

**ECO ORO MINERALS CORP.  
INVESTMENT AGREEMENT**

**THIS INVESTMENT AGREEMENT** (the “**Agreement**”) is dated as of July 21, 2016

**BETWEEN:**

**ECO ORO MINERALS CORP.**, a corporation existing under the laws of the Province of British Columbia (the “**Corporation**”)

- and -

**TREXS INVESTMENTS, LLC**, a limited liability company existing under the laws of the State of Delaware (the “**Investor**”);

(the Investor and the Corporation each a “**Party**” and collectively, the “**Parties**”).

**WHEREAS** the Investor wishes to subscribe for and acquire the Securities (as defined herein) and the Corporation wishes to sell the Securities to the Investor (the “**Investment**”);

**AND WHEREAS** the Investment will be completed as soon as reasonably practicable and shall consist of two (2) tranches: first, the purchase of the First Tranche Shares (as defined herein) by the Investor for the aggregate purchase price of US\$3,000,000 (the “**First Tranche**”); and second, the purchase of either (i) the Second Tranche Shares for a purchase price of US\$4,000,000 and the Notes for a purchase price of US\$7,000,000 or (ii) the CVR for a purchase price of US\$4,000,000 and the Notes for a purchase price of US\$7,000,000 (each as defined herein) (the “**Second Tranche**”);

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration the receipt and adequacy of which are acknowledged, the parties agree as follows.

**Section 1      Terms of the Investment**

The Investor hereby irrevocably subscribes for, and the Corporation hereby accepts such subscription and agrees to issue, on a private placement basis: (a) the First Tranche Shares for the aggregate purchase price of US\$3,000,000, being US\$0.2828 per First Tranche Share (the “**First Tranche Price**”); and (b) (i) either the Second Tranche Shares or the CVR and (ii) the Notes for an aggregate purchase price of US\$11,000,000 (which for greater certainty would represent a purchase price of US\$0.0473 per Second Tranche Share in the event that Second Tranche Shares are purchased as part of the completion of the Second Tranche, US\$4,000,000 for the CVR and US\$7,000,000 for the Notes) (in aggregate, the “**Second Tranche Price**”), payable by the Investor to the Corporation upon and subject to the terms and conditions set forth in this Agreement.

## Section 2 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "Applicable Law" means all laws (including, without limitation, securities laws), statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any governmental authority having the force of law;
- (b) "Blakes" has the meaning given to such term in Section 3 of this Agreement;
- (c) "Business Day" means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in New York, New York or Vancouver, British Columbia, are not open for business.
- (d) "Claim Proceedings" means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Corporation and its direct or indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Free Trade Agreement between Canada and Colombia signed on November 21, 2008 and which came into force on August 15, 2011 or before ICSID, UNCITRAL, ICC, CRCICA or such other applicable dispute resolution bodies or courts, in each case relating to the Corporation's dispute with the Colombian government arising in connection with the Corporation's ability to explore and exploit the Angostura Project and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same;
- (e) "Claim Proceeding Rights" the rights and entitlements of the Investor or any affiliate, branch or subsidiary of the Corporation to and in connection with the Claim Proceedings, the Claim Proceeds, all rights in connection therewith and any interest therein, and any documents, books and records (or any copies thereof) used therein or related thereto in connection with the Claim Proceedings and/or any Claim Proceeds;
- (f) "Claim Proceeds" shall mean all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Corporation or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings;
- (g) "Closing Date" means either the First Tranche Closing Date or the Second Tranche Closing Date, as applicable;

- (h) "Closing Time" means the time on the Closing Date at which the closing occurs;
- (i) "Collateral" means all present and after-acquired real and personal property of the Company and any and all proceeds derived therefrom in whatever form and wheresoever located including, without limitation, the Claim Proceeding Rights.
- (j) "Common Shares" means the common shares in the capital of the Corporation;
- (k) "Conversion Shares" means the Common Shares issuable upon conversion of the CVR and/or the Notes;
- (l) "CVR" means the contingent value rights certificate entitling the Investor to 51% of the gross proceeds of the Claim Proceedings, in the form and on the terms attached hereto as Schedule "A";
- (m) "Escrow Agreement - Claim Proceeds Account" means an escrow agreement between the Parties and an escrow agent satisfactory to the Investor, acting reasonably, with respect to the Claim Proceeds Escrow Account (as that term is defined in the CVR) in the form and on the terms attached hereto as Schedule "C";
- (n) "Escrow Agreement - Second Tranche Price Account" means an escrow agreement between the Parties and an escrow agent satisfactory to the Investor, acting reasonably, with respect to the Second Tranche Price Escrow Account in the form and on the terms attached hereto as Schedule "D";
- (o) "Exchange" means the Toronto Stock Exchange or if the Common Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Common Shares are listed at the applicable time; provided that such other stock exchange must be a "designated offshore securities market" (as defined in Rule 902 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended);
- (p) "Exchange Approval" means all necessary approvals from the Exchange for the transactions contemplated herein, including the acquisition by the Investor of the First Tranche Shares, the Notes and the CVR and the Second Tranche Shares, as applicable;
- (q) "Financing Lease" means (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the Company and (b) any other such lease to the extent that the then present value of any rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee;
- (r) "First Tranche Shares" means 10,608,225 Common Shares, representing 9.99% of the issued and outstanding Common Shares;
- (s) "GAAP" means Canadian generally accepted accounting principles;

- (t) "GSA" means the general security agreement governed by the laws of British Columbia in the form attached as Exhibit I to the CVR;
- (u) "Investor Nominee" has the meaning given to such term in Section 15 of this Agreement;
- (v) "Investor Observer" has the meaning given to such term in Section 15 of this Agreement;
- (w) "Lien" any mortgage, pledge, hypothecation, security interest, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, claim or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, (i) any conditional sale or other title retention agreement, (ii) any Financing Lease having substantially the same economic effect as any of the foregoing, and (iii) any of the foregoing under or in connection with any security agreement, charge, hypothec, pledge or similar agreement;
- (x) "Notes" means US\$7,000,000 principal amount of senior unsecured convertible notes, in the form and on the terms attached hereto as Schedule "B";
- (y) "Permitted Liens" means with respect to the property and assets of the Corporation:
  - (i) liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings so long as forfeiture of any part of such property or assets will not result from the failure to pay such taxes, assessments or governmental charges or levies during the period of such contest; and
  - (ii) the lien of any judgment rendered or the lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP so long as forfeiture of any part of such property or assets will not result from the failure to satisfy such judgment or claim during the period of such contest;
- (z) "Second Tranche Price" has the meaning given to such term in Section 1 of this Agreement;
- (aa) "Second Tranche Price Escrow Account" means either (i) a deposit account of the Investor maintained with a depository bank located in Canada or the United States or (ii) an escrow account maintained with an escrow agent satisfactory to the Investor, acting reasonably, to which the Investor shall deposit the Second Tranche Price for release to the Corporation in accordance with the terms of this Agreement. For certainty, any interest accruing on the Second Tranche Price in such account shall be for the credit of the Investor;

- (bb) "Second Tranche Shares" means 84,590,427 Common Shares, representing 40.0% of the issued and outstanding Common Shares;
- (cc) "Securities" means the First Tranche Shares, the Second Tranche Shares, if applicable, the CVR, if applicable, and the Notes;
- (dd) "Security" means, collectively, the GSA together with all such other guarantees, security, mortgages, charges and pledges as the Investor may reasonably require to obtain a valid and perfected first ranking security interest and charge in the Collateral as security for all of the liabilities, indebtedness and obligations of the Corporation arising under the CVR;
- (ee) "Shareholders" means the holders of the Common Shares;
- (ff) "Transfer Agent" means Computershare Investor Services Inc.;
- (gg) "U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- (hh) "U.S. Person" means a "U.S. person" as such term is defined in Regulation S under the U.S. Securities Act;
- (ii) "U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and
- (jj) "U.S. Securities Laws" means any applicable securities legislation in the United States, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act and rules and regulations related thereto, and any applicable state securities laws in the United States.

### **Section 3 Closing and Payment of Purchase Price**

The closing of the First Tranche, which will take place as promptly as practicable, shall occur immediately upon the satisfaction or waiver of the conditions set forth in Section 5 and Section 6 of this Agreement (the "**First Tranche Closing Date**"). For certainty and in addition to the other documents required to be executed and delivered in respect of the First Tranche, the CVR, the Notes, the Escrow Agreement - Claim Proceeds Account and the GSA shall be executed by the parties on the First Tranche Closing Date and held in escrow pursuant to this Agreement.

Upon the First Tranche Closing Date, the Investor shall; (i) pay the First Tranche Price by wire transfer in immediately available funds or such other method of payment acceptable to the Corporation to the account specified on Schedule "E"; and (ii) deposit the Second Tranche Price into the Second Tranche Price Escrow Account.

The closing of the Second Tranche shall occur upon the earlier of: (i) the date that is two (2) Business Days following the date that Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting

reasonably, is received for the issuance of the Second Tranche Shares; and (ii) the date that is six months from the First Tranche Closing Date or such other date as may be agreed to between the parties in writing (being the “**Second Tranche Closing Date**”).

The closing will take place at the Vancouver offices of Blake, Cassels & Graydon LLP (“**Blakes**”), counsel to the Corporation.

#### **Section 4 Second Tranche Closing Release from Escrow**

Upon the Second Tranche Closing Date, the Investor shall direct the Second Tranche Price to be paid to the Corporation from the Second Tranche Price Escrow Account or as the Corporation may otherwise direct in writing and upon receipt by the Corporation of the Second Tranche Price, each of the CVR, the Notes, the Escrow Agreement – Claim Proceeds Account and the GSA will automatically be released from escrow and:

- (a) the Notes will be delivered to the Investor;
- (b) in the event that the Second Tranche Shares are issued at the Second Tranche Closing, the CVR, the Escrow Agreement – Claim Proceeds Account and the GSA will automatically terminate and become null and void and of no force or effect; and
- (c) in the event that the Second Tranche Shares are not issued at the Second Tranche Closing (i) the CVR, the Escrow Agreement – Claim Proceeds Account and the GSA will be delivered to the Investor, (ii) a financing statement shall be filed under the Personal Property Security Act (British Columbia) in order to perfect the security interest granted by the Corporation to the Investor pursuant to the GSA, (iii) the Corporation will execute and deliver the remaining Security to the Investor and all necessary registrations and filings required in order to perfect or otherwise record the security interest granted to the Investor pursuant to such remaining Security shall be made, (iv) the Investor shall receive post-registration search results from the Corporation or the Corporation’s counsel confirming that the security interests granted to it pursuant to the Security are first ranking in respect of the Claim Proceeding Rights and first ranking subject to Permitted Liens with respect to Collateral not comprising the Claim Proceeding Rights, and (v) the Corporation shall cause Blakes and its Colombian counsel to deliver opinions addressed to the Investor regarding the registration and perfection of the Security and confirmation of post-registration searches, such opinion to be in form and substance satisfactory to the Investor acting reasonably.

#### **Section 5 Conditions of Closing for the Benefit of the Corporation**

- (a) The Investor acknowledges that the offer, sale and issuance of the First Tranche Shares and either (i) the Second Tranche Shares or the CVR and (ii) the Notes, as applicable, as contemplated by this Agreement is subject to, among other things, the following conditions being fulfilled or performed on or before each Closing Time, which conditions are for the exclusive benefit of the Corporation and may be waived, in whole or in part, by the Corporation in its sole discretion:

- (i) the Investor delivering to the Corporation a fully completed and duly executed copy of this Agreement;
- (ii) the Investor: (A) paying the First Tranche Price by wire transfer in immediately available funds or such other method of payment acceptable to the Corporation to the account specified on Schedule "E"; (B) depositing the Second Tranche Price into the Second Tranche Price Escrow Account; and (C) executing the Escrow Agreement - Second Tranche Price Account.
- (iii) the Investor having complied in all material respects with the covenants and agreements contained in this Agreement to be performed or caused to be performed by it;
- (iv) the offer, sale and issuance of the Securities being exempt from the requirements to file a prospectus or deliver an offering memorandum or any similar document under all applicable securities laws including, statutes, rules, regulations, by-laws, policies, guidelines, orders, decisions, rulings and awards ("**Applicable Securities Laws**");
- (v) the Corporation having received Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting reasonably, in respect of the issuance of the First Tranche Shares, the Second Tranche Shares, the CVR and the Notes, as applicable;
- (vi) the Investor executing and delivering to the Corporation all reports, undertakings or other documents required under Applicable Securities Laws in connection with the offer, sale and issuance of the Securities to the Investor;
- (vii) the Corporation obtaining all orders, permits, approvals, waivers, consents, licenses or similar authorizations of any governmental or public entity department, court, commission, board, bureau, agency or instrumentality, quasi-governmental, self-regulatory or private body exercising any regulatory authority, and any stock exchange (each, a "**Regulator**") necessary to complete the offer, sale and issuance of the Securities;
- (viii) all of the representations and warranties made by the Investor in this Agreement being true and correct as of the date of this Agreement and as at the Closing Time;
- (ix) the Investor delivering to the Corporation such other documentation as the Corporation may reasonably request in form and substance satisfactory to each of the Corporation and the Investor, each acting reasonably; and

- (x) fully completed and duly executed copies of the CVR, the Notes, the Escrow Agreement – Claim Proceeds Account and the GSA being placed into escrow as of the First Tranche Closing Time.
- (b) In addition to the satisfaction of or waiver by the Corporation of the conditions set out in paragraph (a) above, the Investor acknowledges and agrees that the offer, sale and issuance of the Second Tranche Shares is subject to: (i) the Investor directing the Second Tranche Price to be paid from the Second Tranche Price Escrow Account to the account specified on Schedule “E” or as the Corporation may otherwise direct in writing; and (ii) the Corporation having received Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting reasonably, on or before the Second Tranche Closing Time.
- (c) In addition to the satisfaction of or waiver by the Corporation of the conditions set out in paragraphs (a) and (b) above, the Investor acknowledges and agrees that the CVR, the Escrow Agreement – Claim Proceeds Account and the GSA held in escrow as of the First Tranche Closing Time shall only become effective if: (i) the Corporation does not receive Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting reasonably, on or before the Second Tranche Closing Date for the offer, sale and issuance of the Second Tranche Shares; and (ii) the Investor has directed the Second Tranche Price to be paid to the account specified on Schedule “E”, by wire transfer in immediately available funds or such other method of payment acceptable to the Corporation;

## **Section 6      Conditions of Closing for the Benefit of the Investor**

The Corporation acknowledges that the subscription for, and purchase of, the Securities as contemplated by this Agreement is subject to, among other things, the following conditions being fulfilled or performed on or before each Closing Time, which conditions are for the exclusive benefit of the Investor and may be waived, in whole or in part, by the Investor in its sole discretion:

- (a) The Corporation delivering to the Investor:
  - (i) a fully completed and duly executed copy of this Agreement and the Escrow Agreement – Second Tranche Price Account;
  - (ii) a certificate endorsed by the Corporation representing the First Tranche Shares or certificates endorsed by the Corporation representing either (i) the CVR and Notes or (ii) the Second Tranche Shares and the Notes as applicable, registered in accordance with the registration instructions provided by the Investor as set out in Schedule “F” hereto;
  - (iii) a certificate from a duly authorized officer of the Corporation certifying (i) the constating documents of the Corporation, and (ii) resolutions of the Corporation authorizing this Agreement, the CVR, the Notes, the GSA



and the issuance of Common Shares upon the conversion of each of the CVR and the Notes in accordance with their respective terms;

- (iv) a certificate from the Transfer Agent certifying (i) the by-laws of the Transfer Agent, (ii) the incumbency of the signing officers of the Transfer Agent, (iii) the Transfer Agent's appointment as transfer agent and registrar of the Common Shares, and (iv) the number of issued and outstanding Common Shares as at the close of business on the day prior to the Closing Date;
  - (v) an opinion from Blakes addressed to the Investor regarding such matters as are customary for an investment of the nature contemplated by this Agreement, including, without limitation, the corporate power and capacity of the Corporation, the due authorization, execution and delivery of this Agreement, the CVR, the Notes, the GSA, the Escrow Agreement - Second Tranche Price Account and the Escrow Agreement - Claim Proceeds Account as well as customary opinions as to securities law matters from Blakes including an opinion from Blakes pertaining to the issuance and first trade of the subject securities in Canada;
  - (vi) an opinion from U.S. counsel regarding the enforceability of the CVR, the Notes, the Escrow Agreement - Second Tranche Price Account and the Escrow Agreement - Claim Proceeds Account and an opinion of U.S. counsel that the offer and sale of the CVR and the Notes in accordance with this Agreement and the issuance of the Securities and any Conversion Shares upon conversion of the Notes or the CVR in accordance with this Agreement, the Notes and/or the CVR, as applicable, in each case in the United States, constitute transactions exempt from the registration requirements of the U.S. Securities Act;
  - (vii) confirmation of directors and officers liability insurance covering the Investor Nominee and Investor Observer, as applicable, as well as confirmation of a corporate indemnity both satisfactory to the Investor acting reasonably; and
  - (viii) such other documentation as the Investor may reasonably request in form and substance satisfactory to each of the Corporation and the Investor, each acting reasonably,
- (b) Fully completed and duly executed copies of the CVR, the Escrow Agreement - Claim Proceeds Account, the Notes and the GSA, each on the terms contemplated herein, being placed into escrow as of the First Tranche Closing Time.
- (c) The Corporation having complied in all material respects with the covenants and agreements contained in this Agreement to be performed or caused to be performed by it at or prior to Closing and the receipt at Closing of a certificate of a senior officer of the Corporation certifying such as of the Closing Date.

