemed to be a Buyer hereunder with respect to such assigned rights.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except that each Indemnitee shall have the right to enforce the obligations of the Company with respect to Section 9(k).

(i) Survival. Unless this Agreement is terminated under Section 8, the representations and warranties of the Company and the Buyers contained in Sections 2 and 3, and the agreements and covenants set forth in Sections 4, 5 and 9 shall survive each Closing.

Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Buyer and each other holder of the Securities and all of their shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby or (c) any cause of action, suit or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) and arising out of or resulting from (i) the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, or (iii) any disclosure made by such Buyer pursuant to Section 4(i). To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law.

(ii) Promptly after receipt by an Indemnitee under this Section 9(k) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim for indemnification in respect thereof is to be made against any indemnifying party under this Section 9(k), deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its

own counsel with the fees and expenses of not more than one counsel for such Indemnitee to be paid by the indemnifying party, if, in the reasonable opinion of the Indemnitee, the representation by such counsel of the Indemnitee and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceeding. Legal counsel referred to in the immediately preceding sentence shall be selected by the Buyers holding at least a majority of the Securities issued and issuable hereunder. The Indemnitee shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Indemnified Liabilities by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnitee that relates to such action or Indemnified Liabilities. The indemnifying party shall keep the Indemnitee fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which (i) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Indemnified Liabilities or litigation, (ii) requires any admission of wrongdoing by such Indemnitee, or (iii) obligates or requires an Indemnitee to take, or refrain from taking, any action. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnitee under this Section 9(k), except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

(iii) The indemnification required by this Section 9(k) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(iv) The indemnity agreements contained herein shall be in addition to (x) any cause of action or similar right of the Indemnitee against the indemnifying party or others, and (y) any liabilities the indemnifying party may be subject to pursuant to the law.

(l) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(m) Remedies. Each Buyer and each holder of the Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its

obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to the Buyers. The Company therefore agrees that the Buyers shall be entitled to seek temporary and permanent injunctive relief in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Buyer may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

(o) Payment Set Aside. To the extent that the Company makes a payment or payments to the Buyers hereunder or pursuant to any of the other Transaction Documents or the Buyers enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy, United States or Canadian federal, state or provincial law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

(p) Independent Nature of Buyers' Obligations and Rights. The obligations of each Buyer under any Transaction Document are several and not joint with the obligations of any other Buyer, and no Buyer shall be responsible in any way for the performance of the obligations of any other Buyer under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Buyer pursuant hereto or thereto, shall be deemed to constitute the Buyers as, and the Company acknowledges that the Buyers do not so constitute, a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Buyers are in any way acting in concert or as a group, and the Company shall not assert any such claim with respect to such obligations or the transactions contemplated by the Transaction Documents and the Company acknowledges that the Buyers are not acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. The Company acknowledges and each Buyer confirms that it has independently participated in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. Each Buyer shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Buyer to be joined as an additional party in any proceeding for such purpose.

(q) Currency. Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian Dollars. All amounts owing under this Agreement or any Transaction Document shall be paid in Canadian dollars. All amounts denominated in other currencies shall be converted in the Canadian dollar equivalent amount in accordance with the

Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into Canadian dollars pursuant to this Agreement, the Canadian dollar exchange rate as published in The Wall Street Journal on the relevant date of calculation.

(r) Judgment Currency.

(i) If for the purpose of obtaining or enforcing judgment against the Company in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 9(r) referred to as the "**Judgment Currency**") an amount due in Canadian Dollars under this Agreement, the conversion shall be made at the Exchange Rate prevailing on the Business Day immediately preceding:

(1) the date of actual payment of the amount due, in the case of any proceeding in the courts of New York or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or

(2) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section being hereinafter referred to as the "**Judgment Conversion Date**").

(ii) If in the case of any proceeding in the court of any jurisdiction referred to in Section 9(r)(i)(2) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of Canadian Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(iii) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

**[Signature Page Follows]**

**IN WITNESS WHEREOF**, each Buyer and the Company have caused their respective signature page to this Amended and Restated Securities Purchase Agreement to be duly executed as of the date first written above.

**COMPANY:**

**BRS RESOURCES LTD.**

By: "Steven Moore"  
Name: Steven Moore  
Title: President/CEO



**IN WITNESS WHEREOF**, each Buyer and the Company have caused their respective signature page to this Amended and Restated Securities Purchase Agreement to be duly executed as of the date first written above.

**BUYERS:**

**DOUBLE BLACK DIAMOND L.P.**

By: Carlson Capital, L.P.,  
Its Investment Advisor

By: “Christopher Haga”  
Name: Christopher W. Haga  
Title: Portfolio Manager

## SCHEDULE OF BUYERS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Buyer	Address and Facsimile Number	Aggregate Principal Amount of Initial Notes	Aggregate Principal Amount of Additional Notes	Initial Purchase Price	Accrued Interest	Cash Amount	Legal Representative's Address and Facsimile Number
Double Black Diamond L.P.	c/o Carlson Partners, L.P. 2100 McKinney Avenue, Suite 1800 Dallas, TX 75201 Attention: Legal Department Chris Haga Facsimile: (214) 932- 9601 Telephone: (214) 932- 9600 Residence: Cayman Islands Email: legal@cclp.com  chaga@carlsoncapital.com	CDN\$1,000,000	CDN\$2,126,825	CDN\$1,000,000	CDN\$126,825	CDN\$1,000,000	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Peter J. Halasz, Esq. Facsimile: (212) 593- 5955 Telephone: (212) 756-2376

## **EXHIBITS**

Exhibit A-1	Form of Initial Notes
Exhibit A-2	Form of Additional Notes
Exhibit B	Form of Registration Rights Agreement
Exhibit C	Form of Pledge Agreement
Exhibit D	Form of Security Agreement
Exhibit E	Form of Guaranty
Exhibit F-1A	Form of Opinion of Outside Canadian Counsel (Initial Closing)
Exhibit F-1B	Form of Opinion of Outside Canadian Counsel (Additional Closing)
Exhibit F-2A	Form of Opinion of Outside United States Counsel (Initial Closing)
Exhibit F-2B	Form of Opinion of Outside United States Counsel (Additional Closing)
Exhibit G	Form of Secretary's Certificate
Exhibit H	Form of Officer's Certificate
Exhibit I	Form of Reaffirmation Agreement

## **SCHEDULES**

Schedule 3(a)	Subsidiaries
Schedule 3(k)	CSA Documents
Schedule 3(l)	Absence of Certain Changes
Schedule 3(n)	Regulatory Permits
Schedule 3(p)	Transactions with Affiliates
Schedule 3(q)	Equity Capitalization
Schedule 3(r)	Indebtedness and Other Contracts
Schedule 3(s)	Absence of Litigation
Schedule 3(cc)	Ranking of Notes