

DEBT CONVERSION AGREEMENT

THIS DEBT CONVERSION AGREEMENT is dated effective the 17th December, 2012

BETWEEN:

WINSTON RESOURCES INC., a corporation incorporated under the laws of British Columbia, and its wholly owned subsidiary CNRP Mining Inc. having a place of business at 208 Queens Quay West, Suite 2506, Toronto, ON M5J 2Y5, and

(the "Debtor")

AND:

PENNY GREEN, a businessperson with an address at Suite 1820, 925 West Georgia Street, Vancouver, BC V6C 3L2

(the "Creditor")

(collectively the "Parties")

WHEREAS:

- for \$13,625*
- reduce debt to \$5,450 and*
- A. The Creditor is the owner of Bacchus Law Corporation dba Bacchus Corporate and Securities Law ("Bacchus");
 - B. The Parties wish to convert ~~\$13,625~~ in full and final settlement of all outstanding debt owing to the Creditor and Bacchus by the Debtor, (the "Debt") and to settle such debt in common shares of the Capital of the Debtor;
 - C. The Debt was in dispute between the Parties, however by this Agreement the Parties agree that the Debt is due and owing; and
 - D. The Creditor wishes to convert the Debt into common shares of the Debtor, and the Debtor wishes to accept such conversion on the terms and subject to the conditions of this Agreement

NOW THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

CONVERSION

\$0.10

The Creditor hereby converts the Debt into 54,500 common shares (the "Conversion Shares"), at a rate of ~~\$0.25~~ per share, by executing a subscription agreement attached hereto as Schedule "A" (the "Subscription Agreement"). Such conversion will eliminate the obligation of the Debtor to repay to the Creditor the Debt.

ISSUANCE

1. The Company hereby agrees to issue the Conversion Shares to the Creditor in accordance with the terms of the Subscription Agreement.

REPRESENTATIONS AND WARRANTIES

2. The Debtor represents and warrants to the Creditor that:
 - (a) the Debtor is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation;
 - (b) the Debtor has the power, authority and capacity to incur the obligations created by this Agreement and to carry out its terms;
 - (c) the execution and delivery of this Agreement by the Debtor does not violate the provisions of any law, order, rule or regulation applicable to the Debtor or constitute a breach of any agreement to which the Debtor is bound or affected; and
 - (d) the Debtor has obtained any consent or approval from any third party necessary to permit the Debtor's execution and delivery of this Agreement and the performance of the terms hereof.
3. The Creditor represents and warrants to the Debtor that:
 - (a) the Creditor is an individual acting in her personal capacity;
 - (b) the execution and delivery of this Agreement by the Creditor does not violate the provisions of any law, order, rule or regulation applicable to the Creditor or constitute a breach of any agreement to which the Creditor is bound or affected; and'
 - (c) neither the Creditor's execution and delivery of this Agreement nor the performance of the terms hereof requires any consent or approval from any third party.

GENERAL PROVISIONS

4. Time shall be of the essence of this Agreement.
5. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and be effectively given if delivered personally, sent by prepaid private courier or sent by registered mail to the addresses of the parties first provided in this Agreement. Any notice delivered personally or sent by courier service shall be deemed to have been received at the time it is delivered, and any notice sent by registered mail shall be deemed to have been received three (3) business days following the sending.

6. No alteration or amendment to this Agreement shall take effect unless it is in writing duly executed by each of the parties.
7. This Agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns. Neither the Debtor nor the Creditor may assign or transfer its rights and obligations under this Agreement without the prior written consent of the other party.
8. The provisions of this Agreement constitute the entire agreement between the parties and supersede all previous communications, representations and agreements, whether oral or written, between the parties with respect to the subject matter of this Agreement.
9. All amounts referred to in this Agreement are expressed in Canadian dollars unless otherwise stated.
10. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of British Columbia to adjudicate all matters arising hereunder.
11. This Agreement may be executed in counterparts and by facsimile, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

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



PENNY GREEN

Winston Resources Inc.