- (d) All of the representations and warranties made by the Corporation in this Agreement being true and correct as of the date of this Agreement and as at the Closing Time.
- (e) The Corporation having received and provided to the Investor Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting reasonably, to the issuance of the First Tranche Shares, the CVR, the Notes and the acceptance of notice for the listing and posting for trading of the First Tranche Shares, the Second Tranche Shares, those common shares issuable upon conversion of each of the CVR and the Note in accordance with their respective terms, as applicable.
- (f) On or before the Second Tranche Closing Date, the Corporation shall have implemented a management incentive plan, the form and substance of which shall have been approved by the Investor, acting reasonably, prior to its implementation by the Corporation.
- (g) In addition to the satisfaction of or waiver by the Investor of the conditions set out in paragraphs (a) to (f) above, in the event that the Corporation has received Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting reasonably, on or before the Second Tranche Closing Date for the offer, sale and issuance of the Second Tranche Shares, (i) the Investor shall also receive a certificate from the Transfer Agent certifying the number of issued and outstanding Common Shares as at the close of business on the day prior to the Second Tranche Closing Date; and (ii) the Investor shall have received evidence from the Corporation that Exchange Approval (including, for certainty, all necessary approvals from the Shareholders ), on terms acceptable to the Investor, acting reasonably, have been obtained on or before the Second Tranche Closing Time.

## **Section 7 CVR**

For certainty and notwithstanding any other provision of this Agreement, in the event that the Corporation has not received Exchange Approval (including, for certainty, all necessary approvals from the Shareholders), on terms acceptable to the Investor, acting reasonably, on or before the Second Tranche Closing Date for the offer, sale and issuance of the Second Tranche Shares, then the CVR, the Notes, the Escrow Agreement - Claim Proceeds Account and the GSA placed into escrow at the First Tranche Closing Time shall, upon the payment in full of the Second Tranche Price, automatically be released from escrow, be delivered to the Investor and will become legally effective and the Corporation will not be obligated to issue the Second Tranche Shares to the Investor. In the event that the Second Tranche Shares are issued by the Corporation to the Investor, then the CVR, the Escrow Agreement - Claim Proceeds Account and the GSA will automatically be released from escrow, terminate and become null and void and of no force or effect.

## **Section 8      Participation**

The Corporation and the Investor acknowledge and agree that current Shareholders shall have the right (but not the obligation) to participate on a pro-rata basis in up to 49.9% of the Second Tranche on the same terms and conditions as set out herein, including, for greater certainty, the Notes or CVR, as applicable (the “**Participation Right**”). The Participation Right shall be made available by the Investor to certain Shareholders, at the sole discretion of the Corporation’s board of directors, for a period of 15 Business Days after the First Tranche Closing Date, with the actual funding in connection with the exercise of the Participation Right to occur by no later than 30 Business Days after the exercise of the Participation Right by the Shareholder. The funds advanced to the Corporation by Shareholders that have exercised the Participation Right will be held by the Corporation in escrow until the Second Tranche Closing Date and will close concurrently with the Second Tranche.

## **Section 9      Pre-Emptive Rights**

The Corporation and the Investor acknowledge and agree that following the First Tranche Closing Date, for as long as the Investor continues to own at least 9.99% of the issued and outstanding Common Shares, the Investor will have the right to participate in future security issuances of the Corporation (including, but not limited to, debt, equity and any other securities convertible into Common Shares) on a pro rata basis (on the same terms as being offered to third party investors) in order to maintain the Investor’s ownership interest in the Corporation.

## **Section 10     Acknowledgments of the Investor**

The Investor acknowledges, understands and agrees that:

- (a) The Securities (and any underlying securities) have not been recommended, approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), by any state regulatory authority in the United States or by any Canadian regulatory authority, nor has the SEC or any U.S. state regulatory authority or Canadian regulatory authority passed on the accuracy or adequacy of this Agreement and any representation to the contrary is a criminal offense;
- (b) The offer, sale and issuance of the Securities is exempt from requirements to file a prospectus or deliver an offering memorandum or any similar document under Applicable Securities Laws and, as a result: (i) the Investor may not receive information that would otherwise be required under Applicable Securities Laws or be contained in a prospectus, offering memorandum or any similar document prepared in accordance with Applicable Securities Laws, and (ii) the Corporation is relieved from certain obligations that would otherwise apply under Applicable Securities Laws;
- (c) No prospectus, offering memorandum or any similar document has been filed with any Regulator in connection with the Securities and no Regulator has made any finding or determination as to the merit for investment in, or made any

recommendation or endorsement with respect to, the Securities (or any underlying securities);

- (d) The Corporation is required to file a report of exempt distribution with all applicable Regulators containing personal information about the Investor, which will include the full name, residential address and telephone number of the Investor, the number and type of Securities purchased, the total purchase price paid for such Securities, the date of the Closing and the prospectus exemption relied upon under Applicable Securities Laws to complete such purchase, and the Corporation may also be required pursuant to Applicable Securities Laws to file this Agreement on SEDAR; and by completing this Agreement, the Investor authorizes the indirect collection of the information described in this Section 10(d) by all applicable Regulators and consents to the disclosure of such information to the public through (i) the filing of a report of exempt distribution with all applicable Regulators and (ii) the filing of this Agreement on SEDAR;
- (e) The Securities are being offered on a “private placement” basis and will be subject to resale restrictions under Applicable Securities Laws;
- (f) In addition to all other terms and conditions set forth in this Agreement, the Securities or Conversion Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States and the sale and issuance of the Securities is conditional upon such sale being exempt from the registration requirements of the U.S. Securities Act, pursuant to the exemption therefrom contained in Section 4(a)(2) thereof and/or Rule 506 of Regulation D thereunder or pursuant to another exemption from such registration requirements, and all applicable state securities laws;
- (g) Each of the Securities or any Conversion Shares issued on conversion of the Notes or the CVR, as applicable, will all be “restricted securities” within the meaning of Rule 144 (“**Rule 144**”) under the U.S. Securities Act and the Corporation is not obligated to make Rule 144 under the U.S. Securities Act available for resales of such securities;
- (h) If the Corporation is deemed to have been a “shell company” defined in Rule 144(i) under the U.S. Securities Act to mean an issuer that was at any time previously an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may not be available for resales of the Securities or Conversion Shares unless the Corporation elects to comply with Rule 144(i)(2);
- (i) There may be material tax consequences to the Investor of, among other things, an acquisition or disposition of the Securities or any Conversion Shares issued on conversion of the Notes or the CVR, as applicable. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Investor under United States, state, local or foreign tax law of the Investor’s acquisition or disposition of any of such Securities or Conversion Shares, or as to any other tax consequences related to any of such Securities or Conversion

Shares. In particular, no determination has been made whether the Corporation will be a “passive foreign investment company” (“PFIC”) within the meaning of Section 1291 of the United States Internal Revenue Code;

- (j) If the Investor decides to offer, sell, pledge or otherwise transfer any of the Securities or any Conversion Shares issued on conversion of the Notes or the CVR, as applicable, such securities may be offered, sold, pledged or otherwise transferred only (A) to the Corporation, (B) pursuant to an effective registration statement for the Securities under the U.S. Securities Act, if any, (C) outside the United States in accordance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, if available, (D) within the United States in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144, if available, and in compliance with applicable state securities laws or (E) pursuant to another exemption from registration under the U.S. Securities Act and applicable state securities laws after first providing to the Corporation and its transfer agent (1) in the case of a transfer pursuant to clause C, a customary declaration in the form reasonably acceptable to the Corporation that the offer, sale, pledge or other transfer complies with Rule 904 of Regulation S and any other certifications or evidence as the Corporation may reasonably request, and (2) in the case of a transfer pursuant to clause D or clause E an opinion of U.S. counsel of recognized standing in form and substance satisfactory to the Corporation, acting reasonably, that the offer, sale, pledge or other transfer does not require registration under the U.S. Securities Act; provided that, notwithstanding the foregoing, any such securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by such securities provided that any such pledgee must also comply with the provision set forth in the legend set forth on any of such Securities or Conversion Shares;
- (k) The Investor has been advised to consult its own legal advisors with respect to trading in the Securities and any Conversion Shares issued upon conversion of the Notes or the CVR, as applicable, and with respect to the resale restrictions imposed by the Applicable Securities Laws, (ii) that no representation has been made respecting the resale restrictions, including applicable holding periods imposed by Applicable Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Investor to resell such securities, (iii) the Investor is solely responsible to determine applicable restrictions, (iv) is solely responsible for compliance with applicable resale restrictions, and (v) is aware that the Investor may not be able to resell such securities except in accordance with limited exemptions under the Applicable Securities Laws;
- (l) The Investor consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Securities or Conversion Shares, as applicable, in order to implement the restrictions on transfer set forth and described herein;

- (m) None of the Securities or Conversion Shares have been, nor will they be, registered under the U.S. Securities Act or the securities laws of any state, and may not be offered, sold or otherwise disposed of in the United States or to a U.S. Person, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer, sell or otherwise dispose of any of the Securities or Conversion Shares issuable upon conversion of the Notes or the CVR, as applicable, in the United States or to a U.S. Person, unless registered under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act and applicable state securities laws is available; The Investor and its advisors, if any, have been (i) furnished with all materials relating to the business, finances and operations of the Corporation and materials relating to the offer and sale of the Securities that have been requested by the Investor and (ii) afforded the opportunity to ask questions of the Corporation. Neither such inquiries nor any other due diligence investigations conducted by the Investor or its advisors, if any, or its representatives shall modify, amend or affect the Investor's right to rely on the Corporation's representations and warranties contained herein.
- (n) The Corporation (i) is not obligated to remain a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act, (ii) may not, at the time any of the Securities or Conversion Shares are resold or otherwise transferred by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions that could cause the Corporation not to be a foreign issuer, and if the Corporation is not a foreign issuer pursuant to Rule 904 of Regulation S under the U.S. Securities Act at the time of any sale or other transfer of Securities or the Conversion Shares issued upon conversion of the Notes or the CVR, as applicable, the certificates representing such securities may continue to bear the legend described herein;
- (o) The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards, which differ from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (p) The certificates representing the Securities or Conversion Shares (and any replacement certificates issued prior to the expiration of the applicable hold periods), if any, will bear a legend in accordance with Applicable Securities Laws:
- "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FOLLOWING THE CLOSING DATE."**
- (q) The certificates representing the Securities or Conversion Shares (and any replacement certificates issued prior to the expiration of the applicable hold periods) will bear a legend substantially in the form of the following legend as required by the Exchange:

**"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE ("TSX"), HOWEVER THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TSX."**

- (r) The certificates representing the Securities and the Conversion Shares (and any replacement certificates issued prior to the expiration of the applicable hold periods) will bear a legend substantially in the form of the following legend until such time as the same is no longer required under applicable requirements of U.S. Securities Laws or applicable state securities laws:

**"[NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED HEREBY NOR THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE BEEN] [THE SECURITIES REPRESENTED HEREBY] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ECO ORO MINERALS CORP. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE U.S. SECURITIES ACT, IF ANY, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL SECURITIES LAWS AND REGULATIONS, IF AVAILABLE, (D) WITHIN THE UNITED STATES IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144, IF AVAILABLE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS AFTER FIRST PROVIDING TO THE CORPORATION, IN EACH CASE OF (D) AND (E) ABOVE, A LEGAL OPINION OF U.S. COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, ACTING REASONABLY, THAT THE OFFER, SALE, PLEDGE OR OTHER TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT, AND IN THE CASE OF (C) AFTER FIRST PROVIDING TO THE CORPORATION SUCH OTHER EVIDENCE OF COMPLIANCE WITH APPLICABLE SECURITIES LAWS AS THE CORPORATION SHALL REASONABLY REQUEST. NOTWITHSTANDING THE FOREGOING, THE SECURITIES REPRESENTED HEREBY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY SUCH**

**SECURITIES, PROVIDED THAT ANY SUCH PLEDGEE MUST ALSO COMPLY WITH THE PROVISIONS SET FORTH IN THIS LEGEND.**

**DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."**

### **Section 11 Representations and Warranties of the Investor**

The Investor represents and warrants as follows to the Corporation as at the date of this Agreement, and at each Closing Time, as applicable, and acknowledges and confirms that the Corporation is relying on such representations and warranties in connection with the offer, sale and issuance of the Securities to the Investor:

- (a) The Investor is purchasing the Securities as principal for its own account and not for the benefit of any other person and is purchasing the Securities for investment only and not with a view to the resale or distribution of all or any of the Securities or Conversion Shares in violation of the U.S. Securities Laws or any applicable U.S. state securities laws;
- (b) The Investor is not a resident of British Columbia and certifies that it is not resident in British Columbia and acknowledges and agrees that:
  - (i) no securities commission or similar regulatory authority or other entity has reviewed or passed on the merits of an investment in the Securities;
  - (ii) there is no government or other insurance covering the Securities;
  - (iii) there are risks associated with the purchase of the Securities and the Investor is capable of bearing the economic risk of the investment;
  - (iv) there are restrictions on the Investor's ability to resell the Securities or Conversion Shares and it is the responsibility of the Investor to find out what those restrictions are and to comply with them before selling the Securities or Conversion Shares; and
  - (v) the Corporation has advised the Investor that the Corporation is relying on an exemption from the requirements to provide the Investor with a prospectus and to sell securities through a person registered to sell securities under Applicable Securities Laws and, as a consequence of acquiring Securities pursuant to this exemption, certain protections, rights and remedies provided by Applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the Investor;
- (c) No person has made to the Investor any written or oral representations:
  - (i) that any person will resell or repurchase any of the Securities or any Conversion Shares;



- (ii) that any person will refund the purchase price of any of the Securities or any Conversion Shares;
  - (iii) as to the future price or value of any of the Securities or any Conversion Shares; or
  - (iv) that any of the Securities or Conversion Shares will be listed and posted for trading on a stock exchange or that application has been made to list and post any of the Securities or Conversion Shares for trading on a stock exchange other than the First Tranche Shares and Second Tranche Shares on the Exchange;
- (d) To the Investor's knowledge, the Investor does not have any knowledge of a "material fact" or "material change" (as those terms are defined in Applicable Securities Laws) in the affairs of the Corporation that has not been generally disclosed to the public, save knowledge of this Investment.
- (e) The distribution of the Securities has not been made through, or as a result of, and is not being accompanied by, (i) to the Investor's knowledge, a general solicitation (as such term is used in Regulation D under the U.S. Securities Act), (ii) any "general advertising" (as such term is used in Regulation D under the U.S. Securities Act) including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or (iii) any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (f) The Investor is eligible to purchase the Securities pursuant to an exemption from the prospectus requirements of Applicable Securities Laws. The Investor hereby confirms the Investor's status and criteria for reliance on the relevant prospectus exemption under Applicable Securities Laws and;
- (i) confirms that it complies with the criteria for reliance on the prospectus exemption and the truth and accuracy of all statements made herein as of the date of this Agreement and as of the Closing Time;
  - (ii) understands that the Corporation is required to verify that the Investor satisfies the relevant criteria to qualify for the prospectus exemption; and
  - (iii) may be required to provide additional information or documentation to evidence compliance with the prospectus exemption,
- (g) The Investor was offered the Securities in, and is resident in, the jurisdiction set out as the "Investor's Address" on Schedule "F" of this Agreement and intends the Applicable Securities Laws of that jurisdiction to govern the offer, sale and issuance of the Securities to the Investor;
- (h) The Investor is an institutional "accredited investor" that meet the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act

and is acquiring the Securities for investment purposes, and not with a view to resale, or other distribution of the Securities, respectively, in violation of any U.S. Securities Laws or any applicable U.S. state securities laws;

- (i) The Investor has been independently advised as to and is aware of the resale restrictions under Applicable Securities Laws with respect to the Securities or Conversion Shares and agrees to comply with such resale restrictions;
- (j) The Investor is a valid and subsisting corporation incorporated and in good standing under its jurisdiction of incorporation;
- (k) This Agreement has been duly authorized by all necessary corporate action on the part of the Investor and the Investor has full corporate power and authority to execute and deliver this Agreement and to observe and perform its obligations hereunder and, upon acceptance by the Corporation, this Agreement will be a legal, valid and binding obligation of the Investor enforceable against the Investor subject to the general qualifications that: (i) enforceability may be limited by applicable bankruptcy, insolvency, winding-up, arrangement, moratorium, organization or other laws affecting creditors' rights generally; and (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the court and therefore may not be available in any particular instance;
- (l) The Investor's ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Corporation is organized under the laws of Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Corporation and such persons may be located outside the United States;
- (m) The execution and delivery of and performance by the Investor of this Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event of condition) result in a breach or violation of or a conflict with, or allow any other person to exercise any rights under any of the terms or provisions of the Investor's constating documents or by-laws, if applicable, or any other contract, agreement, instrument, undertaking or covenant to which the Investor is a party or by which it is bound and no consent, approval or notice is required in connection, with the execution, delivery or performance by the Investor of this Agreement;
- (n) The Investor has obtained such legal and tax advice as it considers appropriate in connection with the Investment and the execution, delivery and performance by it of this Agreement and the transactions contemplated by this Agreement, and the Investor is not relying on the Corporation, its affiliates or counsel, or any of them, in this regard;
- (o) The publicly-available documents of the Corporation were prepared in accordance with the requirements of Canadian securities laws, which differ from

the requirements of U.S. Securities Laws. Unless otherwise indicated, all reserve and resource estimates included in such documents have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM Council”) classification system. Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and reserve and resource information contained or incorporated by reference in the Corporation’s filings and publically available information may not be comparable to similar information disclosed by U.S. companies. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards; and

- (p) The funds representing the First Tranche Price and Second Tranche Price which will be advanced by the Investor to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the “PCMLA”) or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “PATRIOT Act”) and the Investor acknowledges that the Corporation may in the future be required by law to disclose the name of the Investor and other information relating to this Agreement and the subscription of the Investor on a confidential basis, pursuant to the PCMLA or the PATRIOT Act. To the best of its knowledge (i) none of the subscription funds to be provided by the Investor (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (B) are being tendered on behalf of a person or entity who has not been identified to the Investor and (ii) it shall promptly notify the Corporation if the Investor discovers that any of such representations ceases to be true, and provide the Corporation with appropriate information in connection therewith.

## **Section 12 Covenants of the Investor**

- (a) The Investor will comply with Applicable Securities Laws concerning the subscription, purchase, holding and resale of the Securities and the Conversion Shares.
- (b) The Investor will execute, deliver, file and otherwise reasonably assist the Corporation in filing any reports, undertakings and other documents required under Applicable Securities Laws in connection with the offer, sale and issuance of the Securities or Conversion Shares.

