

DATED

APRIL 18, 2024

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**HERCULES RESOURCES CORP.**

- and -

**CRESCITA CAPITAL LLC**

**AMENDED AND RESTATED  
INVESTMENT AND ADVISORY AGREEMENT**

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## INVESTMENT AND ADVISORY AGREEMENT

**THIS AGREEMENT** is made effective as of the 18th day of April, 2024 (the “**Effective Date**”).

### **BETWEEN:**

**HERCULES RESOURCES CORP.**, a company incorporated under the laws of the Province of British Columbia having an office at 820-1130 W Pender St, Vancouver, British Columbia, Canada V6E 4A4

(the “**Company**”)

### **AND:**

**CRESCITA CAPITAL LLC**, (together with its permitted successors and assigns), a company incorporated under the laws of the UAE, having an office at Sharjah Media City, Al Messaned, Sharjah, UAE

(the “**Investor**”)

### **WHEREAS:**

A. The Company is a mineral exploration company involved in the identification, acquisition and exploration of mineral properties located in Ecuador and globally, and is a reporting issuer in good standing in British Columbia, Alberta and Ontario, and its Common Shares (as defined herein) are listed for trading on the Exchange (as defined herein);

B. The Investor is an investment and advisory firm that provides strategic investments to mineral exploration companies to fund acquisition, exploration and development and that also provides advisory services to such companies with respect to the development of their business, strategic mergers and acquisitions and going public transactions;

C. The Company engaged the Investor to provide the Services (as defined herein) and to secure financing by way of the Commitment from the Investor (as defined herein), all on the terms and subject to the conditions set out in an Investment and Advisory Agreement dated as of April 8, 2024 (the “**Original Agreement**”); and

D. The Parties wish to enter into this Agreement to amend and restate the terms and conditions of the Original Agreement, and to have the terms and conditions of this Agreement govern the provision of the Services by the Investor to the Company and the Commitment being made by the Investor to the Company.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants, agreements, representations and warranties hereinafter set forth and other good and valuable consideration, the Parties hereto agree as follows:

## 1. DEFINITIONS

### 1.1 Defined Terms

The following terms used in this Agreement shall, unless the context otherwise requires, bear the following meanings:

<b>“1933 Act”</b>	means the United States Securities Act of 1933, as amended;
<b>“Acceptance Notice”</b>	shall have the meaning given in clause 6.2(d);
<b>“Acceptance Period”</b>	shall have the meaning given in clause 6.2(b);
<b>“Accredited Investor Certificate”</b>	means a certificate of a senior officer of the Investor in substantially the form provided at Exhibit G hereto confirming that the Accredited Investor Representations are true and correct as of the relevant date;
<b>“Accredited Investor Exemption”</b>	means the exemption in Section 2.3 of NI 45-106;
<b>“Accredited Investor Representations”</b>	means the representations from the Investor that it is (i) an “accredited investor” (as such term is defined in NI 45-106) and, specifically, is a person, other than an individual or investment fund, that has net assets of at least CDN\$5,000,000 as shown on its most recently prepared financial statements; and (ii) acquiring Securities as principal for its own account;
<b>“Additional Commitment”</b>	shall have the meaning given in clause 3.2;
<b>“Additional Commitment Fee”</b>	shall have the meaning given in clause 4.2;
<b>“Affiliate”</b>	has the meaning given to such term in the Securities Act;
<b>“Applicable Securities Laws”</b>	means the applicable securities laws in the Province of British Columbia and such other provinces or territories in which the Company may become a reporting issuer, and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Applicable Securities Regulator in such provinces and territories, and the Listing Rules;
<b>“Applicable Securities Regulators”</b>	means the securities commissions or securities regulatory authorities in the Province of British Columbia and such other jurisdictions of Canada in which the Company becomes a reporting issuer;

<b>“Bloomberg”</b>	means Bloomberg Financial Markets;
<b>“Business Day”</b>	means any day (except any Saturday or Sunday) on which banks in Vancouver, British Columbia are generally open for business and in respect of the calculation of time for payment of any funds hereunder by the Investor will be any day on which commercial banks in Dubai, United Arab Emirates are open for business;
<b>“CDN”</b>	means the lawful currency of Canada;
<b>“CEO”</b>	shall have the meaning given in clause 2.1(b);
<b>“Claim”</b>	means any claim, demand, complaint, action, grievance, proceeding, investigation, suit, cause of action, assessment or reassessment, charge, judgment, order, writ, injunction, decree, debt, liability, expense, cost, damage or loss, contingent or otherwise, judicial, administrative or otherwise (including legal fees on a solicitor and his or her own client basis and other professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding);
<b>“Closing Date”</b>	means the date on which the Investor will make the Commitment effective and on which the Company will pay the Fee to the Investor which date is five (5) Business Days following the Effective Date or such other date as mutually agreed to by the Parties, which date shall be on or before April 30, 2024 unless otherwise agreed to in writing by the Parties;
<b>“Closing Price”</b>	means, for the Common Shares as of any date, the last closing bid price for such shares on the Exchange as reported by Bloomberg or, if no such closing price is reported for such shares by Bloomberg, the last such closing bid price of such shares that is reported by the Exchange;
<b>“Commitment”</b>	means a non-revolving equity drawdown facility in the aggregate amount of up to CDN\$5,000,000 made available by the Investor to the Company, and as reduced from time to time by the amount of any Equity Drawdown Amount that is funded;
<b>“Commitment Period”</b>	means the period commencing on the Effective Date and expiring on the earlier of (i) the date that is three (3) years from the Closing Date, (ii) the date on which the balance of the

Commitment is reduced to nil, or (iii) the date on which this Agreement is terminated in accordance with its terms;

- “Common Shares”** means fully-paid and non-assessable Common Shares in the capital of the Company;
- “Company”** shall have the meaning given in the Recitals;
- “Compensation”** shall have the meaning given in Section 2.2;
- “Consultant Certificate”** means a certificate of a senior officer of the Investor substantially in the form provided at Exhibit H hereto confirming that the Consultant Representations are true and correct as of the relevant date;
- “Consultant Exemption”** means the exemption in Section 2.24 of NI 45-106;
- “Consultant Representations”** means collectively the representations of the Company given in Section 7.1(k) and the representations of the Investor given in Section 7.2(g);
- “Daily Trading Volume”** means, with respect to any Trading Day, the trading volume of the Common Shares on the Exchange, as reported by Bloomberg; provided that block trades as reported by Bloomberg and single trades of 50,000 Common Shares or more, commonly known as single account cross trades, shall be disregarded for the purpose of calculating such trading volume;
- “Drawdown Date”** shall have the meaning given in clause 6.3;
- “Drawdown Closing”** means the completion of an equity drawdown pursuant to this Agreement by the Investor paying the Equity Drawdown Amount to the Company and the Company issuing Drawdown Units to the Investor on a private placement basis in consideration for the Equity Drawdown Amount;
- “Drawdown Share”** means a Common Share which is allotted and issued to the Investor as part of a Drawdown Unit on a Drawdown Closing;
- “Drawdown Unit”** means a unit of the Company which is comprised of one Drawdown Share and one half of a Drawdown Warrant;
- “Drawdown Warrant”** means one whole common share purchase warrant which is exercisable into one Common Share for a period of three years from the issue date of the Drawdown Warrant upon payment of the Drawdown Warrant Exercise Price, subject to the terms



and conditions of the Drawdown Warrant as represented by a certificate substantially in the form of the Warrant Certificate;

- “Drawdown Warrant Exercise Price”** the exercise price of each Drawdown Warrant, with such exercise price being established at the time the Drawdown Warrant is issued and such exercise price being equal, subject to the Warrant Exercise Price Adjustment and any other adjustments set out in the Warrant Certificate, to the greater of: (i) 125% of the Subscription Price for the Drawdown Unit which includes the subject Drawdown Warrant, and (ii) the Exchange Minimum Price;
- “Effective Date”** means the date first written above;
- “Equity Drawdown Amount”** means the amount to be paid by the Investor to the Company, from time to time, pursuant to the relevant Equity Drawdown Notice and Acceptance Notice, which Equity Drawdown Amounts will, from time to time on funding, reduce the outstanding amount of the Commitment and which Equity Drawdown Amount is equal to the product of the Subscription Price multiplied by the Subscription Number;
- “Equity Drawdown Notice”** means a notice completed by the Company at any time during the Commitment Period and submitted to the Investor in the form attached hereto as Exhibit A, to which is attached written evidence satisfactory to the Investor of the Exchange its acceptance or its rejection of the subscription for or issuance of Drawdown Units contemplated by the notice;
- “Equity Drawdown Maximum”** means the maximum number of Drawdown Units represented by a Subscription Number, which cannot be greater than 500% of the average Daily Trading Volume for the ten (10) Trading Days immediately preceding the date of the Equity Drawdown Notice;
- “Exchange”** means the Canadian Securities Exchange or such other recognized Canadian stock exchange on which the Common Shares may become listed for trading;
- “Exchange Objection”** means a written objection of the Exchange to any transaction or payment contemplated by this Agreement which is received by the Company prior to the date for completion of such transaction or payment;