Danny Wetreich, CEO

SCHEDULE "A"

SUBSCRIPTION AGREEMENT

[See Attached]

DEBT CONVERSION SUBSCRIPTION AGREEMENT

TO: Winston Resources Inc (the "Issuer"), of 208 Queens Quay West, Toronto ON M5J 2Y5

Subject and pursuant to the terms set out in the Terms on pages 8 to 9, the General Provisions on pages 10 to 18 and the other appendices, acknowledgements, provisions and forms attached which are hereby incorporated by reference, the undersigned creditor (the "Creditor") hereby irrevocably subscribes for, and on Closing will be issued from the Issuer, the following securities in exchange for debt:

54,500 Shares at \$0.25 per Share in settlement of the Debt (as defined in the Debt Conversion Agreement dated December 17, 2012 (the "Debt Conversion Agreement") for a total purchase price of \$13,625 in payment of debt as detailed in the Debt Conversion Agreement.

GW

\$0.10

\$5,450

GW

The Creditor directs the Issuer to issue, register and deliver the certificates representing the Securities as follows, unless instructed otherwise by the Creditor:

REGISTRATION INSTRUCTIONS	DELIVERY INSTRUCTIONS
Penny Green	
Name to appear on certificate	Name and account reference, if applicable
Account reference if applicable	Contact name
Address: 1820 - 925 W. Georgia Street Vancouver, BC V6C3L2	Address
Telephone: 604.632.1700	Telephone Number

EXECUTED by the Creditor this 17th December 2012. By executing this Debt Conversion Subscription Agreement, the Creditor certifies that the Creditor and any beneficiary for whom the Creditor is acting is resident in the jurisdiction shown as the "Address of Creditor".

Accepted on 17th December, 2012

Winston Resources Inc

[Handwritten Signature]

Authorized signatory

EXECUTION BY CREDITOR:

~~Signature of individual (if Creditor is an individual)~~

Authorized signatory (if Creditor is not an individual)

PENNY GREEN

Name of beneficiary for whom Creditor is contracting (if applicable) (please print)

Address of Creditor (residence)

Address of beneficiary (if applicable)

Telephone number and e-mail address

The Issuer accepts the conversion of debt to common shares as set forth above on the terms and conditions contained in this Debt Conversion Subscription Agreement

ACCREDITED INVESTOR FORM

(Capitalized terms not specifically defined in this Form have the meaning ascribed to them in the Debt Conversion Subscription Agreement to which this Form is attached.)

In connection with the execution of the Debt Conversion Subscription Agreement to which this Form is attached, the undersigned (the "Creditor") represents and warrants to the Issuer that the Creditor satisfies one or more of the categories indicated below (please place an "X" on the appropriate lines):

- Category 1 a Canadian financial institution, or a Schedule HI bank
- Category 2 the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada)
- Category 3 a subsidiary of any person referred to in Category 1 or 2, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary
- Category 4 a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador)
- Category 5 an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in Category 4
- Category 6 the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada
- Category 7 a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité* de gestion de la taxe scolaire de Tile de Montreal or an intermunicipal management board in Quebec
- Category 8 any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government
- Category 9 a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada
- Category 10 an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$ 1,000,000
- Category 11 an individual whose net income before taxes exceeded \$200,000 in each of the two (2) most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two (2) most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year
- Category 12 an individual who, either alone or with a spouse, has net assets of at least \$5,000,000
- Category 13 a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements
- Category 14 an investment fund that distributes or has distributed its securities only to
 - (a) a person that is or was an accredited investor at the time of the distribution;
 - (b) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 of National Instrument 45-106 [*Minimum amount investment*], and 2.19 of National Instrument 45-106 [*Additional investment in investmentfunds*]; or
 - (c) a person described in paragraph (a) or (b) that acquires or acquired securities under section 2.18 of National Instrument 45-106 [*Investmentfund reinvestment*]

- _Category 15 an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt
- Category 16 a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be
- Category 17 a person acting on behalf of a fully managed account managed by that person, if that person
- (a) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and
 - (b) in Ontario, is being issued a security that is not a security of an investment fund
- Category 18 a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded
- Category 19 an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in Categories 1 to 4 or Category 9 in form and function
- Category 20 a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors
- Category 21 an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser
- .Category 22 a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as
- (a) an accredited investor; or
 - (b) an exempt purchaser in Alberta or British Columbia after National Instrument 45-106 came into force

The statements made in this Form are true and accurate as of the date of signing and will be true and accurate as of the Closing Date. If any such representations and warranties shall cease to be true and accurate at any time prior to Closing, the Creditor will promptly notify the Issuer.