## **Section 13 Representations and Warranties of the Corporation**

The Corporation represents and warrants as follows to the Investor as at the date of this Agreement and at each Closing Time:

- (a) the Corporation is a valid and subsisting corporation incorporated and in good standing under the laws of the Province of British Columbia;

- (b) the authorized capital of the Corporation consists of an unlimited number of common shares without par value, of which 95,580,210 are issued and outstanding as of July 21, 2016. The aforementioned outstanding common shares of the Corporation are fully paid and non-assessable;
- (c) upon payment of the First Tranche Price and Second Tranche Price therefor and their issuance, the First Tranche Shares and Second Tranche Shares will be duly and validly issued as fully paid and non-assessable;
- (d) the financial statements of the Corporation filed on SEDAR have all been prepared in compliance with International Financial Reporting Standards accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Corporation as of the date thereof;
- (e) the Corporation has complied and will comply fully with the material requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, the Acts and the *Business Corporations Act* (British Columbia), in relation to all matters relating to the Investment;
- (f) the issue and sale of the Securities by the Corporation does not and will not conflict with, and does not and will not result in a breach of (i) any of the terms of the Corporation's incorporating documents or any agreement or instrument to which the Corporation is a party or by which it is bound or (ii) any applicable laws including, without limitation, any applicable securities laws;
- (g) there are no judgments against the Corporation or its subsidiaries which are unsatisfied, nor is the Corporation or its subsidiaries subject to any consent decrees or injunctions;
- (h) each of this Agreement, the CVR, the Notes and the GSA has been duly authorized by all necessary corporate action on the part of the Corporation, and the Corporation has full corporate power and authority to execute and deliver each of this Agreement, the CVR, the Notes and the GSA and to observe and perform its obligations hereunder and, upon acceptance by the Corporation, each of this Agreement, the CVR, the Notes and the GSA will be a legal, valid and binding obligation of the Corporation enforceable against the Corporation subject to the general qualifications that: (i) enforceability may be limited by applicable bankruptcy, insolvency, winding-up, arrangement, moratorium, organization or other laws affecting creditors' rights generally; and (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the court and therefore may not be available in any particular instance;
- (i) no order ceasing or suspending trading in securities of the Corporation nor prohibiting the sale of such securities has been issued to and is outstanding against the Corporation or its directors, officers or promoters or against any

other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened;

- (j) except for as provided in Schedule "G" (including warrants and options granted pursuant to the Corporation's stock option plan), no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Corporation or its subsidiaries, or any other security convertible into or exchangeable for any such shares, or to require the Corporation or its subsidiaries to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (k) the Corporation and its subsidiaries, if any, have filed all federal, provincial, local and foreign tax returns which are required to be filed, or have requested extensions thereof, and have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are currently being contested in good faith;
- (l) the Corporation is a reporting issuer not in default under the securities laws of each of British Columbia, Alberta, Ontario and Nova Scotia;
- (m) the Corporation is duly qualified to carry on business in the Province of British Columbia and in each other jurisdiction, if any, wherein the carrying out of the activities contemplated makes such qualifications necessary;
- (n) except for as provided in the disclosure in all prospectuses, financial statements, management's discussion and analyses, information circulars, annual information forms, press releases and material change reports filed with the applicable securities regulators and on SEDAR (the "**Disclosure Documents**"), the Corporation is not a party to any actions, suits or proceedings which could materially affect its respective business or financial condition, and to the best of the Corporation's knowledge no such actions, suits or proceedings are contemplated or have been threatened;
- (o) as of the time the Disclosure Documents were filed with the applicable securities regulators and on SEDAR (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Disclosure Documents complied in all material respects with the requirements of the applicable securities laws; and (ii) none of the Disclosure Documents contained 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;
- (p) all of the representations and warranties made by the Corporation in the CVR and the Notes are true and correct in all material respects;

- (q) the Investor has not been provided with any information that constitutes a “material fact” or “material change” (as those terms are defined in Applicable Securities Laws) in the affairs of the Corporation by the Corporation or any of its representatives that has not been generally disclosed to the public;
- (r) there are (a) no Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any governmental authority whether pursuant to insolvency proceedings or otherwise) on the Claim Proceeding Rights and (b) with respect to any Collateral other than the Claim Proceeding Rights, there are no Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any governmental authority whether pursuant to insolvency proceedings or otherwise) other than Permitted Liens;
- (s) with respect to the Claim Proceedings:
  - (i) it is the sole legal and beneficial owner of, and has good title to, the Claim Proceedings, free and clear of any adverse liens or claims from third parties;
  - (ii) other than pursuant to the Investment it has not disposed of, transferred, encumbered or assigned all or any portion of such Claim Proceedings (or any interest therein) or any proceeds thereof, whether by way of security or otherwise (including any set off or agreement to set off any amounts related to the Claim Proceedings);
  - (iii) it has not taken any steps or executed any documents, nor is it aware of any asserted or unasserted claim, lien or judgment against it, which could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings, and it is not aware of anyone else doing or purporting to do so;
  - (iv) it has not received any notice, and is not otherwise aware, that the Claim Proceedings or any portion thereof is invalid or void; it has disclosed to the Investor all documentation and other information (in any and all media) that the Investor has requested and which is in its possession or control relevant to the Claim Proceedings (including the enforcement and collection of any related settlement, award or judgment);
  - (v) there is no information in the knowledge, possession, or control of the Corporation or any of its representatives that is or is likely to be material to the Investor’s assessment of the Claim Proceedings that has not been disclosed to the Investor; and the Corporation believes (and does not have, and has not been informed by any of its representatives of, any belief to the contrary), based on the information available to it at this time, that the Claim Proceedings are meritorious and likely to prevail; and

- (vi) it has full power and authority to bring the Claim Proceedings and has obtained all necessary corporate and other authorizations to do so;
- (t) neither the Corporation nor any director, officer, employee, affiliate, agent or other person associated with or duly acting on behalf of the Corporation or its affiliates is, or is directly or indirectly owned or controlled by, a person that is currently the subject or the target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Departments of State or Commerce and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant sanctions authority (collectively, "Sanctions"), nor is the Company located, organized or resident in a country or territory that is the subject or target of Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria (each, a "Sanctioned Country"); no action of the Corporation in connection with (i) the execution, delivery and performance of this Agreement, the Notes or the CVR, (ii) the issuance and sale of the Securities and the Conversion Securities, if applicable, or (iii) the direct or indirect use of proceeds from the Securities or the Conversion Securities, if applicable, or the consummation of any other transaction contemplated this Agreement, the Notes or the CVR, or the fulfillment of the terms hereof or thereof, will result in the proceeds of the transactions contemplated by this Agreement, the Notes or the CVR being used, or loaned, contributed or otherwise made available, directly or indirectly, to any subsidiary, joint venture partner or other person or entity, for the purpose of (A) funding or facilitating any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (B) funding or facilitating any activities of or business in any Sanctioned Country or (C) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. No person that is the subject or the target of Sanctions has any direct or indirect ownership or other economic interest in any of the real estate assets or other assets being posted as collateral under the Security. For the past five years, the Corporation has not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country; and
- (u) Assuming the accuracy of each of the representations and warranties set forth in Section 11, the offer and sale by the Corporation of the Securities and the Conversion Securities are exempt from registration under the U.S. Securities Act.

#### **Section 14 Covenants of the Corporation**

- (a) Forthwith after Closing, the Corporation shall take all commercially reasonable action to satisfy the conditions set out in the conditional acceptance of the

Exchange for the listing and reservation for listing of all Common Shares whose issuance is contemplated hereunder;

- (b) The Corporation shall not create, incur, assume or suffer to exist (a) any Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any governmental authority whether pursuant to insolvency proceedings or otherwise) on the Claim Proceeding Rights and (b) with respect to any Collateral other than the Claim Proceeding Rights, any Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any governmental authority whether pursuant to insolvency proceedings or otherwise) other than Permitted Liens; and
- (c) In addition, in the event that the Second Tranche Shares are not issued at the Second Tranche Closing, the Corporation covenants and agrees to take all reasonable steps necessary and execute all such agreements, documents, instruments and financing statements as the Investor may reasonably require to ensure that all of the Security is executed, delivered and registered all as more particularly detailed in Section 4(c) of this Agreement

#### **Section 15 Board Representation**

- (a) The Corporation shall take all commercially reasonable steps as may be necessary to appoint one nominee of the Investor, who meets all eligibility requirements under Applicable Law, to the board of directors of the Corporation (such nominee, including any replacements contemplated by this Section 15, being the “**Investor Nominee**”) within ten (10) days after the First Tranche Closing Date. After such appointment, the Corporation shall take all commercially reasonable steps as may be necessary to ensure that the Investor Nominee is nominated for re-election each time the board of directors of the Corporation are nominated for re-election. If the Investor Nominee shall cease to be a director of the Corporation for any reason whatsoever, an individual designated by the Investor shall be nominated for election at the next meeting of the Shareholders to replace such Nominee on the board of directors of the Corporation in accordance with the Corporation’s usual procedures. Upon appointment to the board of directors of the Corporation, the Investor Nominee shall have all rights, receive all information and be entitled to all such access regarding the Corporation and its business as the other directors of the Corporation are entitled to, including, without limitation, all information in relation to the Claim Proceedings.
- (b) Subject to applicable law, the Corporation hereby agrees to indemnify the Investor Nominee and save such Investor Nominee harmless against all Liabilities which such Investor Nominee reasonably incurs in respect of any Proceeding which arises because such Investor Nominee is or was a director of the Corporation at any time.

For purposes of this Section 15(b):



"**Liabilities**" means all losses, liabilities, claims, damages, costs, charges or expenses, including, without limitation: (a) an amount paid to settle an action or satisfy a judgment; (b) all legal and other professional fees and disbursements incurred in connection with a Proceeding; (c) all reasonable out-of-pocket expenses incurred by the Investor Nominee to prepare for a Proceeding, including out-of-pocket expenses for attending discoveries, trials, hearings, and meetings; and (d) any fines or other financial penalties imposed against the Investor Nominee as a result of a conviction or reprimand under the law because such nominee is a director of the Corporation.

"**Proceeding**" means any civil, criminal, administrative, investigative or other proceeding which the Investor Nominee is involved in or made a party to or any such proceeding which is threatened and in respect of which such Investor Nominee could become involved in or made a party to.

- (c) To the extent that the Investor Nominee is not re-elected to the board of directors of the Corporation, an individual designated by the Investor, which, for certainty, may be the Investor Nominee (such individual and his/her successors being the "**Investor Observer**"), shall immediately be provided by the Corporation with observer status with respect to all activities carried out by the board of directors of the Corporation together with copies of all applicable materials to be reviewed by the board of directors of the Corporation in connection with such activities. If any Investor Observer is no longer able to carry on in such capacity, for any reason whatsoever, such individual shall immediately be replaced by an individual designated by the Investor and provided with the same observer status with respect to all activities carried out by the board of directors of the Corporation. The Corporation hereby covenants and agrees to (i) provide the Investor Observer with any and all information provided to the other directors in respect of the Claim Proceedings, (ii) keep the Investor Observer fully informed of material events relating to the conduct of the Corporation's business and the Claim Proceedings and (iii) subject to applicable law, otherwise treat the Investor Observer in the same way as any other director of the Corporation in respect of the Claim Proceedings. Without limiting the generality of the foregoing, in respect of the Claim Proceedings, the Corporation shall notify and allow the Investor Observer to participate in any in-person meetings and/or conference calls as may be scheduled to discuss material elements relating to the Claim Proceedings or strategic decisions required in respect of the Claim Proceedings including, without limitation, any such meetings or calls between the Corporation and its arbitration counsel or any other Claim Proceedings advisor.
- (d) The Corporation shall at all times continue to maintain its existing directors and officers liability insurance insuring the Investor Nominee or the Investor Observer, as applicable, so as to ensure the protection of the Investor Nominee or Investor Observer, as applicable, and provide to the Investor, on an annual basis, evidence of such coverage. Without limiting the generality of the foregoing, to the extent that any directors and officers liability insurance expires or terminates

for any reason whatsoever including, without limitation, as a result of a “change of control” of the Corporation, the Corporation shall arrange for a replacement policy on terms and conditions satisfactory to the Investor, acting reasonably, to be put in place as soon as possible but in any event within 30 days following such expiry or termination.

## **Section 16 Survival**

The representations, warranties, acknowledgements and covenants contained in this Agreement and any certificate or document delivered pursuant to or in connection with this Agreement (including, to the extent that the Corporation has not received Exchange Approval, including, for certainty, all necessary approvals from the Shareholders, on terms acceptable to the Investor, acting reasonably, on or before the Second Tranche Closing Date for the offer, sale and issuance of the Second Tranche Shares and receives the Second Tranche Price, the CVR, the Notes and the Security) will survive Closing and this Agreement will continue in full force and effect for a period of one (1) year from the Second Tranche Closing Date notwithstanding any subsequent disposition or exchange of the Securities or Conversion Shares, save and except for the covenants contained in Section 15(b) and (d) which shall survive for so long as there is an Investor Nominee or Investor Observer with respect to the board of directors of the Corporation.

## **Section 17 Use of Personal Information**

- (a) The Investor hereby acknowledges and consents to: (i) the disclosure by the Investor and the Corporation of Personal Information concerning the Investor to the securities commissions or to the TSX Group Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the Toronto Stock Exchange (collectively referred to as the “**Regulatory Group**”); and (ii) the collection, use and disclosure of Personal Information by the Regulatory Group for the following purposes (or as otherwise identified by the Regulatory Group, from time to time):
- (i) to conduct background checks;
  - (ii) to verify the Personal Information that has been provided about the Investor;
  - (iii) to consider the suitability of the Investor as a holder of securities of the Corporation;
  - (iv) to consider the eligibility of the Corporation to continue to list on the Exchange;
  - (v) to provide disclosure to market participants as the security holdings of the Corporation’s shareholders, and their involvement with any other reporting issuers, issuers subject to a cease trade order or bankruptcy, and information respecting penalties, sanctions or personal bankruptcies, and possible conflicts of interest with the Corporation;

- (vi) to detect and prevent fraud;
  - (vii) to conduct enforcement proceedings; and
  - (viii) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Regulatory Group, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- (b) The Investor also acknowledges that: (i) the Regulatory Group also collects additional Personal Information from other sources, including securities regulatory authorities in Canada or elsewhere, investigative law enforcement or self-regulatory organizations, and regulations service providers to ensure that the purposes set forth above can be accomplished; (ii) the Personal Information the Regulatory Group collects may also be disclosed to the agencies and organizations referred to above or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; (iii) the Personal Information may be disclosed on the websites maintained by Regulatory Group members or through printed materials published by or pursuant to the direction of a member of the Regulatory Group; and (iv) the Regulatory Group may from time to time use third parties to process information and provide other administrative services, and may share the information with such providers.
- (c) In this Agreement, "Personal Information" means any information about the Investor required to be disclosed by the Corporation to the securities commissions or the Exchange, whether pursuant to a request from the securities commissions or the Exchange.

## **Section 18 Schedules**

The following Schedules are incorporated into and form an integral part of this Agreement, and any reference to this Agreement includes the Schedules:

Schedule "A"	CVR
Schedule "B"	Notes
Schedule "C"	Escrow Agreement - Claim Proceeds Account
Schedule "D"	Escrow Agreement - Second Tranche Price Account
Schedule "E"	Wire Instructions
Schedule "F"	Registration and Delivery Instructions
Schedule "G"	Convertible Securities

## **Section 19 Interpretation**

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the Agreement's interpretation. All references in this Agreement to dollars or to "\$" are to the currency of Canada, unless otherwise specifically indicated. In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", (ii) the words "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of".

## **Section 20 Assignment**

This Agreement becomes effective when executed by all of the parties to it. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors, heirs, executors, administrators and legal representatives. This Agreement is not transferable or assignable by any party to it.

## **Section 21 Entire Agreement**

This Agreement, the CVR, the Notes, the Escrow Agreement - Claim Proceeds Account, the Escrow Agreement - Second Tranche Price Account and the Security constitute the entire agreement between the parties with respect to the transactions contemplated by it and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement, the CVR, the Notes, the Escrow Agreement - Claim Proceeds Account, the Escrow Agreement - Second Tranche Price Account and the Security. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement, the CVR, the Notes, the Escrow Agreement - Claim Proceeds Account, the Escrow Agreement - Second Tranche Price Account and the Security. The undersigned acknowledges and agrees that the representations, warranties, covenants and agreements contained herein and deemed to be made in this Agreement are made by it with the intent that they may be relied upon by the Corporation and its counsel in determining its eligibility to offer, issue and sell the Securities to the Investor. In the event of any conflict between this Agreement and any of the Schedules hereto, the terms and conditions of this Agreement shall control.

## **Section 22 Fees and Expenses**

The Corporation shall be responsible for all fees, disbursements and expenses incurred by the Parties following the execution of the term sheet between the Corporation and Tenor Capital Management Company, L.P. dated May 9, 2016 in connection with this Agreement, the CVR, the Notes, the Escrow Agreement - Claim Proceeds Account, the Escrow Agreement - Second Tranche Price Account, the Security and the Investment including, without limitation, the fees

and disbursements of legal counsel to the Investor (on a full indemnity basis) up to a maximum of **Redacted: Fee** in the aggregate.

**Section 23 Time of Essence**

Time is of the essence in this Agreement.

**Section 24 Governing Law**

This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Investor, irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia with respect to any matters arising out of this Agreement and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

**Section 25 Language of Documents**

It is the express wish of the parties to this Agreement that this Agreement and all related documents be drafted in English. *Les parties aux présentes conviennent et exigent que cette convention ainsi que tous les documents s'y rattachant soient rédigés en langue anglaise.*

**Section 26 Execution by Facsimile and Counterparts**

This Agreement including the Schedules may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together will be deemed to constitute one and the same document.

*[Signature page follows]*

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

**ECO ORO MINERALS CORP.**

By: **Redacted: Personal Information**  
Authorized Signatory

**TREXS INVESTMENTS, LLC**

By: **Redacted: Personal Information**  
Authorized Signatory

SCHEDULE A  
CVR

Redacted: Not Applicable

**SCHEDULE B  
NOTES**

Attached.



UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE \_\_\_\_\_.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE ("TSX"), HOWEVER THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TSX.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ECO ORO MINERALS CORP. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE 1933 ACT, IF ANY, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL SECURITIES LAWS AND REGULATIONS, IF AVAILABLE, (D) WITHIN THE UNITED STATES IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144, IF AVAILABLE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS AFTER FIRST PROVIDING TO THE CORPORATION, IN EACH CASE OF (D) AND (E) ABOVE, A LEGAL OPINION OF U.S. COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, ACTING REASONABLY, THAT THE OFFER, SALE, PLEDGE OR OTHER TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT, AND IN THE CASE OF (C) AFTER FIRST PROVIDING TO THE CORPORATION SUCH OTHER EVIDENCE OF COMPLIANCE WITH APPLICABLE SECURITIES LAWS AS THE CORPORATION SHALL REASONABLY REQUEST. NOTWITHSTANDING THE FOREGOING, THE SECURITIES REPRESENTED HEREBY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY SUCH SECURITIES, PROVIDED THAT ANY SUCH PLEDGEE MUST ALSO COMPLY WITH THE PROVISIONS SET FORTH IN THIS LEGEND.

## CONVERTIBLE PROMISSORY NOTE

July 21, 2016

### 1. Promise to Pay

For value received, **Eco Oro Minerals Corp.** (the "**Borrower**") hereby promises to pay to the order of **Trexs Investments, LLC** (the "**Lender**"), at the address listed in Section 13, or such other place as the Lender may designate, the principal amount of seven million dollars (US\$7,000,000) (the "**Principal Amount**"), in the manner hereinafter provided, together with interest and other monies in the same currency which may from time to time be owing hereunder or pursuant hereto.

## 2. Definitions

In this Note, in addition to the terms defined above, the following definitions apply:

- (a) **“Additional Financing”** means any transaction or series of transactions under which any Person or Persons acquire, purchase or otherwise effect any equity interest, debt interest, investment in or loan to the Borrower or any of its subsidiaries, or enters into or is granted any right, option or agreement with respect to any such transaction.
- (b) **“Applicable Law”** means, in respect of any Person, property, transaction or event, all Applicable Law (including, without limitation, Securities Laws), statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law including without limitation any of the arbitration or other dispute resolution rules of any of the ICSID or the ICSID Convention, the UNCITRAL, the ICC, or any other applicable dispute resolution bodies or courts.
- (c) **“Board Observer”** has the meaning given to such term in Section 5(u).
- (d) **“Business Day”** means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in New York, New York or Vancouver, British Columbia, are not open for business.
- (e) **“Capital Reorganization”** has the meaning given to such term in Section 11(g).
- (f) **“Capital Stock”** any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.
- (g) **“Change of Control”** will be deemed to have occurred if: (i) there is any sale of all or substantially all of the Borrower’s assets or business to another person or persons pursuant to one or a series of transactions; (ii) at any time any person or persons (other than the Lender or any of its affiliates), acting jointly or in concert directly or indirectly, beneficially own in the aggregate more than fifty per cent (50%) of the outstanding voting securities of the Borrower; (iii) the Borrower completes an acquisition, share exchange, amalgamation, consolidation, merger, arrangement or other business combination and the shareholders of the Borrower immediately prior to the completion of such transaction hold in the aggregate less than sixty per cent (60%) of the votes attaching to the equity securities of the resulting or remaining parent company immediately after completion of such transaction. Notwithstanding the foregoing, a Change of Control resulting from a transfer by the Lender of all or a portion of the Common Shares held by it, shall be deemed hereunder not to constitute a Change of Control.
- (h) **“Claim Assets”** means, collectively, the Claim Proceedings and the Claim Proceeds.

- (i) **“Claim Proceedings”** means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Borrower, its branch and its direct or indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Canada-Colombia Free Trade Agreement or before ICSID, UNCITRAL, ICC or such other applicable dispute resolution bodies or courts, in each case directly or indirectly relating to or in connection with the Borrower’s dispute with the Colombian government arising in connection with the Borrower’s ability to explore and exploit the Angostura Project, including without limitation, Concession Number 3452, and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same in all cases commenced or initiated before or after the date hereof and prior to the date on which all Obligations have been paid in full.
- (j) **“Claim Proceeds”** shall mean all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Borrower or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings.
- (k) **“Common Shares”** means (i) the Borrower’s common shares and (ii) any shares into which such common shares have been changed or any share capital resulting from a reclassification of such common shares.
- (l) **“Conversion Date”** has the meaning given to such term in Section 11(c).
- (m) **“Conversion Form”** means the Conversion Form attached hereto as Schedule A.
- (n) **“Conversion Price”** means the Volume Weighted Average Closing Price, subject to adjustment as set forth in Section 11.
- (o) **“CVR Certificate”** means the contingent value rights certificate issued on the date hereof by the Borrower in favour of the Lender, as same may be amended, restated, supplemented or otherwise notified or replaced from time to time.
- (p) **“Default”** means any event or circumstance which would upon the expiry of any grace period, the giving of notice, the making of any determination or any combination of the foregoing, constitute an Event of Default.
- (q) **“Effective Date”** has the meaning given to such term in Section 11(g).
- (r) **“Event of Default”** means the occurrence of one or more of the following events:

- (i) failure by the Borrower to pay any of the Obligations when due and such default has continued for two (2) Business Days,
- (ii) any representation or warranty made by the Borrower in this Note or in any certificate or other document at any time delivered to the Lender in connection with this Note was incorrect or misleading in any material respect,
- (iii) the Borrower shall default in the observance or performance of any other provision, covenant or agreement contained in this Note (other than a default in payment as contemplated in clause (i) above) and such default shall continue for a period of ten (10) Business Days from the earlier to occur of (i) notice of such default by the Lender to the Borrower or (ii) the Borrower becoming aware of such default,
- (iv) the Borrower shall default in any payment of principal or interest on any amounts in excess of US\$500,000 owing by it to any person other than the Lender.
- (v) this Note shall cease, for any reason, to be in full force and effect or enforceable in accordance with its terms or the Borrower shall so assert in writing,
- (vi) the Borrower ceases to carry on its business; sells all or substantially all of its assets; commits an act of bankruptcy (as such term is defined pursuant to Insolvency Legislation); becomes bankrupt or insolvent (as such terms are defined pursuant to Insolvency Legislation); makes an assignment for the benefit of creditors, files a petition in bankruptcy or makes a proposal under Insolvency Legislation; admits the material allegations of any petition filed against it in any proceeding under Insolvency Legislation; petitions or applies to any tribunal or court for the appointment of any Receiver, trustee in bankruptcy or similar liquidator or administrator of it or all or a substantial part of its assets; commences any proceeding pursuant to Insolvency Legislation; is wound-up, dissolved or liquidated or has its existence terminated unless in conjunction with a bona fide corporate reorganization not prohibited by this Note and completed with the prior consent of the Lender in which case a successor of the Borrower will succeed to the Borrower's obligations hereunder and enter into an agreement with the Lender to that effect or takes any action for the purpose of effecting any of the foregoing,
- (vii) any petition shall be filed or other proceeding commenced in respect of the Borrower or any portion of its property under any Insolvency Legislation; including a proceeding requesting an order approving a reorganization of the Borrower, declaring the Borrower bankrupt, or appointing a receiver, interim receiver, receiver and manager, trustee, liquidator or administrator of the Borrower or of all or a substantial part of its assets, and (i) the Borrower shall not in good faith be actively and diligently contesting and defending such proceeding in good faith and on reasonable grounds (provided further that in the opinion of the Lender acting reasonably, the existence of such proceeding does not materially

adversely affect the ability of the Borrower to carry on its business and to perform and satisfy its obligations under this Note) or (ii) such petition or proceeding shall not be abandoned, dismissed or permanently stayed within a period of thirty (30) Business Days from the date of filing or commencement thereof,

- (viii) a judgment or judgments for the payment of money in excess of US\$500,000 in the aggregate is obtained or entered against the Borrower and remains unpaid for thirty (30) days (provided that such judgment or judgments will constitute an "Event of Default" prior to the expiry of such thirty (30) day period if such judgment or judgments are not being diligently appealed by the Borrower in good faith and on reasonable grounds),
- (ix) any Person takes possession of any portion of the Claim Assets by way of or in contemplation of enforcement of security, or a distress, execution, garnishment or similar process is levied or enforced against the Borrower and not discharged within ten (10) days affecting any other property, assets or undertaking of the Borrower having an aggregate value of at least US\$500,000,
- (x) any Governmental Authority takes any action with respect to the Claim Assets, including any condemnation, seizure or expropriation thereof, which materially and adversely affects the Claim Assets or the financial condition, business or operations of the Borrower,
- (xi) any Change of Control of the Borrower,
- (xii) any reports of the auditors of the Borrower or any financial statements of the Borrower contain any qualification which could reasonably be expected to adversely affect the Borrower's ability to perform its obligations under this Note,
- (xiii) the occurrence of a Material Adverse Event,
- (xiv) any event occurs relating to the Borrower, which in the reasonable opinion of the Lender, constitutes or could reasonably be expected to cause a Material Adverse Effect,
- (xv) the Claim Proceedings shall be dismissed, discontinued, terminated, annulled or otherwise discredited by a final, non-appealable order of a court or arbitral tribunal of competent jurisdiction and the Borrower shall have no legal ability to re-file the Claim Proceedings before another competent court or tribunal,
- (xvi) the occurrence of an Event of Default as such term is defined in the CVR Certificate,
- (xvii) any Key Party (a) resigns, is terminated or otherwise removed without the prior written consent of the Lender or without a consulting or similar arrangement having been entered into ensuring such Key Party's

continued availability and assistance with the prosecution of the Claims Proceedings on terms satisfactory to the Lender in its sole discretion acting reasonably or (b) dies and such Key Party's designated replacement is not satisfactory to the Lender acting reasonably,

- (xviii) any Person other than the Borrower acquires any rights, title or interest in or to the Claim Assets or becomes a plaintiff, complainant or similar named party in the Claim Proceedings.
- (xix) save and except for stock options issued pursuant to the Borrower's stock option plan consistent with past practice to Persons who are not a party to any other management incentive plan, the Borrower declares any dividends on any shares of any class of its Capital Stock, or makes any payment on account of, or sets apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of any class of its Capital Stock, or any warrants or options to purchase such Capital Stock, whether now or hereafter outstanding, or makes any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower, or
- (xx) the Borrower makes any loans or distribution payments or advances money or property or assets to any Person or invests in or purchases or repurchases the shares or indebtedness or all or a substantial part of the property or assets of any Person.
- (s) "**Excess Amount**" has the meaning given to such term in Section 6(c).
- (t) "**Exchange**" means the Toronto Stock Exchange or if the Common Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Common Shares are listed at the applicable time; provided that such other stock exchange must be a "designated offshore securities market" (as defined in Rule 902 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended).
- (u) "**GAAP**" means Canadian generally accepted accounting principles.
- (v) "**Governmental Authority**" means any applicable national, domestic or foreign nation or government, any state, province or territory or other political subdivision thereof (including any supra-national bodies, such as the European Union or the European Central Bank), body, bureau, agency, board, tribunal, commission or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any taxing authority or agency.
- (w) "**ICC**" means the International Chamber of Commerce.
- (x) "**ICSID**" means the International Centre for Settlement of Investment Disputes, as established by the ICSID Convention.

- (y) **"ICSID Convention"** means the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, entered into force on October 14, 1966.
- (z) **"Indemnified Party"** has the meaning given to such term in Section 14.
- (aa) **"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* and the *Winding-up and Restructuring Act (Canada)*.
- (bb) **"Interest Payment Date"** means on the last Business Day of December in each year, commencing in 2016.
- (cc) **"Investment Agreement"** means that certain investment agreement dated July 21, 2016 between the Borrower and the Lender, as same may be amended, restated, supplemented or otherwise modified or replaced from time to time.
- (dd) **"Key Party"** means any Person that the Borrower deems to be relevant or necessary for the successful prosecution of the Claim Proceedings as set out on Exhibit I and such other Persons as the Lender may designate, acting reasonably, from time to time.
- (ee) **"Knowledge and Belief"** means with respect to any Person, means such Person's actual knowledge and belief after appropriate due diligence and reasonable inquiry by such Person and includes any information such Person should have known based on appropriate due diligence and reasonable inquiry by such Person.
- (ff) **"Lender Group Member"** means any of, each of which is an institutional "accredited investor" that meet the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act of 1933, as amended, and is acquiring the Securities for investment purposes, and not with a view to resale, or other distribution in violation of applicable securities laws, (i) Tenor Special Situation I, LLC or any affiliate or subsidiary of Tenor Special Situation I, LLC; (ii) any fund or account managed by the Lender or any affiliate or subsidiary or any managed account or other similar investment vehicle to which the Lender or such affiliate or subsidiary is an investment advisor; or (iii) any fund or account managed by Tenor Capital Management Company LLC or any affiliate or subsidiary of Tenor Capital Management Company LLC, or any managed account or other similar investment vehicle to which Tenor Capital Management Company LLC or such affiliate or subsidiary is an investment advisor, in each case, wherever incorporated or otherwise formed.
- (gg) **"Loan Amount"** has the meaning given to such term in Section 7.
- (hh) **"Material Adverse Effect"** any event, circumstance or condition that has had, or would reasonably be expected to have, a material adverse effect on (a) the ability of the Borrower to perform its obligations under this Note, or (b) the rights and remedies of the Lender under this Note.

- (ii) **“Material Adverse Event”** means if any advisor of the Borrower engaged by the Borrower in respect of the Claim Proceedings (including, without limitation, the arbitration counsel) or any current officer, director, employee or consultant of the Borrower (i) advises, notifies or otherwise communicates in writing to the board of directors of the Borrower or (ii) makes any statement in any manner or form whether orally or in writing, that in his or her opinion an event or condition has occurred, arisen or been discovered after the date hereof which in the Lender’s sole discretion would reasonably be expected to render it unlikely that the Borrowers would recover Claim Proceeds in the amount required to pay the Obligations in full.
- (jj) **“Maturity Date”** means June 30, 2028.
- (kk) **“Nominee”** has the meaning given to such term in Section 5(u).
- (ll) **“Note”** means this convertible promissory note as same may be divided into one or more smaller notes from time to time pursuant to the provisions hereof.
- (mm) **“Obligations”** means all present and future liabilities, obligations and indebtedness of the Borrower to the Lender evidenced by this Note.
- (nn) **“Payment Date”** means the earliest of (i) the Maturity Date, (ii) receipt in full of the Obligations or (iii) the Conversion Date where the conversion involves all (but not less than all) of the Loan Amount under this Note.
- (oo) **“Permitted Liens”** means with respect to the property and assets of the Borrower:
  - (i) liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings so long as forfeiture of any part of such property or assets will not result from the failure to pay such taxes, assessments or governmental charges or levies during the period of such contest; and
  - (ii) the lien of any judgment rendered or the lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP so long as forfeiture of any part of such property or assets will not result from the failure to satisfy such judgment or claim during the period of such contest.
- (pp) **“Person”** includes any individual, corporation, limited liability company, partnership, Governmental Authority, joint venture, association, trust, or any other entity.
- (qq) **“Principal Amount”** has the meaning given to such term in Section 1.
- (rr) **“Securities Laws”** means all applicable securities laws in each of the provinces and territories of Canada and the respective regulations, rules and forms thereunder together with applicable orders, rulings and published policy statements of the Canadian Securities Administrators and the securities



commissions (or other similar regulatory bodies) in each of the provinces and territories of Canada and includes the rules of any applicable self-regulatory body (including the Toronto Stock Exchange).

- (ss) **“Taxes”** means all present or future taxes, assessments, rates, levies, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not.
- (tt) **“UNCITRAL”** means the United Nations Commission on International Trade Law, established by the United Nations General Assembly by resolution 2205 (XXI) of 17 December 1966.
- (uu) **“US\$”** and **“\$”** means lawful money of the United States of America.
- (vv) **“Volume Weighted Average Closing Price”** means the number obtained when the value of the Common Shares (price times the number of shares traded) traded on the Exchange during the five (5) trading days immediately preceding the Conversion Date, Interest Payment Date, Payment Date or the date notice of the relevant transaction is issued by the Borrower to the Lender, as applicable, is divided by the total number of Common Shares traded during such five (5) trading days’ period.

### **3. Interpretation Generally**

Where this Note uses the word “including,” it means “including without limitation,” and where it uses the word “includes,” it means “includes without limitation.” Unless specified otherwise, any reference in this Note to a statute includes the regulations, rules, and policies made under that statute and any provision that amends, supplements, supersedes, or replaces that statute or those regulations, rules, or policies. The headings used in this Note and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation. References in this Note to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Note. Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders. Whenever any decision or determination is to be made hereunder by the Lender, such decision or determination, as applicable, shall be made in the absolute, sole and unfettered discretion of the Lender unless expressly stated otherwise.

### **4. Representations and Warranties**

The Borrower represents and warrants to the Lender, acknowledging that the Lender is relying on these representations and warranties, as follows:

- (a) It has delivered to the Lender such financial statements, statements of income and other financial reporting as requested by the Lender. Such financial disclosure present fairly in all material respects the consolidated financial condition and results of operations of the Borrower as at such dates and for such periods. All such financial disclosure, including any related schedules and notes thereto have been prepared in accordance with GAAP applied consistently throughout the periods involved.