<b>“Exchange Minimum Price”</b>	means the minimum price permitted by the policies of the Exchange on the applicable Drawdown Date;
<b>“Excluded Period”</b>	means the Pricing Period during which the VWAP is 150% higher than the VWAP for the thirty (30) consecutive Trading Days prior to the commencement of such Pricing Period;
<b>“Expenses”</b>	has the meaning given in clause 2.2;
<b>“Fee”</b>	has the meaning given in clause 4.1;
<b>“Free Trading Conditions”</b>	has the meaning given in clause 4.3(a);
<b>“Governmental Entity”</b>	means any applicable (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange, including the Exchange;
<b>“Group”</b>	means the Company and its Subsidiaries collectively and any corporate or entity which directly or indirectly controls or is under common control with the Company, collectively;
<b>“Hold Period Waiver”</b>	means the approval of the Exchange for the issuance of Securities by the Company to the Investor pursuant to the Consultant Exemption without a hold period of four months and one day;
<b>“Initial Consulting Fee”</b>	means the initial consulting fee in the amount of CAD\$2,500 to be paid by the Company to the Investor in consideration for the Services rendered by the Investor to the Company prior to entry into of this Agreement;
<b>“Investor”</b>	has the meaning given in the Recitals, and includes any successors and assigns of the Investor;
<b>“Knockout Day”</b>	means any Trading Day during an Acceptance Period: (a) on which: (i) the amount equal to 50% of the VWAP is less than the applicable Minimum Acceptable Price or (ii) the Common

Shares are not traded on the Exchange; or (b) in respect of which the Investor makes an election in accordance with clause 6.2(e);

**“Lien”** with respect to any asset, any mortgage, lien, pledge, encumbrance, charge, hypothec or security interest of any kind in or on such asset or the revenues or income therefrom save in so far as they arise or are created by operation of law or in the normal course of trading;

**“Listing”** means the admission to listing (if applicable) on the Exchange and any applicable official list and trading on the Exchange, and the terms **“List”** and **“Listed”** shall be construed accordingly;

**“Listing Rules”** means the rules and policies of the Exchange applicable to a Listed company from time to time;

**“Material Adverse Event”** means any event or series of events which has led or may reasonably be expected to lead to (a) any material adverse effect on the business, operations, properties or financial condition or prospects of the Group, taken as a whole, (b) any condition, circumstance or situation that would prohibit any member of the Group from performing or otherwise materially interfere with the authority or ability of any member of the Group to perform its obligations under or in respect of this Agreement or the Common Shares, (c) the Common Shares ceasing to be Listed, or (d) the Listing of the Common Shares, or trading in Common Shares on the Exchange, being suspended or halted in connection with a cease trade order for a period of more than thirty (30) days;

**“Minimum Acceptable Price”** means a price set by the Company in each Equity Drawdown Notice below which the Company does not wish to issue Common Shares pursuant to such Equity Drawdown Notice, which Minimum Acceptable Price may be different in each Equity Drawdown Notice;

**“Money Laundering Laws”** has the meaning ascribed to the term at section 7.1(l);

**“NI 45-106”** means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as may be amended from time to time;

**“Person”** means an individual or a corporation, a general or limited partnership, a trust, an incorporated or unincorporated

association, a joint venture, a limited liability company, a limited liability partnership, a joint stock company, a government (or an agency or political subdivision thereof) or any other entity of any kind;

**“Pricing Approval”**

means the written approval of the Exchange for a Set Price that is less than the Exchange Minimum Price;

**“Pricing Exception”**

means the pricing exceptions which apply to the Subscription Price are as follows:

- (a) if the closing bid price on any Trading Day in the Pricing Period is a Sub Threshold Price, then the Equity Drawdown Amount will be reduced by 10% and the Investor’s payment obligation will be in relation to 90% of the Equity Drawdown Amount and the Sub Threshold Price will be removed from the calculation of the Subscription Price,
- (b) if the Set Price is less than the Exchange Minimum Amount, then the Company will be required to obtain Pricing Approval, and if Pricing Approval is not obtained within the Waiting Period, then the Investor will not be required to honor the applicable Equity Drawdown Notice or fund the applicable Equity Drawdown Amount, and
- (c) any Knockout Days shall be excluded from calculation of the Subscription Price;

**“Pricing Period”**

means the ten (10) consecutive Trading Days immediately following the date of the relevant Equity Drawdown Notice;

**“Refusal Right”**

means the right of the Investor to decline to purchase Drawdown Units in connection with an Equity Drawdown Notice on one or more occasions if the Exchange refuses to accept or approve any subscription to or issuance of any Drawdown Units pursuant to this Agreement for any reason whatsoever, including in respect of the Subscription Price;

**“Rejection Notice”**

shall have the meaning given in clause 6.2(e);

**“Re-Issue Notice”**

shall have the meaning given in clause 6.2(e);

**“Required Approvals”**

shall have the meaning given in clause 7.1(f);

<b>“Securities”</b>	means the Drawdown Shares and Drawdown Warrants issuable pursuant to an Acceptance Notice, the Common Shares, if any, issuable in satisfaction of the Fee, Additional Commitment Fee or Initial Consulting Fee, the Common Shares issuable on due exercise of the Drawdown Warrants, the Top Up Payment Shares, and any other securities issuable pursuant to this Agreement;
<b>“Securities Act”</b>	means the <i>Securities Act</i> (British Columbia) and the regulations promulgated thereunder, as amended from time to time;
<b>“Services”</b>	means services that the Investor will provide to the Company as described and on the terms set out in Exhibit E;
<b>“Set Price”</b>	means the price that is equal to 85% of the average closing bid price of the Common Shares on the Exchange during the Pricing Period calculated by dividing the sum of the closing bid prices on each of the Trading Days during the Pricing Period by the number of Trading Days in that Pricing Period;
<b>“Sub Threshold Price”</b>	means a closing bid price on any Trading Day within a Pricing Period that when multiplied by 85% is less than the Threshold Price;
<b>“Subscription Number”</b>	means, subject to the Equity Drawdown Maximum, the aggregate number of Drawdown Units stated in each Equity Drawdown Notice (which number may be different in each Equity Drawdown Notice) that the Company wishes the Investor to subscribe for;
<b>“Subscription Price”</b>	means, subject to the Pricing Exception and any requisite Pricing Approval being obtained, the issue price for the Drawdown Units issued on each Drawdown Date pursuant to an Equity Drawdown Notice, which issue price will be equal to the greater of the Set Price and the Exchange Minimum Price;
<b>“Subscription Day”</b>	means the Trading Day immediately preceding the date of the applicable Equity Drawdown Notice;
<b>“Subsidiary”</b>	has the meaning given to such term in the Securities Act;
<b>“Threshold Price”</b>	means the minimum threshold price for the issuance of the Common Shares on each Drawdown Date, which threshold price is the amount agreed to in writing by the Company and the Investor from time to time;

<b>“Top Up Eligible Shares”</b>	means any Common Shares which are issued to the Investor on the Drawdown Closing at the start the applicable Top Up Period and which are sold by the Investor, in a private sale or through the facilities of the Exchange, during the Top Up Period;
<b>“Top Up Payment”</b>	means the payment equal to the Top Up Payment Amount to be made by the Company to the Investor by the allotment and issuance to the Investor of such number of Top Up Payment Shares as is equal to the quotient of the Top Up Payment Amount divided by the Top Up Payment Price;
<b>“Top Up Payment Amount”</b>	means the value of the Top Up Payment which is equal to the amount by which (X) is greater than (Y), where (X) is equal to 110% of the Subscription Price of the applicable Top Up Eligible Shares multiplied by the number of Top Up Eligible Shares, and (Y) is equal to the Top Up Trigger Price multiplied by the number of Top Up Eligible Shares;
<b>“Top Up Payment Notice”</b>	means the written notice delivered by the Investor to the Company of an occurrence of a Top Up Triggering Event and providing particulars of the Top Up Triggering Event including the calculation of the Top Up Trigger Price;
<b>“Top Up Payment Price”</b>	means the deemed issue price per Common Share issuable as a Top Up Payment, which price is equal to the greater of: (i) the Top Up Trigger Price per share, or (ii) the Market Price of the Common Shares on the Drawdown Closing less the Maximum Permitted Discount, subject to floor price of \$0.05 per share unless a lower price is permitted by the Exchange, in any case in accordance with applicable Listing Rules;
<b>“Top Up Payment Shares”</b>	means the fully-paid and non-assessable Common Shares of the Company issuable by the Company to the Investor in satisfaction of the Top Up Payment at a deemed price per share equal to the Top Up Payment Price;
<b>“Top Up Period”</b>	means the six month period immediately following any Drawdown Date;
<b>“Top Up Trigger Price”</b>	means the VWAP of the Common Shares during the Top Up Period;
<b>“Top Up Triggering Event”</b>	means the circumstances where on the day immediately following any Top-Up Period it is determined that the Top Up