Dated

Name of Creditor (please print)

hereof

- (a) "accredited investor" means a person who meets the criteria in any of the above categories;
 - (b) "Canadian financial institution" means:
 - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
 - (c) "eligibility adviser" means
 - (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed; and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
 - (d) "financial assets" means
 - (i) cash, (ii) securities, or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
 - (e) "fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
 - (f) "investment fund" means a mutual fund or a non-redeemable investment fund, and, for great certainty in British Columbia, includes an employee venture capital corporation and a venture capital corporation as such terms are defined in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
 - (g) "non-redeemable investment fund" means an issuer
 - (i) whose primary purpose is to invest money provided by its securityholders; (ii) that does not invest
 - (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
 - (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
 - (iii) that is not a mutual fund; (h)
- "person" includes
- (i) an individual; (ii) a corporation; (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (i) "related liabilities" means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets;
 - (j) "Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

- (k) "spouse" means, an individual who,
 - (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (l) "subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

CORPORATE PLACEE REGISTRATION FORM

Where creditors to a Debt Conversion are not individuals, the following information about the placee must be provided if such creditors will hold more than 5% of the Issuer's issued and outstanding Shares on a upon completion of the Debt Conversion.

Information in this Form will be provided to the CNSX. If as a result of the Debt Conversion, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a CNSX Personal Information Form or, if applicable, Declarations, with the CNSX.

1. Placee Information:

(a) Name: ____

(b) Complete Address:.

(c) Jurisdiction of Incorporation or Creation:.

(a) Is the Placee purchasing securities as a portfolio manager (Yes/No)? _

(b) Is the Placee carrying on business as a portfolio manager outside of Canada (Yes/No)? _____

3. If the answer to 2(b) above was "Yes", the undersigned certifies that:

(a) it is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;

(b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in _____ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;

(c) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;

(d) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and

(e) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.

4. If the answer to 2(a). above was "No", please provide the names and addresses of control persons of the Control Persons of the Placee:

Name	City	Province or State	Country

* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated at _____ on _____, 2012.

Authorized Signature

PENNY GREEN

Acknowledgement - Personal Information

"Personal Information" means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the CNSX (as defined in Appendix 6B) pursuant to this Form; and
- (b) the collection, use and disclosure of Personal Information by the CNSX for the purposes described in Appendix 6B or as otherwise identified by the CNSX, from time to time.

Dated at _____ on December 17, 2012

PENNY GREEN

THIS IS NOT A PUBLIC DOCUMENT

TERMS

Reference date of this Debt Conversion Subscription Agreement	December 17, 2012 (the "Agreement Date")
The Debt Conversion	
The Issuer Conversion of Debt	Winston Resources Inc. (the "Issuer") The Creditor is converting debt for shares of the Issuer (the "Shares") as provided in the Debt Conversion Agreement dated December 17, 2012 between the Issuer and the Creditor.
Securities	The "Securities" are Common Shares, (the "Shares").
Warrants	N/A
Condition to Closing	As provided in the Debt Conversion Agreement.
Exemptions	The debt conversion will be made in accordance with the following exemption from the prospectus requirements: (a) the "2.5 Family, friends and business associates" exemption found in section 2.5 of National Instrument 45-106 <i>Prospectus and Registration Exemptions</i> ;
Resale restrictions and legends	The Securities will be subject to a twelve month hold period that starts to run on Closing. The Creditor acknowledges that the certificates representing the Securities will bear the following legend: "Unless permitted under securities legislation, the holder of this security must not trade the security before December 18, 2013." The Issuer agrees that the Securities will bear no legends other than as set out herein. Creditors are advised to consult with their own legal counsel or advisors to determine the resale restrictions that may be applicable to them.
Closing Date	Payment for, and delivery of, the Shares is scheduled to occur on the Closing Date set out in the Debt Conversion Agreement.
Additional definitions	In the Debt Conversion Subscription Agreement, the following words have the following meanings unless otherwise indicated: (a) "Securities" means the Shares issued under this Debt Conversion Subscription Agreement;

The Issuer

Jurisdiction of organization

The Issuer is incorporated under the laws of British Columbia.