- (b) It (a) is duly organized and validly existing under the laws of the jurisdiction of its organization, (b) has full corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to use its corporate name in all material respects and to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted, in each case in all material respects, (c) is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary, and (d) is in compliance in all respects material to its business with all Applicable Law.
- (c) It has the corporate power and authority to issue this Note and incur the obligations evidenced hereby. It has taken all necessary action to authorize the execution, delivery and performance of this Note and has taken all necessary action to authorize the borrowing of the obligations evidenced hereby. No consent or authorization of, or filing with, any Person (including, without limitation, any Governmental Authority) is required in connection with the execution, delivery or performance by the Borrower, or for the validity or enforceability in accordance with its terms against it, of this Note except for shareholder approval and the Exchange Approval required in connection with the exercise of the exchange rights specified in Section 11, and consents, authorizations and filings which have been obtained or made and are in full force and effect.
- (d) It has duly executed and delivered this Note, and this Note constitutes a legal, valid, and binding obligation of the Borrower, enforceable against it in accordance with its terms.
- (e) The execution, delivery and performance of this Note does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other Governmental Authority applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets including, without limitation, the Claim Assets.
- (f) As of the date of this Note, (i) no litigation by, investigation known by it, or proceeding of, any Governmental Authority is pending against it with respect to the validity, binding effect or enforceability of this Note or any other agreement between the Borrower and the Lender and the other transactions contemplated hereby and (ii) other than the Claim Proceedings or as disclosed to the Lender, no lawsuits, claims, proceedings or investigations are pending or, to the best of its Knowledge and Belief, threatened against it or any of its properties, assets, operations or businesses including, without limitation any proceedings relating to the bankruptcy, insolvency, liquidation, dissolution, or winding up of the Borrower.
- (g) The Borrower is not required to register as a "investment company" (as defined or used in the Investment Company Act of 1940, as amended).
- (h) No part of the Loan Amount will be used for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. The Borrower is not engaged and will not engage, principally or

as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under said Regulation U of the Board of Governors of the Federal Reserve System.

- (i) No Default or Event of Default has occurred and is continuing. No default or event of default under any material obligation of the Borrower has occurred and is continuing and no such event or circumstance would occur as a result of issuing this Note or performing its obligations under this Note.
- (j) Other than shareholder approval and the Exchange Approval as required in connection with the exercise of the exchange rights specified in Section 11, all consents, approvals, actions, authorizations, exceptions, notices, filings and registrations that are required to have been obtained by it with respect to this Note have been duly obtained and are in full force and effect and all conditions of any such consents, approvals, actions, authorizations, exceptions, notices, filings and registrations have been duly complied with.
- (k) It has filed or caused to be filed all tax returns of any type which are to be filed as required by Applicable Law and has paid all currently due taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any amount which is currently being contested in good faith by appropriate proceedings and with respect to which reserves (or other sufficient provisions) in conformity with GAAP have been provided on the books of the Borrower) as required by Applicable Law; and no tax lien has been filed.
- (l) The execution, delivery, and performance of its obligations under this Note do not and will not breach or result in a default under: (i) the Borrower’s articles, or any unanimous shareholders agreement, (ii) any law, statute, rule, or regulation to which the Borrower is subject, any judgment, order, or decree of any court, agency, tribunal, arbitrator, or other authority to which the Borrower is subject, or any agreement to which the Borrower is a party or by which it is bound.
- (m) It has made its own independent decisions with respect to the issuance of this Note and has determined that it is appropriate or proper to do so based upon its own judgment and upon advice from such advisers as it has deemed necessary.
- (n) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional legal advice), of the terms, conditions and risks associated with this Note and the obligations arising hereunder.
- (o) All applicable information that is or has been furnished to the Lender by or on behalf of the Borrower, as of the date of such information, is true, accurate and complete in every material respect.
- (p) It is not insolvent, is able to pay its debts when they fall due, and has no insolvency proceedings threatened or outstanding against it.
- (q) With respect to the Claim Proceedings: (i) it is the sole legal and beneficial owner of, and has good title to, the Claim Proceedings, free and clear of any adverse liens or claims from third parties; (ii) other than to the Lender, it has not disposed

of, transferred, encumbered or assigned all or any portion of such Claim Proceedings (or any interest therein) or any proceeds thereof, whether by way of security or otherwise (including any set off or agreement to set off any amounts related to the Claim Proceedings); (iii) it has not taken any steps or executed any documents, nor is it aware of any asserted or unasserted claim, lien or judgment against it, which could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings, and it is not aware of anyone else doing or purporting to do so; (iv) it has not received any notice, and is not otherwise aware, that the Claim Proceedings or any portion thereof is invalid or void; it has disclosed to the Lender all documentation and other information (in any and all media) that the Lender has requested and which is in its possession or control relevant to the Claim Proceedings (including the enforcement and collection of any related settlement, award or judgment); (v) there is no information in the knowledge, possession or control of the Borrower or any of its representatives that is or is likely to be material to the Lender's assessment of the Claim Proceedings that has not been disclosed to the Lender; and the Borrower believes (and does not have, and has not been informed by any of its representatives of, any belief to the contrary), based on the information available to it at this time, that the Claim Proceedings are meritorious and likely to prevail; and (vi) it has full power and authority to bring the Claim Proceedings and has obtained all necessary corporate and other authorizations to do so.

- (r) It is not relying on any communication (written or oral) of the Lender as legal advice or as a recommendation to issue this Note and incur the obligations arising hereunder.
- (s) There are no liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) on the Claim Assets or any other assets or undertaking of the Borrower except for Permitted Liens.

## **5. Covenants**

The Borrower hereby covenants and agrees with the Lender that for so long as any of the Obligations remain outstanding, the Borrower shall:

- (a) pay all Obligations owing when due;
- (b) preserve and maintain its corporate existence, except to the extent that the failure to do so would not have a material impact on its ability to perform its obligations under this Note;
- (c) maintain in full force and effect all consents, approvals, actions, authorizations, exceptions, notices, filings and registrations of or with any Governmental Authority that are required to be obtained by it and shall use all commercially reasonable efforts to obtain any that may become necessary in the future;
- (d) comply in all material respects with all Applicable Laws to which it may be subject including but not limited to, if failure so to comply could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings or its ability to perform its obligations under this Note;

- (e) deliver to the Lender within two (2) Business Days after it knows or has reason to believe that any Default or Event of Default has occurred, a notice of such default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Borrower has taken or proposes to take with respect thereto;
- (f) deliver to the Lender within five (5) Business Days after it becomes aware of same notice of (i) any litigation or proceeding, that is threatened or commenced, against the Borrower in which more than US\$250,000 of the amount claimed is not covered by insurance, (ii) the occurrence of a Material Adverse Event or the occurrence of any event which will result in, or could reasonably be expected to result in a Material Adverse Effect, (iii) any offer to settle the Claim Proceedings; (iv) any settlement of the Claim Proceedings or any award, order, issuance or payment of any Claim Assets; and (v) the occurrence of any event with respect to the Claim Proceedings that could reasonably be expected to result in the dismissal, discontinuation or annulment of any Claim Proceedings or the denial of any Claim Assets;
- (g) keep proper books of record and account in accordance with GAAP and permit any representatives designated by the Lender, upon reasonable prior notice from the Lender, to review such books and discuss the Borrower's affairs, finances and condition (in each case as they may be reasonably related to the Claim Proceedings) with those of the Borrower's directors, officers and employees reasonably designated as having substantial knowledge of such matters, all at such reasonable times and as often as reasonably requested by the Lender;
- (h) deliver to the Lender, such financial statements and other financial information as the Lender may from time to time reasonably request in connection with the business, operations, assets and financial condition of the Borrower together with a certificate of an officer of the Borrower stating that, to the best of such officer's knowledge, during such period no Default or Event of Default has occurred except as specified in such certificate;
- (i) use commercial best efforts to: (i) pursue the Claim Proceedings and all of the Borrower's legal and equitable rights arising in connection with the Claim Proceedings in a timely and prudent manner; (ii) work to bring about the reasonable monetization of the Claim Proceedings through a settlement or final judgment or award, and (iii) collect and enforce any settlement, final judgment or award;
- (j) prior to making any material filing, proposing or taking any other material step that could reasonably be expected to materially impact the Claim Assets, (a) consult with the Nominee or the Investor Observer, as applicable, and (b) seek the advice of its arbitration counsel; provided that this covenant is not intended to derogate from any legal, regulatory or fiduciary obligation that the Borrower or its board of directors may have pursuant to Applicable Laws;
- (k) retain and promptly remunerate the arbitration professionals retained by the Borrower to prosecute the Claim Proceedings in accordance with any retainer or similar agreements entered into between the Borrower and such arbitration professionals;

- (l) promptly remunerate the arbitration professionals retained by the Borrower who are administering the Claim Proceedings and pay all expenses required to be paid by the Borrower with respect to the Claim Proceedings;
- (m) cooperate with the applicable arbitration professionals retained by the Borrower and the institutions administering the Claim Proceedings in all matters pertaining to the Claim Proceedings (including: (i) providing requested documents and information; (ii) adequately preparing for, appearing for and causing others within the Borrower's power to appear for examinations and hearings, and (iii) actively participating in the preparation of legal documents);
- (n) actively manage the incurrence of expenses in connection with all of the foregoing with the goal of the efficient and cost effective resolution of the Claim Proceedings;
- (o) file all tax returns and pay all taxes due and payable and all other taxes, fees or other charges imposed by any Governmental Authority;
- (p) deliver notice to the Lender promptly upon any Person other than the Borrower becoming a named party in the Claim Proceedings or any Person other than the Borrower alleging to have any right, title or interest in or to any of the Claim Assets;
- (q) use commercially reasonable efforts to continue the listing and trading of its Common Shares on a recognized stock exchange in North America and ensure that all Common Shares whose issuance is contemplated hereunder are approved by such stock exchange;
- (r) use commercially reasonable efforts to prepare, file and diligently pursue all necessary consents, approvals and authorizations and make such necessary filings, as are required to be obtained under Applicable Law with respect to the issuance and enforceability of this Note (excluding, for greater certainty, the preparation or filing of a prospectus, offering memorandum, registration statement or similar document in any jurisdiction). In this regard, the Borrower shall keep the Lender informed regarding the status of such approvals, and the Lender, its representatives and counsel shall have the right to participate in any substantive discussions with the Exchange and any other applicable Governmental Authority that go to the issuance and enforceability of this Note and to provide input into any applications for approval and related correspondence which input will be incorporated by the Borrower. The Borrower will provide reasonable notice to the Lender and its counsel of any proposed substantive discussions with the Exchange or any Governmental Authority that go to the issuance and enforceability of this Note. On the date all such consents, approvals and authorizations have been obtained by the Borrower and all such filings have been made by the Borrower, the Borrower shall notify the Lender of same;
- (s) it shall use its commercially reasonable efforts to comply in all material respects with all applicable Securities Laws. Forthwith after the date hereof, if applicable, the Borrower shall file such forms and documents as may be required by

applicable Securities Laws and the Exchange relating to the issuance of any Common Shares or other securities;

- (t) take all commercially reasonable steps as may be necessary to appoint the Nominee to the board of directors of the Borrower (after which time all of the directors of the Borrower shall be elected by the shareholders of the Borrower in accordance with the Borrower's usual procedures);
- (u) ensure that: (a) the Lender's nominee to the board of directors of the Borrower (such nominee including any replacements contemplated by this section 5(u) being the "**Nominee**") is appointed within ten (10) days after the First Tranche Closing Date (as that term is defined in the Investment Agreement); (b) all commercially reasonable steps are taken by the Borrower, following the appointment of the Nominee, as may be necessary to ensure that the Nominee is nominated for re-election each time the board of directors of the Borrower are nominated for re-election; (c) if the Nominee shall cease to be a director of the Borrower for any reason whatsoever (but provided that such Nominee satisfied all requirements under the Applicable Law), an individual designated by the Lender shall be nominated for election to replace such Nominee on the board of directors of the Borrower as soon reasonably practicable in accordance with the Borrower's usual procedures; (d) if such replacement Nominee is not elected to the board of directors of the Borrower, an individual designated by the Lender shall be promptly given observer status (such individual and his/her successors being the "**Board Observer**") with respect to all activities carried out by the board of directors of the Borrower together with copies of all applicable materials to be reviewed by the board of directors of the Borrower in connection with such activities; (e) if any Board Observer is no longer able to carry on in such capacity, for any reason whatsoever, such individual shall be promptly replaced by any individual designated by the Lender; and (f) subject to Applicable Law, the Nominee or Board Observer, as applicable, are indemnified and saved harmless against all Liabilities (as that term defined in the Investment Agreement) which the Nominee or Board Observer, as applicable, may reasonably incur in respect of any Proceeding (as that term defined in the Investment Agreement) arising as a result of their service as the Nominee or the Board Observer, as applicable, with the Borrower at any time;
- (v) ensure that the Nominee or the Board Observer, as applicable, shall have all rights, receive any and all information and be entitled to all such access regarding the Borrower and its business as the other directors of the Borrower are entitled to, including without limitation, all information in relation to the Claim Proceedings and shall otherwise keep the Nominee or the Board Observer, as applicable, fully informed of material events relating to the conduct of the Borrower's business and the Claim Proceedings. Without limiting the generality of the foregoing, in respect of the Claim Proceedings, the Borrower shall notify and allow the Nominee or the Board Observer, as applicable, to participate in any in-person meetings and/or conference calls or other events as may be scheduled to discuss elements or strategic decisions of the Claim Proceedings or other events or required in respect of the Claim Proceedings including, without limitation, any meetings or calls between the Borrower and legal counsel or any other Claim Proceedings advisor;

- (w) maintain with reputable insurers satisfactory to the Lender, acting reasonably, directors and officers liability insurance insuring the Nominee or the Board Observer, as applicable, consistent with the Borrower's usual practice, and provide to the Lender, on an annual basis, evidence of such coverage. Without limiting the generality of the foregoing, to the extent that any directors and officers liability insurance expires or terminates for any reason whatsoever including, without limitation, as a result of a Change of Control, the Borrower shall arrange for a replacement policy on terms and conditions satisfactory to the Lender, acting reasonably, to be put in place as soon as possible but in any event within 30 days following such expiry or termination;
- (x) within thirty (30) days after the last day of each calendar month, (a) deliver to the Lender a report certified by an officer of the Borrower in form and substance satisfactory to the Lender acting reasonably comparing the actual amounts paid by the Borrower on (by reference to the Budget) for the calendar month on the last day of such month, and the amount of any adverse deviation, with a reasonably detailed explanation of the significant variances; and (b) provide the Nominee or the Investor Observer, as applicable, with an update call regarding the status of the Claim Proceedings;
- (y) to the extent any person other than the Borrower receives any amount of the Claim Proceeds, cause such person to pay the full amount of any and all such Claim Proceeds to the Borrower within two (2) Business Days after the date of receipt of any such amount;
- (z) not create, incur, assume or suffer to exist any liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) on the Claim Assets or any other present or after-acquired property, assets or undertaking of the Borrower except for Permitted Liens or as permitted in writing by the Lender in its sole discretion;
- (aa) not create, incur, assume or suffer to exist any indebtedness, except for with respect to legal fees or other costs associated with the Claim Proceedings, incurred in accordance with the Budget, ordinary course unsecured trade payables of the business not to exceed US\$250,000 in the aggregate, the Obligations and such indebtedness as may be permitted in writing by the Lender in its sole discretion;
- (bb) not (a) make any change to its articles or other similar constating documents that could, or could reasonably be expected to, materially and negatively impact the rights of the Lender under this Note, nor (b) enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or engage in any type of business other than of the same general type now conducted by it;
- (cc) not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any of its property, assets or undertaking (including, without limitation, all accounts receivables), whether now owned or hereafter acquired, save and except for any sale of assets other than Claim Assets provided that (a) any such sale is completed on commercially



reasonable terms and for fair market value consideration in cash and (b) the consideration shall not exceed US\$250,000 in any one instance or an aggregate amount of US\$1,000,000 in any calendar year;

- (dd) not enter into any business or undertake any action or proceeding, either directly or through any branch, affiliate or subsidiary, that could reasonably be expected to adversely affect the Claim Proceedings;
- (ee) not use any of the Loan Amount to pay for any amount or expense for anything other than a legitimate, *bona fide* corporate purpose;
- (ff) other than with respect to copies of any documents, books or records (the originals of which are retained by the Borrower), copies of which have been provided to the Lender, not permit or direct any of the Claim Assets to be transferred, assigned, paid or ordered to any other Person and shall otherwise not take any other action which may contribute to any of the Claim Assets other than with respect to the copies of any such documents, books or records to be transferred, assigned, paid or ordered to any other Person;
- (gg) not take any steps or instruct legal counsel to take any steps to suspend or terminate the Claim Proceedings, relinquish any rights under the Claim Proceedings or enter into any settlement of the Claim Proceedings without the prior written consent of the Lender;
- (hh) not declare any dividends on any shares of any class of its Capital Stock , or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of any class of its Capital Stock, or any warrants or options to purchase such Capital Stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in Obligations of the Borrower; or
- (ii) not issue or agree to create or issue any shares of any existing or new classes of shares except as specifically contemplated by and permitted in accordance with the terms of this Note and the CVR Certificate.

## **6. Interest**

- (a) Subject to Section 15, the Borrower shall pay the Lender interest on the Principal Amount from the date of each advance of the Principal Amount, at the rate of 0.025% per annum, calculated monthly in arrears and payable in full on the Interest Payment Date in accordance with Section 9. If an Event of Default shall have occurred and be continuing, this Note shall bear interest at the rate of 12% per annum from the date of occurrence of such Event of Default until such Event of Default is cured (if a cure period is permitted hereunder). Such interest shall be calculated and compounded monthly, not in advance on the first day of each month based on a year of 365 days.
- (b) Subject to the receipt of all necessary regulatory and Exchange approvals to list such securities, and provided no Event of Default has occurred and is continuing, the Borrower may, at its option, satisfy any interest payments due hereunder by

paying any such interest in cash, issuing to the Lender such number of freely tradable Common Shares as is equal to the amount of interest owing divided by the Conversion Price calculated as of such Interest Payment Date or by adding the amount of such interest to the Principal Amount.

(c) The Borrower and the Lender shall comply with the following provisions to ensure that no receipt by the Lender of any payments made or to be made to the Lender hereunder would result in a breach of section 347 of the *Criminal Code* (Canada):

(i) If any provision of this Note or any of the other documents related to this Note would obligate the Borrower to make any payment to the Lender of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this Section 6(c) as "Criminal Code interest", during any one-year period after the date of the advance of the Principal Amount in an amount or calculated at a rate which would result in the receipt by the Lender of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this Section 6(c) as a "criminal rate"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Lender during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:

(x) first, by reducing the amount or rate of interest required to be paid to the Lender during such one-year period; and

(y) thereafter, by reducing any fees and other amounts required to be paid to the Lender during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to in this section as the "**Excess Amount**".

(ii) Any Excess Amount shall be payable and paid by the Borrower to the Lender in the then next succeeding one-year period or then next succeeding one-year periods until paid to the Lender in full, subject to the same limitations and qualifications set out in clause (i), so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the Lender of Criminal Code interest at a criminal rate.