Trigger Price is less than 80% of the Subscription Price for which each Top Up Eligible Share was issued;

**“Trading Day”**

means a day on which the Exchange is open and remains open for not less than 5 hours for general trading of securities;

**“Trading Volume”**

means the average of the Daily Trading Volumes for all of the Trading Days during a Pricing Period;

**“UAE”**

means the United Arab Emirates;

**“United States” and “U.S. Person”**

shall have the respective meanings set out in Regulation S Rule 902(k) under the 1933 Act;

**“VWAP”**

means, for Common Shares as of any Trading Day, the volume weighted average price for such shares on the Exchange based on information reported by Bloomberg for such Trading Day or if no shares have been bought on the relevant day, the last VWAP of such shares that is reported by Bloomberg;

**“Waiting Period”**

means the period that commences immediately after a Pricing Period and ends at 5:00 p.m. (PST) on the fifth Trading Date after the relevant Pricing Period;

**“Warrant Adjusted Exercise Price”**

means the new exercise price of the applicable warrants which is equal to the greater of: (i) the VWAP of the Common Shares during the Warrant Exercise Price Adjustment Period, and (ii) the minimum exercise price permitted by the Exchange at the time the applicable warrants were originally issued, in any case subject to the applicable Listing Rules;

**“Warrant Certificate”**

means the warrant certificate in respect of Warrants to be delivered pursuant to this Agreement upon issuance of the Warrants in the form set out in Exhibit D;

**“Warrant Exercise Price Adjustment”**

means the reduction of the exercise price of warrants from the exercise price set at the time of issuance to the Warrant Adjusted Exercise Price, which reduction is triggered and becomes effective on the Warrant Exercise Price Adjustment Date, subject to the Listing Rules;

**“Warrant Exercise Price Adjustment Date”** means the first anniversary of the issue date of the applicable warrants, provided that the Warrant Exercise Price Adjustment Trigger has occurred;

**“Warrant Exercise Price Adjustment Period”** means the 40 Trading Days immediately preceding the first anniversary of the issue date of the applicable warrants;

**“Warrant Exercise Price Adjustment Trigger”** means the circumstances where on the Warrant Exercise Price Adjustment Date the VWAP of the Common Shares for the Warrant Exercise Price Adjustment Period is less than 80% of the exercise price of the applicable warrants that was set at the time of issuance of such warrants;

**“Warranties”** means the statements made in clause 7;

**“Warrants”** means the warrants to be issued pursuant to this Agreement in the form set out in Exhibit D, including the Drawdown Warrants; and

**“Warrant Shares”** means the Common Shares issuable upon exercise of the Drawdown Warrants.

## **1.2 Schedules and Exhibits**

References to clauses, Schedules and Exhibits are, save where the context otherwise requires, to clauses of and schedules and exhibits to this Agreement.

## **1.3 References to Third Parties**

All references to any party, whether a party to this Agreement or not, will be read with such changes in number and gender as the context or reference requires. When the context hereof makes it possible, the word “person” appearing in this Agreement includes in its meaning any firm and any body corporate or politic.

## **1.4 Other References**

The terms “this Agreement”, “hereof”, “herein”, “hereby”, “hereto”, and similar terms refer to this Agreement, including the Schedules hereto and any amendments hereto, and not to any particular clause, paragraph, or other part of this Agreement. References to particular clauses or paragraphs are to clauses or paragraphs of this Agreement unless another document is specified.

# **2. ADVISORY SERVICES**

## **2.1 Services**

- (a) The Company engages the Investor to provide, and the Investor shall provide the Services on an as and when needed basis, with effect from the Effective Date. The scope, frequency and manner of delivery of the Services are subject to periodic review by the parties hereto, and additions or deletions of Services may be made by the mutual agreement of the Company and the Investor.



- (b) The Investor will report to the Chief Executive Officer of the Company or, if there is no CEO, such other executive officer of the Company as designated by the board of directors of the Company (in either case, the “**CEO**”) and will keep the CEO informed of all matters concerning the Services as requested by the CEO from time to time.
- (c) The Investor will not have any right or authority, express or implied, to commit or otherwise obligate the Company in any manner whatsoever. The Investor is not authorized to make any representation, contract or commitment on behalf of the Company unless, prior to such time, the Investor is specifically authorized in writing to do so by the CEO.
- (d) The Investor will comply with all applicable rules, laws, regulations and policies having application to the carrying out and performance of his obligations under this Agreement, including but not limited to Applicable Securities Laws.
- (e) The Investor will provide the Company with particulars of the identity of the individuals, principals and key employees of the Investor providing the Services.

## **2.2 Compensation and Expenses**

- (a) In consideration for providing the Services, the Company agrees to provide the Investor with the compensation as further defined and set out in Exhibit E (the “**Compensation**”). The Investor agrees to comply with the terms relating to the payment of the Compensation as more particularly set out in Exhibit E. Any Common Shares issued as Compensation for future Services will be issued, subject to Exchange approval, at a deemed price equal to the greater of (i) the minimum price per share as may be permitted pursuant to the policies of the Exchange, and (ii) the price that is equal to 85% of the VWAP of the Common Shares for the ten (10) Trading Days prior to the date of issuance.
- (b) The Company shall reimburse the Investor for all reasonable out-of-pocket expenses that are pre-approved by the Company in writing prior to being incurred by the Investor (the “**Expenses**”). Prior to the reimbursement of any Expenses, the Investor will be required to prepare a summary of the Expenses incurred and submit it to the Company, together with appropriate supporting receipts and invoices.

## **2.3 Initial Consulting Fees**

- (a) On the Closing Date, the Company shall pay the Initial Consulting Fee to the Investor.
- (b) The Initial Consulting Fee may be paid at the Company’s sole discretion either in cash by wire transfer as directed by the Investor or by the issuance of Common Shares, at a deemed issue price of \$0.2625 per Common Share. Compensation for future Services rendered by the Investor to the Company pursuant to this Agreement shall be paid in accordance with Section 2.2 and Exhibit E.

- (c) The Investor acknowledges that any Common Shares issued to the Investor pursuant to this Agreement will be issued pursuant to exemptions from the prospectus requirements under Applicable Securities Law and the Investor shall confirm, at the applicable time, the requisite information, if any, in order for the Company and its legal counsel to confirm the availability of exemptions from the prospectus requirements (including but not limited to providing a Consultant Certificate and/or an Accredited Investor Certificate pursuant to Section 4.3(d)).
- (d) The Investor hereby represents, warrants and covenants to the Company that all actions by the Investor hereunder, and in particular the delivery of all of the Services, shall at all times be in compliance with applicable laws in all material respects, including but not limited to Applicable Securities Laws.

#### **2.4 Independent Contractor Relationship**

- (a) It is expressly agreed that the Investor's relationship with the Company is that of an independent contractor in performing the Services under this Agreement, and nothing in this Agreement is intended to, or shall be construed to, create a partnership, agency, joint venture, employment or similar relationship between the Investor and the Company.
- (b) The Investor shall supply everything necessary for the performance of the Services, including all resources, supervision, equipment, materials, facilities and working environment necessary to perform the Services. All Services and deliverables shall be of professional quality, conforming to generally accepted industry practices.
- (c) The Investor will not be entitled to any of the benefits that the Company may make available to its employees from time to time, including, but not limited to, group health or life insurance, profit-sharing or retirement benefits. The Company will not pay any contribution to any pension plan, employment insurance or withholding taxes, nor provide any other contributions or benefits, which might be expected in an employer / employee relationship on behalf of the Investor.
- (d) The Investor is solely responsible for, and will file on a timely basis, all tax returns and payments required to be filed with or made to any federal, state or local tax authority with respect to the performance of the Services and the consideration therefor under this Agreement.
- (e) The Investor is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing the Services.
- (f) The Investor represents and warrants that the Investor has the right to provide the Services to the Company without violation of obligations to others and that any advice, information and documents given by the Investor to the Company under this Agreement may be used fully and freely by the Company, unless otherwise so designated orally or in writing by the Investor at the time of communication of such information.

- (g) The Parties acknowledge and agree that the Investor is entitled to provide the Services and other services in its sole discretion to companies other than the Company, including companies that may be direct competitors of the Company. The Company acknowledges and agrees that the Investor is under no obligation to notify the Company of any services that the Investor is providing or may provide to any competitor of the Company.

## **2.5 Reports and Work in Progress**

- (a) The Investor shall provide the Company with activity reports in such form and content as the Company may reasonably require; and assigned deliverables in such form and content as the Company may reasonably require including, but not limited to, those listed in the Services.
- (b) The above-mentioned reports and deliverables shall be given to the attention of the CEO or their designate.
- (c) On reasonable notice, the Company may inspect the Investor's work in progress, or records of services, and receive copies of each.