Stock exchange listings

Shares of the Issuer are listed on the Canadian National Stock Exchange (the "CNSX").

End of Terms

GENERAL PROVISIONS 1

DEFINITIONS

1.1 In the Debt Conversion Subscription Agreement (including the first (cover) page, the Terms on pages 8 to 9, the General Provisions on pages 10 to 18 and the other appendices, acknowledgements, provisions and forms incorporated by reference), the following words have the following meanings unless otherwise indicated:

- (a) "1933 Act" means the United States *Securities Act* of 1933, as amended;
- (b) "Applicable Legislation" means, as applicable, the securities laws, regulations, rules, rulings and orders in the Selling Jurisdiction in Canada and in jurisdictions where the Issuer is a reporting issuer and all applicable administrative policy statements issued by the securities regulatory authorities in each of the Selling Jurisdiction in Canada and in jurisdictions where the Issuer is a reporting issuer together with the applicable rules and policies of the CNSX;
- (c) "Closing" means the completion of the conversion of debt for the Securities;
- (d) "Closing Date" has the meaning assigned in the Terms;
- (e) "Commissions" means the securities regulatory authorities in the Selling Jurisdiction in Canada and in jurisdictions where the Issuer is a reporting issuer;
- (f) "Debt Conversion" means the conversion of debt by the Creditor into Securities of the Issuer as provided in the Debt Conversion Agreement.
- (g) "Debt Conversion Agreement" means the agreement to convert debt between the Creditor and the Issuer dated February ^{vjk}2012-;
- (h) "Exchange" has the meaning assigned in the Terms;
- (i) "Final Closing" means the last closing under the Debt Conversion Subscription Agreement;
- (j) "General Provisions" means those portions of the Debt Conversion Subscription Agreement headed "General Provisions" and contained on pages 10 to 18;
- (k) "Person" means an individual, corporation, partnership, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law;
- (l) "Personal Information" means any information about an identifiable individual, and includes information provided by the Creditor in this Debt Conversion Subscription Agreement;
- (m) "Promoter" means a Person who:
 - (i) acting alone or in concert with one or more other Persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Issuer; or
 - (ii) in connection with the founding, organization or substantial reorganization of the business of the Issuer, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Issuer's own securities or 10% or more of the proceeds from the sale of a class of the Issuer's own securities of a particular issue,
 but does not include a Person who:
 - (iii) receives securities or proceeds referred to in paragraph (ii) solely

- (A) as underwriting commissions; or
- (B) in consideration for property; and
- (iv) does not otherwise take part in founding, organizing or substantially reorganizing the business;
- (n) "Securities" has the meaning assigned in the Terms;
- (o) "Regulation S" means Regulation S promulgated under the 1933 Act;
- (p) "Regulatory Authorities" means the Commissions and the CNSX;
- (q) "Securities" has the meaning assigned in the Terms;
- (r) "Selling Jurisdiction" means British Columbia;
- (s) "Subscription Agreement" means the first (cover) page, the Terms on pages 8 to 9, the General Provisions on pages 10 to 18 and the other appendices, acknowledgements, provisions and forms incorporated by reference;
- (t) "Terms" means those portions of the Debt Conversion Subscription Agreement headed "Terms" and contained on pages 8 to 9; and
- (u) "Voting Holder" means a Person holding securities carrying more than 10% of the voting rights attached to the Issuer's securities both immediately before and after the Debt Conversion, and have elected or appointed or have the right to elect or appoint one or more directors of the Issuer.

12 In the Debt Conversion Subscription Agreement, the following terms have the meanings defined in Regulation S: "U.S. Person" and "United States".

13 In the Debt Conversion Subscription Agreement, unless otherwise specified, currencies are indicated in Canadian dollars.