(iii) Any amount or rate of Criminal Code interest referred to in this Section 6(c) shall be calculated and determined in accordance with generally accepted actuarial practices as an effective annual rate of interest over the term that any loan indebtedness remains outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be pro-rated over the period commencing on the date of the first advance of the Principal Amount and ending on the

Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive for the purposes of such calculation and determination.

## **7. Term, Currency and Ranking**

The term of this Note begins on the date of this Note and ends on the Payment Date. The then outstanding Principal Amount and all accrued and unpaid interest (collectively, the "**Loan Amount**") will become due and payable on the Payment Date. Subject to the receipt of all necessary regulatory and Exchange Approvals to list such securities, and provided that no Event of Default shall have occurred and be continuing, the Borrower may, at its option and in accordance with Section 11, on not more than 60 days and not less than 30 days prior written notice to the Lender, elect to satisfy its obligation to repay the Loan Amount then outstanding (or a portion thereof) by issuing such number of freely tradable Common Shares as is equal to the Loan Amount (or applicable portion), divided by the Market Price calculated as of such Maturity Date. The Lender shall apply any amount paid in satisfaction of any indebtedness under this Note first against any accrued and unpaid interest and second against the outstanding Principal Amount. Unless specified otherwise, all dollar amounts expressed in this Note refer to lawful money of the United States of America.

This Note shall constitute an unsecured obligation of the Borrower and shall rank equally on a *pari passu* basis with all other present and future unsecured obligations of the Borrower.

## **8. Prepayment**

The Borrower shall be permitted to pay the Principal Amount, in whole or in part, at any time prior to the Maturity Date upon not more than sixty (60) days and not less than thirty (30) days prior written notice, without penalty. Notwithstanding anything contained in this note to the contrary, if the Borrower receives any of the Claim Proceeds then as soon as possible but in any event within five (5) Business Days of receipt, any such amount shall be paid by or on behalf of the Borrower to the Lender and shall be applied in permanent repayment of outstanding Obligations. In addition to the foregoing, if any Additional Financing occurs at any time, an amount equal to 100% of the proceeds of that Additional Financing at any time (net of reasonable, *bona fide* direct transaction costs and expenses incurred in connection with effecting such Additional Financing including reasonable legal fees and disbursements and underwriting fees in connection with such Additional Financing) shall be paid forthwith upon receipt of those proceeds and shall be applied in permanent repayment of outstanding Obligations.

## **9. Payment Generally**

- (a) All amounts payable by the Borrower hereunder shall be paid to the Lender in United States Dollars, in immediately available funds, without set-off or counterclaim on the Payment Date. Any payments received after 3:00 p.m. (New York time) will be considered for all purposes as having been made on the next following Business Day.
- (b) If the Payment Date would otherwise fall on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day, together with interest that has accrued to the date of payment.

## **10. Acceleration and Remedies**

Upon the occurrence of an Event of Default which is continuing and in addition to the default rate of interest provided for in Section 6(a) accruing: (i) the full unpaid balance of the Obligations will, at the Lender's option and upon delivery by the Lender to the Borrower of a written demand for payment, become immediately due and payable; and (ii) the Lender shall be entitled to exercise any and all rights and remedies available to it pursuant to any agreement between the Borrower and the Lender, at law or in equity. The rights and remedies available to the Lender pursuant to any agreement between the Lender and the Borrower are cumulative and are in addition to, and not in substitution for, any rights or remedies provided at law or in equity.

For certainty and in conjunction with Section 21(a) of this Note, the Lender shall have the unilateral right to (i) waive any Event of Default, (ii) elect not to accelerate the Obligations or (iii) elect not to enforce any of its rights and remedies under any agreement between the Borrower and the Lender.

## **11. Conversion**

### **11.1 Conversion Privileges**

- (a) Subject to the receipt of all necessary regulatory and Exchange Approvals to list such securities in Canada, and provided that no Event of Default shall have occurred and be continuing, the Borrower shall have the sole right, but not the obligation, at any time, to convert the Loan Amount or any portion thereof, into Common Shares in accordance with the procedures set forth in this Section 11.
- (b) The number of Common Shares issuable upon conversion of any Loan Amount shall be determined by dividing (i) such Loan Amount by (ii) the Conversion Price.

### **11.2 Manner of Exercise of Conversion**

- (a) If the Borrower wishes to convert all or any portion of the Loan Amount into Common Shares pursuant to Section 11.1, the Borrower shall:
  - (i) deliver to the Lender a Conversion Form, duly completed and executed by the Borrower, irrevocably exercising its right to convert the Loan Amount, or any portion of the Loan Amount, as specified in the Conversion Form, in accordance with the provisions hereof; and
  - (ii) request that the Lender surrender this Note to the Borrower concurrently with such conversion.
- (b) In the event of the exercise of the conversion right by the Borrower, upon delivery of the Conversion Form, the Lender, or its nominee or assignee, shall be entitled to be entered in the books of the Borrower as at the Conversion Date as the holder of the number of Common Shares into which the Loan Amount, or any portion thereof, is convertible in accordance with the provisions hereof.

- (c) For the purposes hereof, the date of conversion (whether in whole or in part) of the Loan Amount under this Note (the “**Conversion Date**”) shall be deemed to be the date on which the Conversion Form is delivered by the Borrower.
- (d) If only part of the Loan Amount is converted by the Borrower in accordance with this Section 11, upon surrender of this Note to the Borrower, the Borrower shall cancel the same and shall, without charge, forthwith execute and deliver to the Lender a new note in the aggregate Principal Amount equal to the unconverted part of the Principal Amount of this Note.
- (e) Upon delivery of the Conversion Form in accordance with this Section 11, the Lender will be entitled to receive that number of Common Shares as determined pursuant to Section 11(b).
- (f) Subject to any applicable legend requirements and restrictions set forth herein, Common Shares issued upon conversion of all or any part of this Note in accordance with the terms hereof shall have all the rights and privileges accorded to holders of record of Common Shares on and after the Conversion Date, from which date such Common Shares will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares and shall be freely tradable in Canada following the expiry of four (4) months and one (1) day from the date hereof.
- (g) If the number of issued and outstanding Common Shares is affected as a result of:
  - (i) the consolidation, merger or amalgamation of the Borrower with or into another body corporate;
  - (ii) the conversion, exchange, redesignation, reclassification, consolidation or subdivision of the Common Shares; or
  - (iii) any other capital reorganization of the Borrower whether by reorganization, arrangement, transfer, sale, continuance or otherwise (any such event being herein referred to as a “**Capital Reorganization**”):
    - (A) the Lender, upon any conversion at any time after the effective date of such Capital Reorganization (the “**Effective Date**”), shall be entitled to, in lieu of the number of Common Shares to which they were theretofore entitled upon such conversion, the aggregate number of Common Shares (or other securities or property) of the Borrower or of the body corporate resulting from the Capital Reorganization that the Lender would have been entitled to receive as a result of such Capital Reorganization if the Borrower had exercised their Conversion Right and the Lender had been a registered holder of the number of Common Shares to which they were theretofore entitled upon a conversion immediately before the Effective Date; and

- (B) the Conversion Price shall be adjusted, as necessary and equitable, immediately upon the Effective Date of such Capital Reorganization to give effect to the Capital Reorganization.

## 12. Mandatory Repayments Upon Change of Control

Upon the occurrence or public announcement of a Change of Control, the Lender may at its option tender this Note to the Borrower for immediate repayment of the Loan Amount in cash. The Borrower covenants and agrees that it shall not complete such Change of Control prior to funding such cash payment to the Lender if required hereunder.

## 13. Notice

To be effective, a notice must be in writing and delivered (a) personally, either to the individual designated below for that party or to an individual having apparent authority to accept deliveries on behalf of that individual at its address set out below, or (b) **by electronic mail** to the address or electronic mail address set out opposite the party's name below or to any other address or electronic mail address for a party as that party from time to time designates to the other parties in the same manner, and (c) by registered mail:

in the case of the Borrower, to:

Eco Oro Minerals Corp.  
Suite 300, 1055 W. Hastings Street  
Vancouver, BC V6E 2E9

Attention: Redacted: Personal Information  
Email: [REDACTED]

with a copy to:

Blake, Cassels & Graydon LLP  
595 Burrard Street, P.O. Box 49314  
Suite 2600, Three Bentall Centre  
Vancouver, BC V7X 1L3

Attention: Redacted: Personal Information  
Email: [REDACTED]

in the case of the Lender, to:

Trexs Investments, LLC  
1180 Avenue of the Americas  
Suite 1940  
New York, NY 10036

Attention: Redacted: Personal Information  
Email: [REDACTED]

with a copy to:

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

Attention: **Redacted: Personal Information**  
Email: **Redacted: Personal Information**

Any notice is effective (i) if personally delivered, as described above, on the day of delivery if that day is a Business Day and it was received before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day, or (ii) if sent by electronic mail, on the day the sender receives confirmation of receipt by return electronic mail from the recipient if that day is a Business Day and if that confirmation was received before 5:00 p.m. local time in the place of receipt, and otherwise on the next Business Day.

#### **14. Payment of Expenses and Indemnification**

The Borrower hereby agrees to indemnify and hold harmless the Lender, Tenor Capital Management Company, L.P. and Tenor International & Commercial Arbitration Fund, L.P., and each of their respective subsidiaries, affiliates and assignees, and each of their respective directors, officers, partners, investors, employees, agents and advisors (each an “**Indemnified Party**”) from and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject, insofar as such losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) or other expenses arising out of or in any way relating to or resulting from, this Note or any of the fees, interest or other compensation received or earned in connection with or in any way arising from this Note and the Borrower agrees to reimburse each Indemnified Party for all actual and reasonable legal or other expenses, for which an invoice has been provided, incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such Indemnified Party is a party to any action or proceeding out of which indemnified expenses arise), but excluding therefrom all losses, claims, damages, liabilities and expenses which are finally determined in a non-appealable decision of a court of competent jurisdiction to have resulted solely from the negligence or willful misconduct of such Indemnified Party. In the event of any litigation or dispute involving this Note, no Indemnified Party shall be responsible or liable to the Borrower, any reorganized entity, any of its subsidiaries or affiliates or any other person for any special, indirect, consequential, incidental or punitive damages. In addition, the Borrower irrevocably and unconditionally agrees to pay or reimburse the Lender for all Lender’s reasonable out-of-pocket costs and expenses incurred following the execution of the term sheet between the Borrower and Tenor Capital Management Company, L.P. dated May 9, 2016 in connection with the negotiation, preparation, execution and enforcement of this Note and any other documents prepared in connection herewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of legal counsel to the Lender (on a full indemnity basis) up to a maximum of **Redacted: Fee** in the aggregate.

#### **15. Withholding Tax**

All Obligations shall be paid by the paid by the Borrower without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (other than taxes in respect of the net income or capital of the Lender) imposed or levied by or on behalf of any Governmental Authority having the power to tax. If any such withholding or deduction is required by Applicable Law, the Borrower shall pay all additional

amounts to the Lender as may be necessary in order that the net amount received by the Lender after such withholding or deduction shall equal the amount which would have been received by the Lender in the absence of such withholding or deduction.

Without limiting the generality of the foregoing paragraph, to the extent that the Borrower does not pay any taxes required to be paid by it and the Lender is obligated to, or becomes liable for and pays any such taxes, the Borrower covenants and agrees to indemnify and hold harmless the Lender from and against any and all such payments made by the Lender together with any penalties, interest and other reasonable costs and expenses incurred in connection therewith whether or not such taxes were correctly or legally imposed on the Lender by the relevant Governmental Authority. This indemnity shall survive the repayment of the Obligations and the cancellation of this Note. A certificate as to the amount of such payment by the Lender to the Borrower shall be conclusive evidence of the amount owing pursuant to this indemnity absent manifest error.

With respect to any taxes required to be paid by the Borrower in respect of payments by it hereunder as contemplated by this Section 15, the Borrower shall deliver to the Lender the original or a certified copy of receipt issued by the applicable Governmental Authority evidencing such payment as soon as practicable after the making of such payment (and in any event within 15 days after the making of such payment).

**16. Further Assurances**

The Borrower, at its expense and at the Lender's request, shall sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to this Note.

**17. Not Party to Claims Proceedings**

The Borrower acknowledges and agrees that the Lender shall not become or be deemed to have become a party to the Claim Proceedings by virtue of its dealings with the Borrower hereunder and otherwise.

**18. Binding Effect**

This Note enures to the benefit of and binds the parties and their respective successors, and permitted assigns.

**19. Assignment**

Until an Event of Default has occurred, the Lender may not assign its rights and obligations relating to this Note in whole or in part to any Person other than a Lender Group Member without the prior written consent of the Borrower, provided; however, that if the Lender assigns its rights and obligations under this Note to a Lender Group Member it shall provide prior written notice to the Borrower of such assignment and to the extent such assignment shall be made in reliance on an exemption from the registration requirements of the U.S. Securities Act, the Lender shall represent to the Borrower that such assignment is exempt from registration under the U.S. Securities Act of 1933, as amended, and if requested by the Borrower, the Lender shall provide an opinion of counsel of recognized standing reasonably satisfactory to the Borrower to that effect. Without the prior written consent of the Lender, the Borrower may not assign this Note or any of its obligations hereunder.



**20. Severability**

The invalidity or unenforceability of any particular term of this Note will not affect or limit the validity or enforceability of the remaining terms.

**21. Waiver**

- (a) No waiver of satisfaction of a condition or breach or non-performance of an obligation (including any Event of Default) under this Note is effective unless it is in writing and signed by the party granting the waiver. No waiver under this Note will be deemed to extend to a subsequent occurrence, whether or not that occurrence is the same or similar to the original occurrence that was waived nor will it affect the exercise of any other rights or remedies under this Note. Any failure or delay in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver of that right or remedy. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.
- (b) The Borrower waives presentment for payment, demand, protest, notice of any kind, and statutory days of grace in connection with this Note. The Borrower agrees that it is not necessary for the Lender to first bring legal action in order to enforce payment of this Note.

**22. Governing Law and Submission to Jurisdiction**

- (a) This Note shall be governed by, and construed in accordance with, the laws of the State of New York (other than the conflict of laws rules).
- (b) The Borrower and Lender hereby irrevocably submits to the jurisdiction of the courts of the State of New York, which will have non-exclusive jurisdiction over any matter arising out of this Note.

**[remainder of page intentionally left blank]**

**IN WITNESS WHEREOF** the Borrower has duly executed this Note effective as of the date first written above.

**ECO ORO MINERALS CORP.**

By: \_\_\_\_\_

Name:

Title:

**SCHEDULE A  
CONVERSION FORM**

**TO: TREXS INVESTMENTS, LLC (the "Lender")**

All terms used herein but not defined shall have the meanings ascribed thereto in the Convertible Promissory Note issued by Eco Oro Minerals Corp. (the "**Borrower**") to the Lender dated ●, 2016 (the "**Note**").

Pursuant to Section 11 of the Note, the Borrower hereby irrevocably elects to convert:

- (a) the Principal Amount of US\$\_\_\_\_\_ into \_\_\_\_\_  
Common Shares in accordance with the terms of the Note and/or
- (b) accrued and outstanding interest under the Note of US\$\_\_\_\_\_ into \_\_\_\_\_  
Common Shares in accordance with the terms of the Note,

and directs that the Common Shares issuable and deliverable upon the conversion be issued, registered and delivered as indicated below (unless otherwise notified by you in writing promptly upon receipt of this Notice):

Name: TREXS INVESTMENTS, LLC

1180 Avenue of the Americas, Suite 1940, New York, NY 10036  
(Address)

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**ECO ORO MINERALS CORP.**

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT I  
LIST OF KEY PARTIES**

1. Redacted: Personal Information

2.

3.

4.

5.

**SCHEDULE C**  
**ESCROW ACCOUNT - CLAIM PROCEEDS ACCOUNT**

Redacted: Not Applicable

A solid black rectangular redaction box covers the text "Redacted: Not Applicable".

**SCHEDULE D**  
**ESCROW ACCOUNT - SECOND TRANCHE PRICE ACCOUNT**

Attached.

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**ESCROW AGREEMENT – SECOND TRANCHE PRICE ACCOUNT**

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**BETWEEN**

**ECO ORO MINERALS CORP.**  
(the “Corporation”)

**and**

**TREXS INVESTMENTS, LLC**  
(the “Investor”)

**and**

**TMI TRUST COMPANY**  
(the “Escrow Agent”)

**Dated July 21, 2016**



**CASSELS BROCK**  
LAWYERS

## Table of Contents

1.	Definitions and Interpretation .....	1
2.	Appointment.....	4
3.	Payment of the Escrow Amount.....	4
4.	Payments By The Escrow Agent.....	5
5.	Representations, Warranties And Covenants By The Escrow Agent.....	5
6.	Notices and Signatories .....	6
7.	Termination.....	7
8.	Confidentiality .....	7
9.	Further Assurances.....	7
10.	Entire Agreement.....	7
11.	Governing Law.....	7
12.	Jurisdiction.....	7
13.	Counterparts .....	8
14.	Amendments.....	8
15.	Investment Of Escrow Amount.....	8
	Schedule 1 Investor and Corporation Details.....	13
	Schedule 2 Escrow Account.....	15
	Schedule 3 Form of Payment Notice .....	16
	Schedule 4 Fees .....	17
	Schedule 5 Call Back Procedure .....	18
	Schedule 6 Standard Terms and Conditions .....	19



## INTRODUCTION:

This escrow agreement (the “**Escrow Agreement**”) is dated July 21, 2016 and made between:

- (1) **ECO ORO MINERALS CORP.**, a corporation existing under the laws of the Province of British Columbia (the “**Corporation**”);
- (2) **TREXS INVESTMENTS, LLC**, a private limited liability company incorporated in Delaware, United States of America (the “**Investor**”); and
- (3) **TMI TRUST COMPANY**, a trust company existing under the laws of the State of Texas, United States of America (the “**Escrow Agent**”).