## **2.6 Termination of Services**

- (a) Notwithstanding anything to the contrary in this Agreement, the Company may terminate the Services and its obligations under this Section 2 without notice in the event that the Investor:
  - (i) breaches any term of this Section 2 as it relates to the provision of Services;
  - (ii) neglects the Services or any other duty to be performed by the Investor under this Section 2;
  - (iii) engages in any conduct which is dishonest, or damages the reputation or standing of the Company;
  - (iv) files a voluntary petition in bankruptcy; or
  - (v) is adjudicated as bankrupt or insolvent.
- (b) Upon termination of this Section 2 for any reason, the Investor shall promptly deliver the following in accordance with the directions of the Company:
  - (i) a final accounting, reflecting the balance of expenses incurred on behalf of the Company as of the date of termination;
  - (ii) all documents pertaining to the Company or this Agreement, including, but not limited to, all Confidential Information, books of account, correspondence and contracts; and

- (iii) all equipment and any other property belonging to the Company.

## 2.7 Confidential Information

- (a) For the purposes of this Agreement, “**Confidential Information**” means information, whether or not originated by the Investor, the Company or their respective representatives, that relates to the business or affairs of the Company, its affiliates, clients, sales personnel or suppliers and is confidential or proprietary to, about or created by the Company, its affiliates, clients or suppliers, including, but not limited to, the following:
  - (i) any technical and non-technical information related to the Company’s business and current, future and proposed products and services of the Company;
  - (ii) information relating to strategies, research, communications, business plans and financial data of the Company;
  - (iii) any information of or regarding the Company and its business which is not readily publicly available;
  - (iv) work product resulting from or related to work or projects performed, or to be performed, for the Company or its affiliates, including, but not limited to, the methods, processes, procedures, analysis, techniques and audits used in connection therewith;
  - (v) any intellectual property contributed to the Company, and any other technical and business information of the Company and its affiliates which is of a confidential, trade secret and/or proprietary character;
  - (vi) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques, methods of obtaining business, forecasts and forecast assumptions and volumes, current and prospective client lists, and future plans and potential strategies of the Company that have been or are being discussed;
  - (vii) information belonging to third parties or which is claimed by third parties to be confidential or proprietary and which the Company has agreed to keep confidential; and
  - (viii) any other information that becomes known to the Investor as a result of this Agreement or the services performed hereunder, including information received by the Company from others, that the Investor, acting reasonably, believes is confidential information or that the Company takes measures to protect.
- (b) The Investor’s obligations under this Section 2.7 do not apply to any Confidential Information that the Investor can demonstrate with documentary evidence:

- (i) was in the public domain at the time the Confidential Information was communicated to the Investor by the Company through no fault of the Investor;
  - (ii) was rightfully in the Investor's possession free of any obligation of confidence at the time the Confidential Information was communicated to the Investor by the Company;
  - (iii) relates to the general skills and experience gained by the Investor during the Investor's provision of the Services to the Company that the Investor could reasonably have been expected to acquire in similar retainers or engagements with other companies, including direct competitors of the Company;
  - (iv) is information, the disclosure of which by the Investor is required to be made by any law, regulation or governmental authority or legal process of discovery (to the extent of the requirement), provided that before disclosure is made, notice of the requirement is provided to the Company, and to the extent reasonably possible in the circumstances, the Company is afforded an opportunity to dispute the requirement; or
  - (v) was independently developed by the Investor without use of, or reference to, any Confidential Information communicated to the Investor by the Company. A disclosure of any Confidential Information by Investor in response to a valid order by a court or other governmental body or as otherwise required by law will not be considered to be a breach of this Agreement or a waiver of confidentiality for other purposes, provided, however, that the Investor provides immediate prior written notice of such order to the Company to enable the Company to seek a protective order or otherwise prevent the disclosure.
- (c) The Investor acknowledges that the Confidential Information is a valuable and unique asset of the Company and that the Confidential Information is and will remain the exclusive property of the Company. The Investor agrees to maintain securely and hold in strict confidence all Confidential Information received, acquired or developed by the Investor or disclosed to the Investor as a result of or in connection with the Services. The Investor agrees that, both during and after the termination of this Agreement, the Investor will not, directly or indirectly, divulge, communicate, use, copy or disclose or permit others to use, copy or disclose, any Confidential Information to any person, except as such disclosure may be consented to by prior written authorization of the board of directors of the Company.
- (d) The Investor may use the Confidential Information solely to perform the Services for the benefit of Company and for no other purpose. The Investor shall treat all Confidential Information with the same degree of care as the Investor accords to the Investor's own confidential information, but in no case shall the Investor use less than a secure degree of care, viewed objectively in relation to the Confidential Information. The Investor shall immediately give notice to the Company of any unauthorized use or disclosure of the

Confidential Information. The Investor shall assist the Company in diligently remedying any unauthorized use or disclosure of the Confidential Information.

- (e) All Confidential Information and any materials and items (including, without limitation, software, equipment, tools, artwork, documents, drawings, papers, diskettes, tapes, models, apparatus, sketches, designs and lists) that the Company furnishes to the Investor, whether delivered to the Investor by the Company or made by the Investor in the performance of the Services, and whether or not they contain or disclose Confidential Information (collectively, the “**Company Property**”), are the sole and exclusive property of the Company or the Company’s affiliates, suppliers or customers. The Investor agrees to keep all Company Property at the Investor’s premises unless otherwise permitted in writing by the Company, and will treat the Company Property with the same degree of care as the Investor treats its own property, but in no case shall the Investor use less than a secure degree of care, viewed objectively in relation to the Confidential Information. Within ten (10) Business Days after any request by the Company, the Investor shall destroy or deliver to the Company, at the Company’s option: (i) all Company Property and (ii) all materials and items in the Investor’s possession or control that contain or disclose any Confidential Information. The Investor will provide the Company a written certification of the Investor’s compliance with the Investor’s obligations under this paragraph (e).
- (f) The Investor represents and warrants that the Investor has not used and will not use, while performing the Services, any materials or documents of another company which the Investor is under a duty not to disclose. The Investor understands that, while performing the Services, the Investor shall not breach any obligation or confidence or duty the Investor may have to any current or former client or employer. The Investor represents and warrants that it will not, to the best of its knowledge and belief, use or cause to be incorporated in any of the Investor’s work product, any data software, information, designs, techniques or know-how which the Investor or the Company does not have the right to use.

## **2.8 Limitation of Liability**

No party shall be liable to the other hereunder for any indirect, consequential or special damages whatsoever in connection with the Services, provided however that this limitation shall not apply to any claims relating to a breach of the confidentiality provisions of the Agreement, any claims for infringement of intellectual property rights, any obligations of indemnity, or any obligation with respect to compliance with privacy legislation.

## **3. COMMITMENT FOR INVESTMENT**

### **3.1 Commitment**

On the Closing Date, the Investor will make the Commitment effective in consideration for payment of the Fee. Following the Closing Date, from time to time during the Commitment Period, the Company may

request that funds be advanced to the Company by the Investor pursuant to Equity Drawdown Notices and the corresponding Acceptance Notices on the terms and subject to the conditions in this Agreement.

### **3.2 Additional Commitment**

The Company may, from time to time during the Commitment Period, request an increase in the principal amount of the Commitment from the Company by delivering a written request for an Additional Commitment to the Company in the form set out at Exhibit F, which notice shall include the date of the request, the amount of the additional commitment expressed in Canadian dollars which is in excess of the Commitment and any prior mutually agreed upon additional commitments (the “**Additional Commitment**”), and the deadline by which the Investor must accept or reject the request for Additional Commitment which deadline must be at least ten (10) Trading Days from the date of the request. The Investor is under no obligation to accept any request for an Additional Commitment, and acceptance on one request for Additional Commitment does not obligate the Investor to accept any future requests for Additional Commitment. If the Investor accepts any request for Additional Commitment, the Investor will deliver an executed copy of the acceptance in the form set out at Exhibit F to the Company and the Company will be required to pay the Additional Commitment Fee and issue the Additional Fee Warrants to the Investor in accordance with clause 4.2. The Additional Commitment will not be effective until the Additional Commitment Fee is paid and Additional Fee Warrants are issued. All Additional Commitments that are agreed to and accepted by the Investor will be governed by the terms and conditions of this Agreement as if the then outstanding principal amount of the Commitment was increased to include any accepted Additional Commitments.

## **4. COMMITMENT FEE**

### **4.1 Commitment Fee**

- (a) On the Closing Date, subject to there being no Exchange Objection, the Company shall pay to the Investor a fee equal to 6.0% of the Commitment (the “**Fee**”).
- (b) The Fee is payable irrespective of whether any Equity Drawdown Notices have been delivered on or before the Closing Date.
- (c) The Fee may be paid at the Company’s sole discretion either in cash by wire transfer as directed by the Investor or by the issuance of Common Shares (subject to approval by the Exchange if required, in the case of such fee being paid in Common Shares), at a deemed issue price of \$0.2625 per Common Share.
- (d) The Investor acknowledges that any Securities issued to the Investor pursuant to this Agreement will be issued pursuant to exemptions from the prospectus requirements under Applicable Securities Law and the Investor shall confirm, at the applicable time, the requisite information, if any, in order for the Company and its legal counsel to confirm the availability of exemptions from the prospectus requirements (including but not limited to providing a Consultant Certificate and/or an Accredited Investor Certificate pursuant to Section 4.3(d)).