1.4 In the Debt Conversion Subscription Agreement, other words and phrases that are capitalized have the meaning assigned in the Debt Conversion Subscription Agreement.

2 REPRESENTATIONS AND WARRANTIES OF THE CREDITOR

2.1 Acknowledgements concerning the Debt Conversion

The Creditor acknowledges that:

- (a) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities;
- (b) there is no government or other insurance covering the Securities;
- (c) there are risks associated with the ownership of the Securities and the Creditor is knowledgeable or experienced in business and financial matters and is capable of evaluating the merits and risks of an investment in the Securities and is capable of bearing the economic risk of the investments;
- (d) there are restrictions on the Creditor's ability to resell the Securities and it is the responsibility of the Creditor to find out what those restrictions are and to comply with them before selling the Securities;

- (e) the Issuer has advised the Creditor that the Issuer is relying on an exemption from the requirements to provide the Creditor with a prospectus and to sell securities through a person registered to sell securities under the Applicable Legislation and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Applicable Legislation, including, in most circumstances, statutory rights of rescission or damages, will not be available to the Creditor;
- (f) no prospectus has been or is intended to be filed by the Issuer with the Commissions in connection with the issuance of the Securities, the issuance is intended to be exempted from the prospectus and registration requirements of the Applicable Legislation and as a consequence of acquiring the Securities pursuant to these exemptions:
 - (i) the Creditor is restricted from using most of the civil remedies available under the Applicable Legislation;
 - (ii) the Creditor may not receive information that would otherwise be required to be provided to the Creditor under the Applicable Legislation; and
 - (iii) the Issuer is relieved from certain obligations that would otherwise apply under the Applicable Legislation;
- (g) the Securities have not been registered under the 1933 Act and may not be offered or sold in the United States unless registered under the 1933 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and the Issuer has no obligation or present intention of filing a registration statement under the 1933 Act in respect of the Securities or any of the Securities; and
- (h) the Creditor acknowledges that the Issuer's counsel is acting as counsel to the Issuer, and not as counsel to the Creditor.

2.2 Representations by all Creditors

The Creditor represents and warrants to the Issuer that, as at the Agreement Date and as at the Closing Date:

- (a) if the Creditor is a resident of Canada, the Creditor complies with one of the following:
 - (i) the Creditor is receiving the Securities as principal or is deemed to be receiving the Securities as principal in accordance with Applicable Legislation and meets the definition of "accredited investor" as such term is defined under National Instrument 45-106 *Prospectus and Registration Exemptions* and has completed and signed the Accredited Investor Form which begins on page 2.
- (b) the Creditor is not a person created or used solely to hold securities in order to comply with an exemption from the prospectus requirements of Applicable Legislation and if the Creditor is not an individual, it pre-existed the Offering and has a bona fide purpose other than investment in the Securities;
- (c) in the case of the receipt by the Creditor of the Securities as agent or trustee for any principal, the Creditor is the duly authorized trustee or agent of such beneficiary with due and proper power and authority to execute and deliver, on behalf of each such beneficiary, this Debt Conversion Subscription Agreement and all other documentation in connection with the delivery of the Securities hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficiary were the Creditor and is subscribing as principal for its own account and not for the benefit of any other person for investment only and not for resale and the Creditor's actions as trustee or agent are in compliance with applicable law and the Creditor and each beneficiary acknowledges that the Issuer may be required by law to disclose to certain regulatory authorities the identity of each beneficiary of Securities for whom it may be acting;