## WHEREAS:

- (A) On or about the date hereof, the Corporation and the Investor entered into an investment agreement (as amended, restated, supplemented or otherwise modified or replaced from time to time, the “**Investment Agreement**”).
- (B) Pursuant to the terms of the Investment Agreement, the Investor and the Corporation have agreed to subject the Second Tranche Price (as such term is defined in the Investment Agreement) to the arrangement set out in this Escrow Agreement.
- (C) Subject to the terms and conditions of this Escrow Agreement, the Escrow Agent agrees to receive and subsequently pay the Second Tranche Price to the Corporation or Investor as provided for in this Escrow Agreement.

**IT IS AGREED** as follows:

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in New York, British Columbia or Texas are not open for business;

“**Call Back Contact**” means either an Investor Call Back Contact or a Corporation Call Back Contact;

“**Call Back Procedure**” means the procedure where the Escrow Agent telephones a Call Back Contact in accordance with Schedule 5;

“**Corporation**” has the meaning given to it in the Introduction;

“**Corporation Call Back Contact**” means each person specified as such in Part B of Schedule 1;

“**CVR**” means the contingent value rights certificate issued by the Corporation in favour of the Investor on or about the date hereof (as amended, restated, supplemented or otherwise modified or replaced from time to time);

“**Dispute**” means any dispute arising from or connected with this Escrow Agreement but shall not include any Distribution Dispute;

“**Distribution Dispute**” has the meaning given to it in Clause 12.4;

**“Distribution Dispute Award”** has the meaning given to it in Clause 4.1;

**“Entitlements”** has the meaning given thereto in clause 4 of Schedule 6 to this Escrow Agreement;

**“Escrow Account”** means the trust account maintained by the Escrow Agent for internal administrative purposes with the details set out at Schedule 2 of this Escrow Agreement;

**“Escrow Agent”** has the meaning given to it in the Introduction;

**“Escrow Agent Disbursement Direction”** has the meaning given to it in Clause 4.1;

**“Escrow Agent Expenses”** has the meaning given thereto clause 5 of Schedule 6 to this Escrow Agreement;

**“Escrow Agent Fees”** has the meaning given thereto clause 5 of Schedule 6 to this Escrow Agreement;

**“Escrow Agreement”** has the meaning given to it in the Introduction;

**“Escrow Amount”** means an amount recorded in the Escrow Account by the Escrow Agent comprising:

(a) the Second Tranche Price once confirmed as received in Final Cleared Funds by the Escrow Agent;

*plus*

(b) the Interest;

*minus*

(c) any amounts deducted or otherwise paid out of the Escrow Account from time to time in accordance with this Escrow Agreement.

**“Escrow Services”** means the escrow services described in this Escrow Agreement, and in particular maintaining the records for the Escrow Account and the making of certain payments from the Escrow Amount in accordance with this Escrow Agreement;

**“Excluded Amount”** means any amount(s) transferred or proposed to be transferred to the Escrow Agent which is/are to be recorded in the Escrow Account but not received in Final Cleared Funds (and confirmed in writing by the Escrow Agent as such);

**“Fees”** means the fees for the Escrow Services as set out in Schedule 4 of this Escrow Agreement;

**“Final Cleared Funds”** means an irrevocable payment received by the Escrow Agent;

**“ICC”** means the International Chamber of Commerce;

**“Investor”** has the meaning given to it in the Introduction;

**“Investor Call Back Contact”** means each person specified as such in Part A of Schedule 1;

**“Interest”** means the additional amount (calculated by application of the Interest Rate to the amounts due from the Escrow Agent under this Escrow Agreement pursuant to

Clause 3.4 of this Escrow Agreement) recorded by the Escrow Agent to the Escrow Account from time to time. In the event that such application of the Interest Rate leads to a negative amount being recorded in the Escrow Account, the Escrow Agent reserves the right to deduct such amount from the Escrow Amount and for greater certainty, any Interest shall be payable only to the Investor;

**"Interest Rate"** means the rate of interest to be paid on the Escrow Amount as agreed by the Parties in writing prior to the receipt of the Second Tranche Price;

**"Law and Regulation"** means any applicable law, rule, regulation, court order or decision made by any competent judicial, governmental, supervisory, regulatory or administrative body;

**"Parties"** means the parties to this Escrow Agreement and **Party** should be construed accordingly;

**"Payment Date"** means the date falling no later than two (2) Business Days after the Escrow Agent receives a duly executed Payment Notice;

**"Payment Notice"** means a duly executed and irrevocable notice from the authorized signatories of the Investor to the Escrow Agent substantially in the form of the notice attached at Schedule 3;

**"Payment Notice Conditions"** mean:

- (a) the Payment Notice is delivered to the Escrow Agent in accordance with Clause 6 of this Escrow Agreement;
- (b) the relevant Requested Payment (when aggregated with the aggregate amount of any other Requested Payments not yet made) does not exceed the Escrow Amount on the date such Payment Notice is received by the Escrow Agent; and
- (c) where necessary, the Escrow Agent has successfully completed the Call Back Procedure.

**"Proceedings"** means any proceedings relating to a Dispute;

**"Requested Payment"** means an amount specified to be paid in a Payment Notice delivered to the Escrow Agent in accordance with Clause 6 of this Escrow Agreement, which have not yet been paid out;

**"Second Tranche Price"** has the meaning given to it in the Recitals;

**"Signatory"** means:

- (a) any of the persons, appointed to represent the Investor, whose names and specimen signatures are set out in Part A of Schedule 1;
- (b) any of the persons, appointed to represent the Corporation, whose names and specimen signatures are set out in Part B of Schedule 1; or
- (c) such other person in respect of the Investor and/or the Corporation as may from time to time be appointed and notified in writing to the Escrow Agent by the Investor (by means of submitting a revised Schedule 1 attaching a duly executed accompanying instruction letter);

**“Standard Terms and Conditions”** means the Escrow Agent’s standard terms and conditions for performing the Escrow Services (as attached at Schedule 6 to this Escrow Agreement);

**“USD”** means lawful money of the United States of America;

**“VAT”** means any value-added tax and includes any goods and services tax; and

**“Written Notice”** means any notice, instruction and communication, including for the avoidance of doubt any Payment Notice.

## 1.2 Interpretation

In this Escrow Agreement, unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa, words importing the masculine gender include the feminine gender and vice versa;
- (b) headings and paragraphs are for ease of reference only and shall not be used to interpret this Escrow Agreement;
- (c) references to **Clauses, Recitals, and Schedules** are references to the clauses, recitals and schedules to this Escrow Agreement (including the Standard Terms and Conditions), unless otherwise stated;
- (d) the Introduction, Recitals and Schedules (including the Standard Terms and Conditions) of this Escrow Agreement form part of this Escrow Agreement;
- (e) in the event of any conflict between this Escrow Agreement and the Standard Terms and Conditions or the Investment Agreement in matters concerning the Escrow Agent, the terms of this Escrow Agreement shall at all times prevail between the Parties;
- (f) terms not otherwise defined in the body of this Escrow Agreement shall have the meaning given to such terms in the Standard Terms and Conditions; and
- (g) a **“person”** includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having separate legal personality).

## 2. APPOINTMENT

2.1 The Investor and the Corporation hereby appoint the Escrow Agent to provide and carry out the Escrow Services.

2.2 The Escrow Agent hereby accepts such appointment subject to the terms and conditions of this Escrow Agreement and in consideration for the payment of the Fees.

## 3. PAYMENT OF THE ESCROW AMOUNT

3.1 The Investor irrevocably transfers the Second Tranche Price in Final Cleared Funds to the Escrow Agent within ten (10) Business Days of the date of this Escrow Agreement.

3.2 The Escrow Agent shall confirm receipt of the Second Tranche Price to the other Parties as soon as reasonably practicable and within two (2) Business Days after such funds

have been received in Final Cleared Funds and will deposit such Second Tranche Price in the Escrow Account.

- 3.3 Neither the Investor nor the Corporation is entitled to reclaim or seek to reclaim the Second Tranche Price once the Escrow Agent has made its confirmation pursuant to Clause 3.2 (other than in accordance with Clause 3.4 of this Escrow Agreement).

***Excluded Amounts***

- 3.4 To the extent that the Escrow Agent receives any Excluded Amount it shall immediately notify the other Parties in writing of such receipt specifying the form (including the currency) and the amount or stated value of any such Excluded Amount.
- 3.5 The Escrow Agent shall not be required to deposit the Excluded Amount into the Escrow Account but shall instead request a Payment Notice regarding the distribution of any such Excluded Amount and the Escrow Agent shall distribute any such Excluded Amount pursuant to such Payment Notice immediately upon receipt thereof

**4. PAYMENTS BY THE ESCROW AGENT**

***Payment by Payment Notice and Payment of Distribution Dispute Award***

- 4.1 The Escrow Agent shall arrange for any Requested Payment to be made to the relevant payee as identified in the Payment Notice by the Payment Date provided that all of the Payment Notice Conditions have been fulfilled. Prior to the payment of any Requested Payment the Payment Notice shall be reviewed by the Escrow Agent as provided in Clause 5 below, provided it institutes and completes any such procedure promptly. The Escrow Agent, in its absolute discretion, may confirm such Payment Notice by instituting a Call Back Procedure and shall implement a Call Back Procedure if required by the terms of Schedule 5. To the extent that an arbitral award is issued in resolution of any Distribution Dispute relating to a Payment Notice, the Escrow Agent agrees to make any requested payment in accordance with the terms of such an award immediately upon receipt thereof ("**Distribution Dispute Award**").
- 4.2 For the avoidance of doubt, the Escrow Agent shall be under no obligation whatsoever to pay any Requested Payment in the event that any of the Payment Notice Conditions are not satisfied.

**5. REPRESENTATIONS, WARRANTIES AND COVENANTS BY THE ESCROW AGENT**

- 5.1 The Escrow Agent hereby represents and warrants to the other Parties that any Payment Notice or Distribution Dispute Award requesting payment from the Escrow Account will be reviewed by the President, the Chief Financial Officer and the Executive Vice President, Chief Operating Officer of the Escrow Agent prior to the withdrawal or transfer of funds from the Escrow Account.
- 5.2 The Escrow Agent hereby irrevocably and unconditionally covenants and agrees to provide the other Parties with confirmation of the review of any Payment Notice or Distribution Dispute Award by the officers identified in Clause 5.1.
- 5.3 The Escrow Agent hereby represents and agrees that no payment from the Escrow Account will be made without the prior review and confirmation as set forth above.

5.4 Prior to making any withdrawal or transfer from the Escrow Account, the Escrow Agent shall provide the other Parties with written confirmation from each of the officers identified in Clause 5.1 (which written confirmation may include an email from each such officer) that they have completed their review of the Payment Notice or Distribution Dispute Award and have authorized any such withdrawal or transfer from the Escrow Account in accordance therewith.

## 6. NOTICES AND SIGNATORIES

6.1 A Written Notice addressed to the Escrow Agent in connection with this Escrow Agreement shall only be deemed to be effective if:

- (a) it is in writing;
- (b) it is duly executed on behalf of a Party by an authorized representative or its Signatory or Signatories;
- (c) the following address and contact details are used:

TMI Trust Company  
Attn: Redacted: Personal Information  
Address: 1100 Abernathy Road NE, Suite 480

Atlanta, Georgia 30328

OR

E-mail: Redacted: Personal Information

With a copy to:

TMI Trust Company  
Attn: Redacted: Personal Information  
Address: 901 Summit Avenue  
Fort Worth, Texas 76102

OR

E-mail: Redacted: Personal Information

6.2 To the extent a Written Notice is executed on behalf of a Party by its Signatory or Signatories, the Escrow Agent may rely on such Written Notice as being duly executed on behalf of the relevant Party without having to confirm the details of that Written Notice with any Party or other person, subject to the Call Back Procedure.

6.3 The Escrow Agent may rely on a Written Notice sent on behalf of a Party by its counsel as nominated in Schedule 1, with the exception of a Payment Notice.

6.4 To the extent any Written Notice is executed on behalf of a Party by any authorized representative other than its Signatory or Signatories, the relevant Party shall provide any such documentation as the Escrow Agent may request in its discretion to substantiate the representational authority of the signatory or signatories of a Written Notice. The Parties acknowledge that in such event any payment pursuant to a Written Notice shall be suspended until the relevant Party has provided the documentation so requested by the Escrow Agent.

- 6.5 Each of the Parties shall provide the Escrow Agent with copies of the (valid) passports in respect of its Signatories.
- 6.6 The Parties acknowledge that the Escrow Agent shall not have any obligation to, and shall not, independently verify whether a Signatory's power to bind a Party, as the case may be, has been revoked; therefore each Party must inform the Escrow Agent in writing as soon as possible if any of its Signatories are no longer authorised to execute a Written Notice.
- 6.7 The Escrow Agent shall not be held liable for reliance on any Written Notice where a Signatory has been accepted by the Escrow Agent pursuant to this Clause and at a future time his/her power has been revoked outside of the knowledge of the Escrow Agent.

## **7. TERMINATION**

- 7.1 Notwithstanding Clause 12 of the Standard Terms and Conditions, the Corporation and the Investor shall be entitled to instruct the Escrow Agent to terminate this Escrow Agreement at any time by means of a duly executed Written Notice and, where applicable, by simultaneously sending the Escrow Agent a Payment Notice for final payment of the Escrow Amount or a request for payment of any Distribution Dispute Award.

## **8. CONFIDENTIALITY**

- 8.1 None of the Parties shall disclose any confidential or proprietary information of any other Party or the terms and conditions of this Escrow Agreement (including its existence) to any third party other than with the prior written consent of the other Parties, except to the extent required by Law and Regulation.
- 8.2 The Escrow Agent shall be entitled to share any information relating to this Escrow Agreement (including receipt and payment confirmation) with the counsel of the Parties as nominated in Schedule 1.

## **9. FURTHER ASSURANCES**

- 9.1 Both the Investor and the Corporation will promptly do (and will use reasonable endeavours to ensure that any relevant third parties promptly do) all things (including executing and delivering any documents) reasonably required or requested by the Escrow Agent to give full effect to or operate this Escrow Agreement.

## **10. ENTIRE AGREEMENT**

- 10.1 This Escrow Agreement, including its Schedules, constitutes the entire agreement between the Parties relating to the subject matter of this Escrow Agreement.

## **11. GOVERNING LAW**

- 11.1 This Escrow Agreement is governed by the laws of the State of New York.

## **12. JURISDICTION**

- 12.1 Subject to Clause 12.4 below, the courts of the State of New York have exclusive jurisdiction to settle any Dispute, including a dispute regarding the existence, validity or termination of this Escrow Agreement, or relating to any non-contractual or other

obligations arising out of or in connection with this Escrow Agreement, or the consequences of its nullity.

- 12.2 Subject to Clause 12.4 below, the Parties agree that the courts of the State of New York are the most appropriate and convenient courts to settle any Dispute, and, accordingly, that they will not argue to the contrary.
- 12.3 The Parties agree that the documents which start Proceedings and any other documents required to be served in relation to those Proceedings may be served in any manner allowed under applicable law.
- 12.4 Any dispute, claim, difference or controversy arising out of, relating to or having any connection with the respective Entitlements and distribution rights of the Investor and the Corporation hereunder including, without limitation, any dispute between the Corporation and the Investor regarding the contents and/or issuance of a Payment Notice (a “**Distribution Dispute**”) shall be referred to and finally resolved by arbitration under the arbitration rules of the ICC. The arbitration rules of the ICC are incorporated by reference into this Clause 12.4 and capitalized terms used in this Clause 12.4 which are not otherwise defined in this Escrow Agreement have the meaning given to them in the arbitration rules of the ICC. The number of arbitrators shall be (3) three. The seat or legal place of arbitration for any Distribution Dispute shall be New York, New York, United States of America. The language used in the arbitral proceedings shall be English. All documents submitted in connection with any proceedings connected with a Distribution Dispute shall be in the English language, or, if in another language, accompanied by an English translation. Service by the ICC’s Secretariat of any “Request for Arbitration” made pursuant to this Clause 12.4 shall be at the address given for the sending of notices under this Agreement in Clause 6 and in the manner provided for in that Clause.

### **13. COUNTERPARTS**

- 13.1 This Escrow Agreement may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.
- 13.2 This Escrow Agreement shall not come into effect until each Party has executed at least one counterpart.

### **14. AMENDMENTS**

- 14.1 A variation of this Escrow Agreement is valid only if it is in writing and signed by or on behalf of each Party. For the avoidance of doubt, if a Party wishes to amend its details as set out in Schedule 1, such amendment does not constitute a variation for the purpose of this Clause 14.1 and any amendment to a Party’s details as set out in Schedule 1 shall be delivered by the relevant Party to the Escrow Agent in accordance with Clause 6 of this Escrow Agreement.

### **15. INVESTMENT OF ESCROW AMOUNT**

- 15.1 The Corporation and Investor may instruct the Escrow Agent to invest the Escrow Amount in (a) an interest bearing demand account of any bank or trust company which the Escrow Agent has a banking relationship located within the United States, provided, that any such bank or trust company must have capital and surplus of at least \$1,000,000,000 or (b) in any other investment alternative as agreed by the Corporation and Investor in writing. The Escrow Agent will facilitate the investment of the Escrow



Amount and determination of the Interest Rate, but will have no responsibility for the investment of the Escrow Amount made at the direction of the Corporation and Investor other than the safekeeping of such investment. Absent direction from the Corporation and Investor, the Escrow Agent shall invest the Escrow Amount as provided in Clause 15.1(a) above.

- 15.2 For certainty, the Corporation and the Investor shall be severally liable for any tax payable on any amounts distributed or released to them from the Escrow Account.