- (e) The Company covenants and agrees with the Investor that it will make all filings and disclosures and seek all approvals as may be required by the Exchange pursuant to the Listing Rules and pursuant to Applicable Securities Laws in connection with the payment of the Fee and, if applicable, the issuance of any Common Share to satisfy the Fee on a private placement basis.
- (f) The Investor hereby represents, warrants and covenants to the Company that all actions by the Investor hereunder shall at all times be in compliance with applicable laws in all material respects, including but not limited to Applicable Securities Laws.
- (g) If any sum payable under this clause 4.1 is not paid on the due date of payment, interest shall accrue on such sum from and including the due date for payment to but excluding the date on which payment is made at a rate of 5.0% above the prime rate as set by the Bank of Canada from time to time.
- (h) If for any reason:
  - (i) the Company fails to comply with its obligations to pay the Fee;
  - (ii) the Company has breached in any material respect any representation, warranty, covenant or agreement contained in this Agreement and (if such breach is curable) such breach is not cured within five (5) Business Days following receipt by the Company of notice of such breach, or if there has been any Material Adverse Event;
  - (iii) the Company ceases to carry on business at any time before the Fee is paid; or
  - (iv) any steps are taken by any person to initiate any form of bankruptcy, insolvency, receivership, tutorship or administration proceedings in relation to the Company before the Fee is paid,

the Fee at that time shall become immediately due and payable in cash.

#### **4.2 Additional Commitment Fee**

- (a) If a request for Additional Commitment is accepted and agreed to by the Investor, subject to their being no Exchange Objection, the Company shall pay to the Investor a fee equal to 6.0% of the Additional Commitment (the “**Additional Commitment Fee**”) within five (5) Trading Days of the date of acceptance by the Investor of the request for Additional Commitment.
- (b) The Additional Commitment Fee will be subject to the terms set out in clauses 4.1(b) to 4.1(i) which shall apply *mutatis mutandis*.



### 4.3 Securities Law Matters

- (a) Subject to: (i) the Company obtaining the Hold Period Waiver if required, and (ii) the continued truth and accuracy of the Consultant Representations (the “**Free Trading Conditions**”), the Company will issue all Securities issuable pursuant to this Agreement to the Investor in reliance on the Consultant Exemption.
- (b) If the Free Trading Conditions are not satisfied, then the Acceptance Period relating to the relevant Equity Drawdown Notice will be extended by five (5) Trading Days and the Parties will work together within such extended Acceptance Period to find a mutually agreeable alternative for the issuance of Securities to the Investor without resale restrictions.
- (c) If the Free Trading Conditions are not satisfied and the Parties have not agreed to an agreeable alternative in accordance with clause 4.3(b), subject to the truth and accuracy of the Accredited Investor Representations (as set out in an Accredited Investor Certificate) and waiver by the Investor of the condition in Section 5.3(g), the Company will issue Securities to the Investor pursuant to the Accredited Investor Exemption.
- (d) Prior to the issuance of any Securities to the Investor pursuant to this Agreement in reliance on the Consultant Exemption, the Investor will deliver to the Company a Consultant Certificate dated as of the date of such issuance of Securities. Prior to the issuance of any Securities to the Investor pursuant to this Agreement in reliance on the Accredited Investor Exemption, the Investor will deliver an Accredited Investor Certificate to the Company dated as of the date of such issuance of Securities.
- (e) The Investor has been advised to consult its own legal advisors with respect to applicable resale and transfer restrictions and acknowledges that it is solely responsible for complying with such restrictions.

## 5. CONDITIONS PRECEDENT

### 5.1 Mutual Conditions Precedent

The ability of the Company to issue each Equity Drawdown Notice and the obligation of the Parties to complete each Drawdown Closing are subject to the satisfaction of the following conditions which are for the mutual benefit of the Parties, unless any such condition has been waived in writing by the Parties:

- (a) the Parties shall have delivered to each other duly executed copies of this Agreement, and this Agreement shall be in full force and effect, enforceable against the Parties in accordance with its terms;
- (b) the Common Shares are Listed on the Exchange;
- (c) the issuance of Common Shares to the Investor will not require the Company to obtain the approval of its shareholders; and

- (d) no inquiry, investigation or other proceeding, whether formal or informal, has been commenced, announced or threatened, no order has been issued by any governmental or regulatory organization or stock exchange and there has been no change of law or policy, or the interpretation or administration thereof, which operates or could operate to prevent, suspend, hinder, delay, restrict or otherwise have a significant adverse effect on the transactions contemplated by the Agreement or which could have a material adverse effect on the Investor.

## **5.2 Conditions Precedent in Favor of the Company**

The ability of the Company to issue each Equity Drawdown Notice and the obligation of the Parties to complete each Drawdown Closing are subject to the satisfaction of the following conditions which are for the benefit of the Company, unless any such condition has been waived in writing by the Company:

- (a) the Company has obtained all the Required Approvals in respect of the particular Drawdown Closing (in a form reasonably acceptable to the Investor) and such Required Approvals are in full force and effect such that up to 200% of the Subscription Number specified in the applicable Equity Drawdown Notice may be duly allotted and issued to the Investor;
- (b) the distribution of the Common Shares to the Investor must qualify for an exemption from the prospectus requirements of Applicable Securities Laws;
- (c) the representations and warranties of the Investor contained herein are true and correct in all material respects as of the relevant Subscription Day and Drawdown Closing Date as repeated at that time by and with respect to the Investor (except that representations and warranties that are expressed by their terms to be made as of a specific date need be true in all respects only as of such date); and
- (d) the Investor has performed, satisfied and complied in all material respects with all covenants, obligations, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the date of the Equity Drawdown Notice and the Drawdown Closing Date, as applicable.

## **5.3 Conditions Precedent in Favor of the Investor**

The ability of the Company to issue each Equity Drawdown Notice and the obligation of the Parties to complete each Drawdown Closing are subject to the satisfaction of the following conditions which are for the benefit of the Investor, unless any such condition has been waived in writing by the Investor:

- (a) the representations and warranties of the Company contained herein are true and correct in all material respects as of the relevant Subscription Day and Drawdown Closing Date as repeated at that time by and with respect to the Company (except that representations and warranties that are expressed by their terms to be made as of a specific date need be true in all respects only as of such date);

- (b) the Company has performed, satisfied and complied in all material respects with all covenants, obligations, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the date of the Equity Drawdown Notice and the Drawdown Closing Date, as applicable;
- (c) the Company having made all requisite filings and disclosures pursuant to the policies of the Exchange and Applicable Securities Law, and no Exchange Objection having been received;
- (d) the Company has obtained all the Required Approvals in respect of the particular Drawdown Closing (in a form reasonably acceptable to the Investor) and such Required Approvals are in full force and effect such that up to 200% of the Subscription Number specified in the applicable Equity Drawdown Notice may be duly allotted and issued to the Investor;
- (e) the Company has received Pricing Approval, if required;
- (f) the Equity Drawdown Notice shall not result in the Investor being required to file any report or filing in any jurisdiction under any Applicable Securities Laws;
- (g) subject to an alternative being mutually agreed to by the Parties in accordance with clause 4.3(b), the Free Trading Conditions being satisfied;
- (h) the issuance of Drawdown Units pursuant to an Equity Drawdown Notice or related Acceptance Notice will not result in the Investor holding in excess of 9.9% of the outstanding Common Shares of the Company on a partially diluted basis such that the investor would become a "significant shareholder" of the Company as such term is defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* at the time of issuance;
- (i) the Pricing Period is not an Excluded Period;
- (j) the Listing of the Common Shares has not been suspended or threatened to be suspended, either temporarily or permanently, by the Exchange or any applicable governmental or other authority having jurisdiction, on and during the twenty (20) Trading Days prior to the relevant Equity Drawdown Notice and Drawdown Closing;
- (k) no change having become effective between the Effective Date and each Drawdown Date, in any law or regulation (whether governmental or otherwise) or in any Listing Rules which would adversely affect in any material aspect the holding or disposal of Common Shares by the Investor or the Investor's rights in respect thereof;
- (l) there shall have been no reasonable allegation of fraud or failure to comply with Applicable Securities Laws and Exchange policies committed by, or on the part of, the

Company, its officers, directors or shareholders and affiliates or their respective officers or directors;

- (m) no Material Adverse Event has occurred or is reasonably expected to occur;
- (n) the Equity Drawdown Maximum has not been reached; and
- (o) there is no material information relating to the Company as at the date of the relevant Equity Drawdown Notice or as at the relevant Drawdown Date that has not been publicly disclosed.