- (d) the Creditor and any beneficiary for whom it is acting is resident in the jurisdiction set out on the execution page of this Debt Conversion Subscription Agreement, such address was not created and is not used solely for the purpose of acquiring the Securities and the Creditor was solicited to purchase in such jurisdiction;
- (e) the Creditor has properly completed, executed and delivered the applicable form(s) set forth herein and such forms contain information about the Creditor that is true and accurate as of the date of signing and will be true and correct as at the Closing Date;
- (f) the Creditor has not received, nor has the Creditor requested, nor does the Creditor have any need to receive, any offering memorandum, or any other document describing the business and affairs of the Issuer in order to assist the Creditor in making an investment decision in respect of the Securities and the Creditor has not become aware of any advertisement in printed media of general and regular paid circulation, radio or television with respect to the distribution of the Securities;
- (g) no person has made to the Creditor any written or oral representations:
 - (i) that any person will resell or repurchase the Securities;
 - (ii) that any person will refund the amount of debt converted to the Securities;
 - (iii) as to the future price or value of any of the Securities; or
 - (iv) that any of the Securities 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 for trading on any stock exchange, other than the Shares and Warrant Shares on the CNSX;
- (h) if the Creditor is:
 - (i) a corporation, the Creditor is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Debt Conversion Subscription Agreement, to subscribe for the Securities as contemplated herein and to carry out and perform its covenants and obligations under the terms of this Debt Conversion Subscription Agreement and the entering into of this Debt Conversion Subscription Agreement and the transactions contemplated hereby will not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, the Creditor or of any agreement, written or oral, to which the Creditor may be a party or by which the Creditor is or may be bound;
 - (ii) a partnership, syndicate or other form of unincorporated organization, the Creditor has the necessary legal capacity and authority to execute and deliver this Debt Conversion Subscription Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof; or
 - (iii) an individual, the Creditor has the legal capacity and competence to enter into and to execute this Debt Conversion Subscription Agreement and to observe and perform his or her covenants and obligations hereunder;
- (i) this subscription has not been solicited in any other manner contrary to the Applicable Legislation or the 1933 Act;
- (j) the Creditor has been advised to consult its own legal and tax advisors with respect to applicable resale restrictions and tax considerations, and it is solely responsible for compliance with applicable resale restrictions and applicable tax legislation;

- (k) the Creditor has no knowledge of a "material fact" or "material change" (as those terms are defined in the Applicable Legislation) in the affairs of the Issuer that has not been generally disclosed to the public, except knowledge of this particular transaction;
- (l) the offer made by this subscription is irrevocable (subject to the Creditor's right to withdraw the subscription and to terminate the obligations as set out in this Debt Conversion Subscription Agreement) and requires acceptance by the Issuer and approval of the CNSX;
- (m) the Creditor is not a "control person" of the Issuer as defined in the Applicable Legislation, will not become a "control person" by virtue of this subscription for the Securities and does not intend to act in concert with any other person to form a control group of the Issuer;
- (n) the offer was not made to the Creditor when the Creditor was in the United States and, at the time of entering into this Debt Conversion Subscription Agreement, the Creditor was outside the United States;
- (o) the Creditor is not a U.S. Person;
- (p) the Creditor is not and will not be receiving Securities for the account or benefit of any U.S. Person;
- (q) if the Creditor is a resident of an International Jurisdiction (which is defined herein to mean a country other than Canada or the United States), then the Creditor on its own behalf and, if applicable on behalf of others for whom it is hereby acting that:
 - (i) the Creditor is knowledgeable of, or has been independently advised as to, the International Securities Laws (which is defined herein to mean, in respect of each and every offer or sale of Securities, any securities laws having application to the Creditor and the Debt Conversion other than the laws of Canada and the United States and all regulatory notices, orders, rules, regulations, policies and other instruments incidental thereto) which would apply to this subscription, if any;
 - (ii) the Creditor is being issued the Securities pursuant to an applicable exemption from any prospectus, registration or similar requirements under the International Securities Laws of that International Jurisdiction, or, if such is not applicable, the Creditor is permitted to be issued the Securities under the International Securities Laws of the International Jurisdiction without the need to rely on exemptions;
 - (iii) the subscription by the Creditor does not contravene any of the International Securities Laws applicable to the Creditor and the Issuer and does not give rise to any obligation of the Issuer to prepare and file a prospectus or similar document or to register the Securities or to be registered with any governmental or regulatory authority;
 - (iv) the International Securities Laws do not require the Issuer to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction; and
 - (v) the Securities are being acquired for investment purposes only and not with a view to resale and distribution, and the distribution of the Securities to the Creditor by the Issuer complies with all International Securities Laws;
- (r) this Debt Conversion Subscription Agreement has been duly executed and delivered by the Creditor and constitutes a legal, valid and binding agreement of the Creditor enforceable against the Creditor;
- (s) the Creditor has been independently advised as to the applicable hold period imposed in respect of the Securities by securities legislation in the jurisdiction in which the Creditor resides and

confirms that no representation has been made respecting the applicable hold periods for the Securities and acknowledges that the hold period indicated in the Terms does not constitute such representation and is aware of the risks and other characteristics of the Securities and of the fact that the Creditor may not be able to resell the Securities except in accordance with the applicable securities legislation and regulatory policies;