**[SIGNATURE PAGES TO FOLLOW]**

For and on behalf of **TREXS INVESTMENTS, LLC**

Signature: \_\_\_\_\_

Name:

Position:

Redacted: Personal Information

For and on behalf of **ECO ORO MINERALS CORP.**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name:  
Position:

Name:  
Position:

For and on behalf of **TMI TRUST COMPANY**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name:

Name:

Position:

Position:

Signature: \_\_\_\_\_

Name:

Position:

**Schedule 1  
Investor and Corporation Details**

<b>Part A: The Investor Contact and Account Details</b>				
<b>TREXS INVESTMENTS, LLC</b>	<i>Account Information</i>	Correspondence Address:	1180 Avenue of the Americas Suite 1940 New York NY 10036 United States of America	
		Account Holder:	Tenor International & Commercial Arbitration Fund LP c/o Trexs Investments, LLC	
		Account Number:		
		Bank Name:		
		Bank Address:		
		SWIFT:		
		<i>Counsel</i>		
	<i>General Contact Person</i>	Name:	Redacted: Personal Information	
		Telephone:		
		Email:		
	<i>Call Back Contact</i>	Name:		
		Telephone:		
		Email:		
	<i>Signatory 1 Details</i>	Name:		
		Title/Position:		
		Authorisation	Solely	
Specimen Signature:				

<b>Part B: The Corporation Contact and Account Details</b>				
<b>ECO ORO MINERALS CORP.</b>	<i>Account Information</i>	Correspondence Address:	Suite 300-1055 W. Hastings St. Vancouver, BC Canada V6E 2E9	
		Account Holder:	Eco Oro Minerals Corp.	
		Account Number:	Redacted: Bank Information	
		IBAN Number:		
		Bank Name:		
		Bank Address:		
		SWIFT:		
	<i>Counsel</i>	Blake, Cassels & Graydon LLP		
	<i>General Contact Person</i>	Name:	Paul Robertson	
		Telephone:	Redacted: Personal Information	
		Email:		
	<i>Call Back Contact</i>	Name:	Mark Moseley-Williams	
		Telephone:	Redacted: Personal Information	
		Email:		
		Name:		
		Telephone:		
		Email:		
	<i>Signatory 1 Details</i>	Name:	Paul Robertson	
		Title/Position:	CFO	
		Authorisation	Jointly	
		Specimen Signature:		
	<i>Signatory 2 Details</i>	Name:	Anna Stylianides	
		Title/Position:	Chairman	
Authorisation		Jointly		
Specimen Signature:				

**Schedule 2  
Escrow Account**

Account Holder:	<b>TMI TRUST COMPANY</b>
Bank Name:	<b>Redacted: Account Information</b>
Bank Address:	
Account Reference:	
Currency:	
Clearing Account Number:	
ABA Number:	
Further Credit - Escrow Account Number:	
SWIFT:	

**Schedule 3  
Form of Payment Notice**

To: TMI Trust Company  
Attn: Kathy Knapp

(the "**Escrow Agent**")

From: Trexs Investments, LLC (the "**Investor**")

Date: [●]

Re: Escrow Agreement (reference Second Tranche Price)

On or around July 21, 2016, the Escrow Agent, Investor and Eco Oro Minerals Corp. (the "**Corporation**") entered into an escrow agreement with reference Second Tranche Price (the "**Escrow Agreement**"). Unless otherwise defined herein, capitalized terms used in this notice shall have the meaning given to such terms in the Escrow Agreement.

1. This notice constitutes a Payment Notice for the purposes of the Escrow Agreement.
2. The Investor hereby notifies the Escrow Agent to (a) pay USD ● to the Corporation and (b) pay USD ● to the Investor together with any Interest that has accrued to date.
3. This notice is irrevocable.
4. This Payment Notice is governed by the laws of the state of New York.

For and on behalf of  
**TREXS INVESTMENTS, LLC**

\_\_\_\_\_  
Name:

Position:



**Schedule 4  
Fees**

<b>Service</b>	<b>Fee</b>	<b>Paid By</b>	<b>How Paid</b>
Set-up/arrangement fee (one-off)	Redacted: Fee	Corporation	Due and payable on receipt of an invoice from the Escrow Agent.
Maintenance charges (per annum)	Redacted: Fee	Corporation	Due and payable on receipt of an invoice from the Escrow Agent.

**Notes:**

1. All Fees are excluding VAT.
2. In the event that any Fees are deducted automatically from either (i) the Escrow Amount; or (ii) any payment made out of the Escrow Account (as the case may be), the Escrow Agent shall (for administrative purposes) deliver a retrospective invoice to the relevant party or parties (as applicable) confirming that such Fees have been paid.

## **Schedule 5 Call Back Procedure**

1. To the extent the Escrow Agent deems it necessary to follow the Call Back Procedure, it shall do so by telephoning a Call Back Contact during normal business hours on any Business Day until it has connected with such Call Back Contact and verified the necessary information that the Escrow Agent was seeking to verify.
2. Any amendments to a Party's details already provided in Schedule 1 shall be delivered to the Escrow Agent in accordance with Clause 6 of this Escrow Agreement.
3. The Escrow Agent is required and entitled to carry out a Call Back Procedure with a Corporation Call Back Contact and/or a Investor Call Back Contact if:
  - (a) a Payment Notice requests payment to a payee which is not expressly contemplated by this Escrow Agreement;
  - (b) a Payment Notice requests payment to payee account details which are different from the relevant payee account details contained in, or provided in accordance with, this Escrow Agreement; or
  - (c) a Party amends its bank account details as contained in Schedule 1 or any other payee account details contained in this Escrow Agreement are amended.
4. The Escrow Agent shall carry out the Call Back Procedure prior to making any intended payment pursuant to a Payment Notice, or where it concerns an amendment as described in paragraph 2(c) above, within two (2) Business Days of receiving the written request from a Party to amend such details.
5. The Parties acknowledge that the Escrow Agent is required to carry out the Call Back Procedure in the circumstances mentioned in paragraph 2 above and that the Escrow Agent is entitled, in order to comply with its on-going internal requirements, to carry out a Call Back Procedure outside of the circumstances set out in paragraph 2 above.
6. The Parties acknowledge and agree that the Escrow Agent shall be entitled to rely upon the name and telephone number provided as the Corporation Call Back Contact details and Investor Call Back Contact details respectively and shall not be required to further identify any Corporation Call Back Contact or Investor Call Back Contact.
7. Unless otherwise instructed by a Party, where more than one Call Back Contact is provided, the Escrow Agent shall at its own discretion choose one person to call back in order to carry out the Call Back Procedure.
8. Notwithstanding the provisions of this Schedule, the Escrow Agent shall be entitled to rely on all information contained in, or provided in accordance with, this Escrow Agreement.

## Schedule 6 Standard Terms and Conditions

### Definitions

1. Capitalized terms not otherwise defined in these Standard Terms and Conditions shall have the meaning given to them in the body of this Escrow Agreement.

### The Escrow Amount

2.
  - a. These Standard Terms and Conditions shall apply to and form an integral part of this Escrow Agreement.
  - b. The Parties hereby explicitly agree that the Escrow Agent receives the cash amount equal to the Escrow Amount to be held in trust pursuant to the terms of this Escrow Agreement; therefore the cash amount equal to the Escrow Amount shall be paid to the Escrow Agent so that the Escrow Agent receives outright legal title to such cash. Neither the Investor nor the Corporation shall have any right to receive payment of an amount equal to all or part of the Escrow Amount, or any other amount, other than as expressly stipulated herein.
  - c. Nothing herein shall constitute a partnership or joint venture between the Parties or any two or more of them and nothing herein shall create joint legal title to any payment due under this Escrow Agreement.
3. The Escrow Agent shall have no obligations pursuant to this Escrow Agreement other than those expressly stipulated herein and shall include maintaining the record of deposits or withdrawals of and accrued Interest, if any, on amounts in the Escrow Account and the payment of amount equal to all or part of the Escrow Amount, in accordance with the terms of this Escrow Agreement but also subject to these Standard Terms and Conditions. During the term of this Escrow Agreement, the Escrow Agent shall sufficiently maintain its operations to carry out its obligations hereunder.
4. The term “**Entitlement**” used herein refers to any right to receive a payment equal to all or part of the Escrow Amount (and/or any Interest) of the Parties pursuant to this Escrow Agreement. For greater certainty, the Corporation shall not have any Entitlements with respect to any portion of the Escrow Amount comprising Interest on the Second Tranche Price.

### Fees and Expenses

5.
  - a. The Parties agree that the Escrow Agent shall be paid fees as agreed upon in Schedule 4 (Fees) of this Escrow Agreement (“**Escrow Agent Fees**”) in exchange for its services rendered under this Escrow Agreement. Unless otherwise agreed in this Escrow Agreement, the Escrow Agent is entitled to deduct any expenses and/or costs reasonably incurred by it in connection with this Escrow Agreement (“**Escrow Agent Expenses**”) from any amounts due from the Escrow Agent under this Escrow Agreement provided that the Escrow Agent notifies the other Parties of the amount of such Escrow Agent Expenses prior to such deduction.

- b. The Escrow Agent Fees shall be non-refundable and shall be due and payable as agreed in this Escrow Agreement.
- c. The Escrow Agent Expenses shall include any costs and expenses reasonably incurred by the Escrow Agent in connection with its activities hereunder.
- d. All amounts stated in this Escrow Agreement as Escrow Agent Fees are stated excluding VAT.

### **Liability of the Escrow Agent**

6.

- a. Any liability of the Escrow Agent arising from obligations of the Escrow Agent under this Escrow Agreement shall be restricted to and shall never exceed the aggregate of the Escrow Amount and accrued Interest recorded in the Escrow Account, at the time such liability arises, unless such liability arises as a result of fraud, gross negligence or wilful misconduct on the part of the Escrow Agent. In no event shall the Escrow Agent be liable for any consequential, indirect or unforeseeable damages.
- b. If the Escrow Agent reasonably considers during the term of this Escrow Agreement that it has become illegal or impossible to carry out any of the provisions hereof, the Escrow Agent shall be under no obligation to make any payment (despite the receipt by the Escrow Agent of a Payment Notice) and the Escrow Agent shall incur no liability as a consequence thereof. In such case the Escrow Agent shall use all reasonable endeavours to agree on alternative solutions jointly with the other Parties.

7.

- a. The Escrow Agent shall be entitled to rely on information provided to the Escrow Agent by any other Party or its professional advisors, and on any document or correspondence reasonably believed by Escrow Agent to be genuine and to have been sent or signed by the person by whom it purports to have been sent or signed. If questions arise under or in connection with this Escrow Agreement and/or the Parties which relate to the Escrow Agent and/or its performance hereunder, the Escrow Agent may seek and rely on the advice of legal counsel (which may be in-house counsel) and the Escrow Agent shall not be liable for any action taken, or omitted, or any consequence, which is a result of the Escrow Agent's reliance upon such advice, in absence of fraud, gross negligence or wilful misconduct. The reasonable costs of acquiring external advice shall, for the purpose hereof, be deemed Escrow Agent Expenses.

8.

- a. If the Escrow Agent incurs any losses, damages, costs or expenses (including but not limited to Escrow Agent Expenses), including reasonable legal counsel fees and costs and court costs, by reason of any claim (be it a claim made by a Party or any other person or entity) or action arising out of, or in connection with, its acceptance of or performance under this Escrow Agreement (including any representations made under this Escrow Agreement), or in connection with the agreement between the Parties (or the performance thereof) to which this Escrow Agreement relates, the other Parties jointly and severally shall indemnify the Escrow Agent against any such losses, damages, costs and expenses, and each of them shall be deemed Escrow

Agent Expenses for the purpose hereof. Notwithstanding the foregoing, no indemnity needs to be paid if such losses, damages, costs or expenses would not have arisen but for the Escrow Agent's (including its officers, directors, employees, representatives, as the case may be) own fraud, gross negligence or wilful misconduct.

- b. Any claims in relation to the Escrow Agent's liability hereunder shall only be made within ninety (90) calendar days after the time at which the relevant Party became aware (or reasonably ought to have become aware) of the event upon which the claim is based. The Escrow Agent shall not be liable on account of any of its acts or omissions, as long as such acts or omissions are in compliance with the provisions of this Escrow Agreement.
- c. For the purpose of this article, without limitation of the foregoing, the term Escrow Agent shall include the Escrow Agent's (together with its affiliates') officers, partners, directors, employees and representatives.

9.

- a. All payments to be made by the Escrow Agent hereunder shall be paid without deducting or withholding taxes in respect thereof, unless the Escrow Agent is obliged under applicable law to deduct or withhold taxes in respect of such payments, as the case may be. In such cases the Escrow Agent shall, vis-à-vis the person or entity to which such payment is due, be entitled to deduct or withhold such taxes prior to such payment being made. If at any time the Escrow Agent determines that the value of the Escrow Amount is less than the total of the necessary deductions or withholdings from payments equal to such Escrow Amount, the other Parties, jointly and severally, shall, forthwith pay the amount of any such shortfall or the estimated amount thereof to the Escrow Agent.

10.

- a. The Escrow Agent shall be entitled to use the services of third parties (including correspondent banks and the SWIFT-organization) in executing instructions of any other Party and in performing its obligations under this Escrow Agreement.
- b. The Escrow Agent shall not be liable for any acts or omissions of the third parties referred to in (a), but if such acts or omissions cause loss to any other Party, the Escrow Agent shall, use all reasonable endeavours to assist that Party in remedying such loss.
- c. If the Escrow Agent, by instruction of the other Parties, dispatches monies, securities, documents of title and/or any other goods as part of the fulfillment of its obligations under this Escrow Agreement, such dispatch shall be at the other Parties' risk.

11. If at any time the Escrow Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the balance standing to the credit of the Escrow Account (including, but not limited to, orders of attachment or garnishment of other forms of levies or injunctions or stays relating to the transfer of such balance standing to the Escrow Account), the Escrow Agent is authorized to comply therewith in any manner it or its legal advisors deem appropriate, and if the Escrow Agent complies with any such judicial or

administrative order, judgment, decree, writ or other form of judicial or administrative process, the Escrow Agent shall not be liable to any of the other Parties or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal form or effect.

## Miscellaneous

12. This Escrow Agreement shall be binding on, and for the benefit of, the respective successors and the assignees/transferees of the Parties. It is agreed, however, that neither the Corporation nor the Escrow Agent may assign or transfer any of its rights and/or obligations hereunder without prior written notice and prior written consent of the other Parties. Until an “Event of Default” (as such term is defined in the CVR), the Investor may not assign its rights and/or obligations hereunder *provided that* the Investor shall be entitled upon prior written notice to the other Parties to assign its rights and/or obligations hereunder to any “Holder Group Member” (as such term is defined in the CVR) provided such Holder Group Member provides the Escrow Agent with written confirmation that it shall be bound by the terms and conditions of this Escrow Agreement; *provided further that* to the extent such assignment shall be made in reliance on an exemption from the registration requirements of the U.S. Securities Act, the Investor shall represent to the Corporation that such assignment is exempt from registration under the U.S. Securities Act of 1933, as amended, and if requested by the Corporation, the Investor shall provide an opinion of counsel of recognized standing reasonably satisfactory to the Corporation to that effect.
13. Unless otherwise agreed between the Parties and subject to Clause 7 of this Escrow Agreement, this Escrow Agreement shall terminate automatically upon the occurrence of the earlier of:
  - (i) the date that is two (2) calendar months after the Escrow Agent has informed the Parties in writing that it is deemed against Law and Regulation for the Escrow Agent to continue to act pursuant to the terms of this Escrow Agreement (provided the Escrow Agent will (i) continue, to the extent permitted by Law and Regulation, to perform its duties hereunder until termination of the Escrow Agreement and (ii) provide such cooperation as may be reasonably required by the Parties with the appointment of a successor escrow agent and appropriate payments equal to the Escrow Amount and/or any Interest to such successor escrow agent); and
  - (ii) the date that is five (5) years after the date of this Escrow Agreement, if an amount equal to the Second Tranche Price is not received by the Escrow Agent in Final Cleared Funds (and confirmed in writing by the Escrow Agent as such) as envisaged by the Escrow Agreement, unless the (amended, where applicable) terms and conditions of this Escrow Agreement have been extended prior to such date as agreed in writing by the Parties.

Upon expiration and/or termination of this Escrow Agreement, the Escrow Agent shall be released and forever discharged of any duties hereunder.

14. This Escrow Agreement constitutes the whole agreement between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter.

15. The Escrow Agent is entitled to disclose any and all information with regard to this Escrow Agreement to the extent required by:

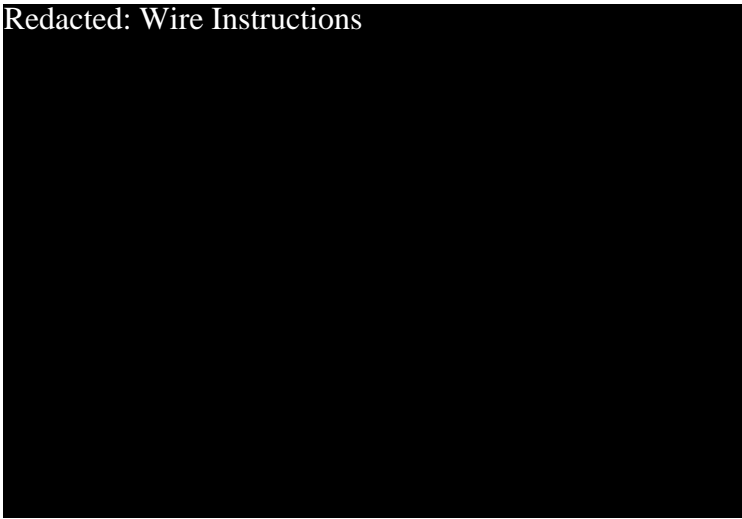
- (i) any order of any court of competent jurisdiction or any competent judicial governmental or regulatory body; or
- (ii) the rules of any listing authority or stock exchange on which its shares or the shares of any company in its group are listed or traded;
- (iii) the laws or regulations of any country with jurisdiction over its affairs;

provided that (i) the Escrow Agent provides the Parties with prior written notice of its intention to disclose such information, and (ii) the Parties are given the opportunity to defend against such disclosure to the extent they are permitted to do so pursuant to (i), (ii) and (iii) above, as applicable.

The Escrow Agent is entitled to internally distribute information with regard to this Escrow Agreement for internal marketing purposes and where this is required for the execution of its obligations hereunder.

**SCHEDULE E  
WIRE INSTRUCTIONS**

Redacted: Wire Instructions







**SCHEDULE G**  
**CONVERTIBLE SECURITIES**

The Corporation has stock options outstanding to purchase 4,342,834 Common Shares, the details of which (including the name of each option holder, the issue and expiry date of the options and the amount of the options) are set out on the following pages.

**Redacted: Optionholder Details**