## **6. EQUITY DRAWDOWN**

### **6.1 Delivery of Equity Drawdown Notice**

- (a) Subject to the satisfaction (or waiver in writing by the applicable Party) of the conditions set forth in Section 5, on any Trading Day during the Commitment Period, the Company shall be entitled to issue an Equity Drawdown Notice to the Investor.
- (b) The Equity Drawdown Notice shall be completed and duly executed as required, specify the Minimum Acceptable Price and the Subscription Number, and be delivered on each occasion in the form of a duly completed Exhibit A.
- (c) An Equity Drawdown Notice shall be irrevocable once it has been delivered by the Company to the Investor.
- (d) The Company may issue as many Equity Drawdown Notices as it may elect (each Equity Drawdown Notice constituting a “**placement**”) during the Commitment Period provided that, after delivery of an Equity Drawdown Notice, the Company may not, without the prior consent of the Investor, thereafter deliver a further Equity Drawdown Notice until the expiry of the Acceptance Period relating to the Equity Drawdown Notice that has already been delivered.
- (e) If any Drawdown Notice or corresponding issuance of Drawdown Units would result in the Investor holding in excess of 9.9% of the outstanding Common Shares of the Company on a partially diluted basis such that the investor would become a “significant shareholder” of the Company as such term is defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*, then the Drawdown Amount, Drawdown Payment and number of Drawdown Units issued will be adjusted downward accordingly to result in the Investor holding a maximum of 9.9% of the then outstanding voting securities of the Company on a partially diluted basis.

### **6.2 Acceptance or Rejection of Equity Drawdown Notice**

- (a) The Pricing Period shall commence on the next Trading Day following the date of an Equity Drawdown Notice.

- (b) Investor shall, subject to clause 6.2, within a period of five (5) Trading Days from the last day of the Pricing Period (the “**Acceptance Period**”) accept or, if any condition set forth in Section 5 has not been met or the Refusal Right exists, reject the Equity Drawdown Notice.
- (c) In the event that the Drawdown Units to which the Equity Drawdown Notice relates exceed the Equity Drawdown Maximum, the Equity Drawdown Notice shall be deemed to be amended such that it is equal to the Equity Drawdown Maximum.
- (d) In the event that the Drawdown Units to which the Equity Drawdown Notice relates do not exceed the Equity Drawdown Maximum, and the Refusal Right does not exist, no later than the last Business Day of an Acceptance Period, the Investor shall issue an “**Acceptance Notice**” in the form set forth as Exhibit B hereto and deliver the Acceptance Notice to the Company. The Acceptance Notice shall specify how many Drawdown Units the Investor is purchasing, which shall be not be less than 50% of the Subscription Number in the Equity Drawdown Notice and cannot be greater than 200% of the Subscription Number in the Equity Drawdown Notice.
- (e) In the circumstances in which the Refusal Right exists or any of the conditions in Section 5 have not been met, the Investor may (i) deliver a “**Rejection Notice**” in the form set forth in Exhibit C hereto or (ii) deliver a notice to the Company requiring the Company to immediately re-issue the Equity Drawdown Notice in question at a price and upon terms acceptable to the Exchange and the Investor (a “**Re-Issue Notice**”). In circumstances where the Investor has delivered a Re-Issue Notice, the price for the Drawdown Units so purchased by the Investor shall be the revised price set forth in the Re-issue Notice and all provisions of this Agreement shall apply *mutatis mutandis*.
- (f) In the event where there is a Knockout Day, this day shall be excluded from the Subscription Price calculation and the Investor’s purchase obligation shall be reduced by 10%.
- (g) In no event shall the Company be obligated to issue Drawdown Units pursuant to Drawdown Notice at a price less than the Minimum Acceptable Price. In the event that the Subscription Price as calculated herein is less than the Minimum Acceptable Price, the Company may withdraw the applicable Equity Drawdown Notice.

### **6.3 Drawdown Closing**

Each Drawdown Closing will occur on the date that is the later of: (i) five (5) Business Days after the date of the applicable Acceptance Notice, and (ii) the earliest date permitted pursuant to the Listing Rules (in each case, a “**Drawdown Date**”). On each Drawdown Date, the Investor will wire the Equity Drawdown Amount specified in the applicable Acceptance Notice to the Company in accordance with particulars provided by the Company and the Company shall issue to the Investor the Drawdown Units subscribed for by the Investor in the Acceptance Notice.

#### **6.4 Top Up Payment**

From time to time upon the occurrence of a Top Up Triggering Event, and provided that the Investor has delivered the Top Up Payment Notice to the Company and there is no Exchange Objection, the Company shall be required to pay the Top Up Payment to the Investor within five (5) Business Days of the date of the Top Up Payment Notice.

### **7. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

#### **7.1 Representations, Warranties and Undertakings of the Company**

The Company hereby represents, warrants and undertakes to the Investor that the Warranties are true and accurate in all respects in respect of the Company as at the date of this Agreement. The Warranties shall be deemed to have been repeated by the Company as at each Subscription Day, as at each Drawdown Date and as at each date on which Common Shares become issued and Listed pursuant to this Agreement with reference to the facts and circumstances existing on that date.

(a) **Organization and Qualification**

The Company and each of its Subsidiaries is duly incorporated and validly existing under the laws of its jurisdiction of incorporation with the requisite corporate power and authority to own and use its properties and assets and to carry on its business as currently conducted.

(b) **Authorization; Enforcement**

- (i) The Company has and shall have the requisite corporate power and authority to enter into this Agreement and on each Drawdown Date, to consummate the transactions contemplated by this Agreement that are to be consummated on that Drawdown Date and otherwise to carry out its obligations under this Agreement.
- (ii) The execution and delivery of this Agreement and the completion by it of the transactions required hereby and thereby have been and will be duly authorized by all necessary action on the part of the Company.
- (iii) This Agreement has been duly executed and delivered by the Company or on its behalf and the obligations assumed by the Company under this Agreement constitute and will constitute valid and binding obligations of the Company, enforceable against it in accordance with their terms.

(c) **Share Capital**

As at the Subscription Day, the issue of any Securities which may be issued as a result of the relevant Equity Drawdown Notice or otherwise pursuant to this Agreement will not be subject to any pre-emptive or similar rights.

(d) **Issue of Common Shares**

The Company will have on each Subscription Day and corresponding Drawdown Date, an adequate reserve of authorized but unissued Common Shares to enable it to allot and issue: the number of Drawdown Shares equal to the Subscription Number set forth in the relevant Equity Drawdown Notice or number of Drawdown Shares subscribed for pursuant to an Acceptance Notice, as applicable, for the Warrant Shares issuable pursuant to any outstanding or issuable Drawdown Warrants, and for any additional Common Shares as may become issuable in connection with the relevant Equity Drawdown Notice or otherwise pursuant to this Agreement. When issued pursuant to this Agreement, the Securities shall be free of any Liens, duly authorised, validly issued, fully paid and non-assessable, and application shall be made forthwith for such Common Shares and if applicable, Warrant Shares, to be Listed.

(e) **No Conflicts**

The execution, delivery and performance of this Agreement and the issue of Securities by the Company pursuant to this Agreement, and the completion by the Company, of the transactions contemplated hereby, do not and will not conflict with or violate any provision of its constating documents.

(f) **Consents and Approvals**

Except for any necessary approvals from the Exchange, including the Hold Period Waiver and with respect to the Listing of Drawdown Shares or Warrant Shares issued pursuant to an Equity Drawdown Notice and the internal approvals referred to in clause 7.1(b)(ii), neither the Company nor any Subsidiary is or shall be required to obtain any consent, waiver, authorization or order of, or make any filing or registration with, any court or the Exchange in connection with the execution, delivery and performance of this Agreement and the issue of the Securities on each Drawdown Closing. As of Drawdown Date, any necessary consents and approvals from the Exchange in respect of the Drawdown Units and if applicable, other Securities, required to be issued pursuant to any Equity Drawdown Notice and Acceptance Notice (collectively, the "**Required Approvals**") shall have been obtained and shall be in full force and effect. The Company may, however, be required to file, following the issuance of any Securities hereunder a report of exempt distribution on Form 45-106F1 pursuant to Applicable Securities Laws and such filings, if any, as may be required by the Listing Rules, within the prescribed period of time. The Company shall ensure that all Drawdown Shares and Warrant Shares, and any other Common Shares issued pursuant to this Agreement shall, subject to the Listing of the Common Shares already in issue remaining effective, be Listed with effect from the opening of business on the Trading Day after their issue date.

(g) **Litigation; Proceedings**

There is no action, suit, notice of violation, proceeding or investigation pending or, to the best knowledge of the directors of the Company, threatened against the Company or any of its Subsidiaries or any of their respective properties or assets before or by any court, governmental or administrative agency or regulatory authority which (i) relates to or challenges the legality, validity or enforceability of this Agreement; or (ii) could, individually or in the aggregate, be reasonably expected to impair materially the ability of the Company to perform fully on a timely basis its obligations under this Agreement.