- (t) the Creditor is capable of assessing the proposed investment as a result of the Creditor's financial and business experience or as a result of advice received from a registered person other than the Issuer or any affiliates of the Issuer;
- (u) if required by applicable securities legislation, policy or order or by any securities commission, stock exchange or other regulatory authority, the Creditor will execute, deliver, file and otherwise assist the Issuer in filing, such reports, undertakings and other documents with respect to the issuance of the Securities as may be required; and
- (v) the funds representing the aggregate subscription price for the Securities which will be advanced by the Creditor hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the Creditor acknowledges that the Issuer may in the future be required by law to disclose the Creditor's name and other information relating to this Debt Conversion Subscription Agreement and the Creditor's subscription hereunder, on a confidential basis, pursuant to such Act To the best of its knowledge: (a) none of the subscription funds to be provided by the Creditor (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Creditor; and (b) the Creditor shall promptly notify the Issuer if the Creditor discovers that any of such representations ceases to be true, and to provide the Issuer with appropriate information in connection therewith.

2.3 Reliance, indemnity and notification of changes

The representations and warranties in the Debt Conversion Subscription Agreement (including the first (cover) page, the Terms on pages 8 to 9, the General Provisions on pages 10 to 18 and the other appendices, acknowledgements, provisions and forms incorporated by reference) are made by the Creditor with the intent that they be relied upon by the Issuer in determining each creditor's suitability to convert their debt to Securities, and the Creditor hereby agrees to indemnify the Issuer against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur as a result of reliance thereon. The Creditor undertakes to notify the Issuer immediately of any change in any representation, warranty or other information relating to the Creditor set forth in the Debt Conversion Subscription Agreement (including the first (cover) page, the Terms on pages 8 to 9, the General Provisions on pages 10 to 18 and the other appendices, acknowledgements, provisions and forms incorporated by reference) which takes place prior to the Closing.

2.4 Survival of representations and warranties

The representations and warranties contained in this Section will survive the Closing. 3

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

3.1 Incorporation by reference from Debt Conversion Agreement

The Issuer hereby makes in favour of the Creditor the representations and warranties of the Issuer contained in the Debt Conversion Agreement.

3.2 Survival of representations and warranties

The representations and warranties contained in this Section will survive the Closing.

4 WITHDRAWAL OF SUBSCRIPTION

The Creditor reserves the right to withdraw this subscription and to terminate its obligations hereunder at any time before Closing if the Issuers terminates its obligations with respect to the Debt Conversion under the Debt Conversion Agreement and shall notify the Issuer of the withdrawal or termination of this subscription in accordance with the provisions of the Debt Conversion Agreement.

5 PERSONAL INFORMATION

The Creditor provides its consent to:

- (a) the disclosure of Personal Information by the Issuer to the CNSX, to the Ontario Securities Commission and to any other applicable securities regulatory authorities, the Issuer's registrar and transfer agent, legal counsel and any other party involved in the conversion of debt for the Securities;
- (b) the collection, use and disclosure of Personal Information by the CNSX for the purposes described in Appendix 1, or as otherwise identified by the CNSX, from time to time; and
- (c) the collection, use and disclosure of Personal Information by the Commissions for the purposes described in Appendix 1.

6 ISSUER'S ACCEPTANCE

This Debt Conversion Subscription Agreement, when executed by the Creditor, and delivered to the Issuer, will constitute a subscription for the Securities which will not be binding on the Issuer until accepted by the Issuer by executing this Debt Conversion Subscription Agreement in the space provided on the face page(s) of this Debt Conversion Subscription Agreement and, notwithstanding the Agreement Date, if the Issuer accepts the subscription by the Creditor, this Debt Conversion Subscription Agreement will be entered into on the date of such execution by the Issuer.

7 CLOSING

7.1 The Creditor acknowledges that, although Securities may be issued to other creditors entering into debt conversion agreements or private placements concurrently with the Closing, there may be other conversion of debt or sales of securities resulting in issuances of Securities, some or all of which may close before or after the Closing. The Creditor further acknowledges that there is a risk that insufficient funds may be raised by the Issuer to fund the Issuer's objectives and that further closings may not take place after the Closing.

7.2 On or before the end of the fifth business day before the Closing Date, the Creditor will deliver to the Issuer the Debt Conversion Subscription Agreement and all applicable acknowledgements, provisions and required forms, duly executed.

7.3 Within five business days of the Closing, the Issuer will deliver to the Creditor the certificates representing the Securities pursuant to the Debt Conversion Agreement entered into by the Creditor registered in the name of the Creditor or its nominee, as directed by the Creditor.

8 MISCELLANEOUS

8.1 The Creditor agrees to sell, assign or transfer the Securities only in accordance with the requirements of applicable securities laws and any legends placed on the Securities as contemplated by the Debt Conversion Subscription Agreement

8.2 The Creditor hereby authorizes the Issuer to correct any minor errors in, or complete any minor information missing from any part of the Debt Conversion Subscription Agreement and any other acknowledgements, provisions, forms, certificates or documents executed by the Creditor and delivered to the Issuer in connection with the Debt Conversion Agreement.

8.3 The Issuer may rely on delivery by fax marine or email of an executed copy of this debt conversion subscription, and acceptance by the Issuer of such faxed or e-mailed copy will be equally effective to create a valid and binding agreement between the Creditor and the Issuer in accordance with the terms of the Debt Conversion Subscription Agreement. If less than a complete copy of this Debt Conversion Subscription Agreement is delivered to the Issuer at Closing, the Issuer and its advisors are entitled to assume that the Creditor accepts and agrees to all of the terms and conditions of the pages not delivered at Closing unaltered.

8.4 Without limitation, this subscription and the transactions contemplated by this Debt Conversion Subscription Agreement are conditional upon and subject to the Issuer's having obtained such regulatory approval of this Debt Conversion and the transactions contemplated by this Debt Conversion Subscription Agreement as the Issuer considers necessary.

8.5 This Debt Conversion Subscription Agreement is not assignable or transferable by the parties hereto without the express written consent of the other party to this Debt Conversion Subscription Agreement

8.6 Time is of the essence of this Debt Conversion Subscription Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

8.7 Except as expressly provided in this Debt Conversion Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for in this Debt Conversion Subscription Agreement, this Debt Conversion Subscription Agreement contains the entire agreement between the parties with respect to the Securities and there are no other terms, conditions, representations or warranties whether expressed, implied, oral or written, by statute, by common law, by the Issuer, or by anyone else.

8.8 The parties to this Debt Conversion Subscription Agreement may amend this Debt Conversion Subscription Agreement only in writing.

8.9 This Debt Conversion Subscription Agreement enures to the benefit of and is binding upon the parties to this Debt Conversion Subscription Agreement and their successors and permitted assigns.

8.10 A party to this Debt Conversion Subscription Agreement will give all notices to or other written communications with the other party to this Debt Conversion Subscription Agreement concerning this Debt Conversion Subscription Agreement by hand, by courier or by registered mail addressed to the address given on page 1.

8.11 The contract arising out of this Debt Conversion Subscription Agreement and all documents relating thereto, have been or will be drafted in English only by common accord among the parties. Le soussigné reconnaît par les présentes qu'il exige que le contrat résultant de cette convention de souscription ainsi que tous documents y afférents soient rédigés en langue anglaise seulement.

8.12 This Debt Conversion Subscription Agreement is to be read with all changes in gender or number as required by the context.

8.13 This Debt Conversion Subscription Agreement will be governed by and construed in accordance with the internal laws of British Columbia (without reference to its rules governing the choice or conflict of laws), and the parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of British Columbia with respect to any dispute related to this Debt Conversion Subscription Agreement.

End of General Provisions