(h) **Exchange**

The Company is unaware of any reason why the Exchange will not consent to and/or List the maximum number of Common Shares and if applicable, Warrant Shares, which may be issued pursuant to the applicable Acceptance Notice or otherwise pursuant to this Agreement.

(i) **Non-Public Information**

None of the Investor or any of its representatives or agents has been provided with any material information regarding or related to the Company or its operations, personnel, assets or prospects that has not otherwise been made publicly available.

(j) **No Insolvency or Bankruptcy**

No member of the Group is insolvent or bankrupt, has committed any act of insolvency or bankruptcy. No transfer of property has been or is being made by any member of the Group and no obligation has been or is being incurred by any member of the Group in connection with the transactions contemplated by this Agreement or related documents with the intent to hinder, delay or defraud creditors of any member of the Group.

(k) **Engagement for Provision of Services**

Upon entry into this Agreement and as of any date of issuance of Securities to the Investor hereunder, the Investor is and will be a "consultant" (as such term is defined in NI 45-106) with respect to the Company and, specifically: is and will be engaged by the Company to provide the Services, which do not include any services in relation to a "distribution" (as such term is defined in the Securities Act); is and will be providing the Services under this Agreement; and is and will be spending a significant amount of time and attention on the affairs and business of the Company.

(l) **Money Laundering Laws**

The operations of the Company and each of its subsidiaries are and have been conducted at all times in compliance, in all material respects, with applicable financial recordkeeping and reporting requirements of the *Canadian Proceeds of Crime (Money Laundering) and*



*Terrorist Financing Act*, as amended, the *U.S. Currency and Foreign Transactions Reporting Act of 1970*, as amended, the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act*, as amended, and the money laundering statutes of all other applicable jurisdictions and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, "**Money Laundering Laws**") and no Claim by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

As at each Drawdown Date and as at each date on which any Securities are to be issued pursuant to this Agreement, the Company shall be deemed to represent and warrant to the Investor that there shall have been no Material Adverse Event which occurred or became public or generally known, or which is reasonably expected to occur. The Investor is entering into this Agreement and will subscribe for Securities in reliance on the representations, warranties, undertakings and covenants of the Company contained in this Agreement.

## **7.2 Representations, Warranties and Undertakings of the Investor**

The Investor hereby represents, warrants and undertakes to the Company that the following statements are true and accurate in all respects. The warranties are deemed to be repeated on each Subscription Day, each Drawdown Date and each date on which Securities are issued to the Investor pursuant to this Agreement.

### **(a) Organization; Authority**

The Investor is a company duly formed, validly existing and currently resident under the laws of the UAE. The Investor has the requisite power and authority to enter into and to consummate the transactions contemplated hereby and otherwise to carry out its obligations hereunder.

### **(b) Authorization; Enforcement**

- (i) The Investor has and shall have the requisite corporate power and authority to enter into this Agreement and on each Drawdown Date, to consummate the transactions contemplated by this Agreement that are to be consummated on that Drawdown Date and otherwise to carry out its obligations under this Agreement.
- (ii) The execution and delivery of this Agreement and the completion by it of the transactions required hereby and thereby have been and will be duly authorized by all necessary action on the part of the Investor.
- (iii) This Agreement has been duly executed and delivered by the Investor or on its behalf and the obligations assumed by the Investor under this Agreement

constitute and will constitute valid and binding obligations of the Investor, enforceable against it in accordance with their terms.

(c) **Non-U.S. Person Status**

The Investor is organized in the UAE and the Investor is not a U.S. Person and is subscribing for Securities, pursuant to, and subject to the terms and conditions of, this Agreement in offshore transactions within the meaning of Regulation S under the 1933 Act.

(d) **No Registration in the United States**

- (i) The Investor is aware that the Securities have not been registered under the 1933 Act or the securities laws of any state, territory or district of the U.S. or any “blue sky” laws and that these Securities may not be offered or sold directly or indirectly in the U.S. without registration under the 1933 Act or compliance with requirements of an exemption from registration and the Investor acknowledges that the Company have no present intention of filing a registration statement under the 1933 Act in respect of such Securities and that no representation in that regard were otherwise made by the Company;
- (ii) The Investor will not offer or sell the Securities in the United States unless such Securities are registered under the 1933 Act and all applicable state securities or “blue sky” laws of the United States or an exemption from such registration requirements is available.
- (iii) The offer to purchase Securities was not made to the Investor in the United States.
- (iv) At the time of the applicable Acceptance Notice and at the time this Agreement was executed and delivered, the Investor (or the Investor’s authorized signatory) was outside of the United States.

(e) **Regulatory Filings**

If Applicable Securities Laws so require, the Investor will sign, deliver and file or will assist the Company in filing the reports, commitments and other documents relating to the creation, issue and/or sale of the Securities that may be required by a securities commission, a stock exchange or another regulator, within the prescribed deadlines.

(f) **Sale of Common Shares**

- (i) The Investor shall not at any time during the Commitment Period sell Common Shares exceeding the number of Common Shares which it owns.

(ii) The Investor undertakes that during the Commitment Period it will not acquire, and the Investor shall not, notwithstanding any terms hereof, be obligated to acquire or subscribe for, any Common Shares which would in aggregate take its holding to more than 9.9% of the outstanding Common Shares of the Company on a partially diluted basis at any given time.

(g) **Consultant**

Upon entry into this Agreement and as the date of issuance of Securities in respect of the Fee to the Investor hereunder, the Investor is and will be a “consultant” (as such term is defined in NI 45-106) with respect to the Company and, specifically: is and will be engaged to provide the Services, which do not include any services in relation to a “distribution” (as such term is defined in the Securities Act); provides and will provide the Services under this Agreement; and spends or will spend a significant amount of time and attention on the affairs and business of the Company. As at the date of this Agreement and as at the date of any issuance of Securities hereunder, the Investor is and will be acquiring the Securities voluntarily.

(h) **Financial Risks**

The Investor acknowledges that it is able to bear the financial risks associated with an investment in the Securities issuable hereunder. The Investor is capable of evaluating the risks and merits of an investment in the Securities by virtue of its experience as an investor and its knowledge, experience, and sophistication in financial and business matters and the Investor is capable of bearing the entire loss of its investment in same.

(i) **Directed Selling Efforts**

Neither the Investor nor any of its affiliates, has engaged in or will engage in any form of general solicitation or general advertising with respect to offers or sales of the Securities, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(j) **Short Selling Restriction**

The Investor covenants from and after the date hereof through and including date of termination of this Agreement, that none of the Investor, its Affiliates, associates, partners or insiders will hold a short position in Common Shares.

(k) **Restrictions on Resales**

In effecting any resales of Common Shares, the Investor will not engage in any sales, marketing or solicitation activities of the type undertaken by underwriters in the context of an offering of securities. The Investor will not:

- (i) advertise or otherwise hold itself out as a dealer;
- (ii) purchase or sell securities as principal from or to customers;
- (iii) carry a dealer inventory in securities;
- (iv) quote a market in securities;
- (v) extend or arrange for the extension of credit in connection with securities transactions;
- (vi) run a book of repurchase and reverse repurchase agreements;
- (vii) use a carrying broker for securities transactions;
- (viii) lend securities to customers; or
- (ix) participate in a selling group.

(l) **Unaffiliated Dealer**

The Investor will not solicit offers to purchase Common Shares and will affect all sales of Common Shares through a dealer unaffiliated with the Investor and the Corporation and appropriately registered under Applicable Securities Laws.

(m) **Exchange Approval**

The Investor acknowledges and agrees that each private placement of Securities, the payment of the Fee or any Additional Fee, or any other issuance of securities pursuant to this Agreement, will be subject to approval of the Exchange if required by the Listing Rules and there can be no guarantee that the Exchange will approve any issuance of Securities. Notwithstanding this clause, the Fee and Additional Fee shall be due and payable or issuable, as applicable, in accordance with the terms of this Agreement, regardless of whether or not Exchange approval is granted (however, the Investor acknowledges that without Exchange approval, the Fee and Additional Fee may only be paid in cash (rather than in Common Shares), and in such circumstance the Company shall be obliged to pay the Fee and, if applicable, Additional Fee in cash only.

(n) **No conflict**

The execution, delivery and performance of this Agreement, and the completion by the Investor, as applicable, of the transactions contemplated hereby, do not and will not conflict with or violate any provision of its constating documents or with any agreement to which the Investor is a party.

(o) **Consents and Approvals**

The Investor is not required to obtain any consent or authorization in connection with the execution, delivery and performance by the Investor of this Agreement.

(p) **Litigation; Proceedings**

There is no action, suit, notice of violation, proceeding or investigation pending or, to the best knowledge of the directors of the Investor, threatened against the Investor or any of its Subsidiaries or any of their respective properties or assets before or by any court, governmental or administrative agency or regulatory authority which (i) relates to or challenges the legality, validity or enforceability of this Agreement; or (ii) could, individually or in the aggregate, be reasonably expected to impair materially the ability of the Investor to perform fully on a timely basis its obligations under this Agreement.

(q) **No Insolvency or Bankruptcy**

The Investor is not insolvent or bankrupt, nor has it committed any act of insolvency or bankruptcy. No transfer of property has been or is being made by the Investor and no obligation has been or is being incurred by the Investor in connection with the transactions contemplated by this Agreement or related documents with the intent to hinder, delay or defraud creditors of the Investor.

(r) **Money Laundering Laws**

The operations of the Investor are and have been conducted at all times in compliance, in all material respects, with applicable financial recordkeeping and reporting requirements of Money Laundering Laws and no Claim by or before any Governmental Entity involving the Investor with respect to Money Laundering Laws is pending or, to the knowledge of the Investor, threatened. The Investor covenants and agrees with the Company that it will not knowingly provide any funds to the Company in respect of any Equity Drawdown Amount that are proceeds of crime or provided in contravention of Money Laundering Laws. The funds representing the Equity Drawdown Amount will be advanced by the Investor hereunder and will not represent proceeds of crime for the purposes of the Money Laundering Laws and the Investor acknowledges that the Company may in the future be required by law to disclose the Investor's name and other information relating to this Agreement and the transactions described hereunder, on a confidential basis, pursuant to such legislation.

(s) **International Purchaser Representations**

- (i) The Investor will acquire Securities hereunder pursuant to an exemption from any prospectus or securities registration requirements available to the Investor under applicable securities laws of its jurisdiction of residence or to which it is subject;
- (ii) The acquisition of securities by the Investor hereunder will not contravene any of the applicable securities laws in the jurisdiction of its residence and does not trigger: (A) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise; or (B) any registration or other obligation on the part of the Company;
- (iii) The Investor will not sell or otherwise dispose of any securities acquired hereunder, except in accordance with applicable securities laws in Canada; and
- (iv) The acquisition of securities of by the Investor (A) will materially comply with the disclosure requirements applicable to each such distribution under the securities laws of the Investor's jurisdiction of residence; or (B) such acquisition will be exempt from such requirements.

The Investor acknowledges that the Company is entering into this Agreement and will issue the Securities to the Investor, in reliance on the representations, warranties, undertakings and covenants of the Investor contained in this Agreement.

**8. OTHER AGREEMENTS OF THE PARTIES**

**8.1 Use of Funds**

The subscription monies received by the Company as Equity Drawdown Amounts pursuant to this Agreement shall be used by the Company for the advancement of its stated business plan, strategic acquisitions, the exploration and development of the Company's mineral properties and for reasonable general working capital purposes.

**8.2 Credit Enhancement**

The Company may assign the proceeds of the direct placements in full or in part to sellers of acquisition target, strategic partners, lenders or others to act as an effective credit enhancement.

**8.3 Solicitation Materials**

In relation to this Agreement, other than as may be required by law or any regulation, the Company and its Affiliates and any Person acting on their behalf have not and shall not: (i) distribute any offering materials in connection with the offering and issue of Securities; or (ii) solicit any offer to buy or sell such Securities by means of any form of general solicitation or advertising; or (iii) engage in any "directed selling efforts" as such term is defined in Rule 902 under the 1933 Act; or (iv) take any action which would subject

the issue of such Securities to registration requirements or to any securities laws of any applicable jurisdiction.

#### **8.4 No Endorsement or Recommendation**

No agency, government entity, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or government entities made any recommendation or endorsement with respect to, the Securities. None of the Company, the Company or any person acting on their behalf has given to the Investor any undertaking, written or oral, relating to the future value or price of the Securities.

#### **8.5 No Requirement for Presentations or Meetings**

The Investor relies exclusively on the Company's public filings, if any, and shall not require an investor presentation, investor meetings or other standard capital raising processes from the Company.

### **9. TERMINATION**

#### **9.1 Automatic Termination**

This Agreement shall automatically terminate at the end of the Commitment Period provided the Fee and, if applicable, the Additional Commitment Fee have been paid.

#### **9.2 Termination by Mutual Consent**

This Agreement may be terminated at any time during the Commitment Period by the mutual written consent of the Company and the Investor.

#### **9.3 Termination by the Investor**

This Agreement may be terminated forthwith during the Commitment Period by the Investor by giving written notice of such termination to the Company if:

- (a) the Company has breached in any material respect any representation, warranty, covenant or agreement contained in this Agreement (including, without limitation, any failure to issue and/or, procure the Listing of Common Shares on time) and (if such breach is curable) such breach is not cured within thirty days following receipt by the Company of notice of such breach; or
- (b) there has been any Material Adverse Event.

For greater certainty, the Investor will not be required to return or surrender any fees paid to it or any Securities issued to it pursuant to this Agreement notwithstanding termination of this Agreement.

#### **9.4 Termination by the Company**

This Agreement may be terminated forthwith during the Commitment Period by the Company:

- (a) if the Investor has breached in any material respect any representation, warranty, covenant or agreement contained in this Agreement and (if such breach is curable) such breach is not cured within thirty days following receipt by the Investor of notice of such breach of this Agreement; or
- (b) after payment of the Fee and, if applicable, Additional Commitment Fee.

Notwithstanding the foregoing and anything else in this Agreement, the Company may not terminate this Agreement until it has paid the Fee and, if applicable, Additional Commitment Fee to the Investor. For greater certainty, the Investor will not be required to return or surrender any Securities issued to it pursuant to this Agreement notwithstanding termination of this Agreement.

#### **9.5 Effect of Termination**

Nothing herein shall relieve any terminating party from liability for any prior breach of any of its agreements, covenants, representations, warranties or other obligations under this Agreement or for fraud.

### **10. MISCELLANEOUS**

#### **10.1 Indemnity**

The Investor agrees to indemnify and hold harmless the Company and its directors, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense (including, but not limited to, any and all fees, costs and expenses reasonably incurred in investigating, preparing or defending against any claim, law suit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Investor contained herein or in any document furnished by the Investor to the Company in connection herewith (including but not limited to the Consultant Representations and the Accredited Investor Representations) being untrue in any material respect or any breach or failure by the Investor to comply in any material respect with any covenant or agreement made by the Investor herein, which indemnity shall be capped at an amount equal to the amount of funds received by the Company from the Investor pursuant to this Agreement.

#### **10.2 Fees and Expenses**

- (a) The Company shall:
  - (i) pay all and any stamp duty or share transfer or registration or similar duties, taxes or fees arising under the laws of any jurisdiction in connection with the subscription by the Investor (or its designee(s)) respecting all Securities issued pursuant to this Agreement; and



- (ii) legal fees incurred by the Investor in connection with the negotiation and execution of this Agreement and the completion of this transaction contemplated by this Agreement up to a maximum amount of CDN\$26,000, of which CDN\$10,000 has already been paid by the Company to legal counsel for the Investor as a deposit for legal fees. Subject to the foregoing, the Company agrees to pay the balance of the Investor's legal fees forthwith as requested from time to time and acknowledges and agrees that the execution and delivery of this Agreement by the Investor is conditional upon, among other things, payment of such fees by the Company.
- (b) Other than as expressly set out in this Agreement, each of the Parties shall pay its own costs, fees and expenses in connection with the negotiation and execution of this Agreement and the completion of the transactions contemplated by this Agreement.

### **10.3 Participation Right in Equity Offerings**

If the Company undertakes an equity offering up to 12 months after the Closing Date, the Company hereby agrees that it will promptly provide written notice to the Investor of such proposed offering, and the Investor shall have the right (but not the obligation) to participate with a maximum position of 15% in connection with any such offering. The Investor will have three Business Days following written notification from the Company to exercise this right, failing which the Investor shall relinquish its rights with respect to that particular offering (but not subsequent offerings in the same 12-month period).

### **10.4 Entire Agreement**

This Agreement (including the Exhibits to it) contains the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, oral or written, relating to the subject matter of this Agreement, including without limitation the Original Agreement. For the avoidance of doubt, all letters and any other arrangements written or entered into prior to the date of this Agreement shall cease to be of any effect and no Party shall have any claim or right of action pursuant thereto.

### **10.5 Notices**

Any notice or other communication required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed to have been received upon hand delivery (receipt acknowledged) or electronic mail transmission to the address designated below (if delivered on a Business Day prior to 5:00 p.m., Gulf Standard time), or on the first Business Day following such delivery (if delivered other than prior to 5:00 p.m., Gulf Standard time on a Business Day). The addresses for such communications shall be:

(a) if to the Investor:

Crescita Capital LLC  
Sharjah Media City  
Sharjah, United Arab Emirates  
Attention: Jason Wells, Managing Director  
Email: [redacted]

with a copy, which shall not constitute notice to:

Clark Wilson LLP  
900 - 885 West Georgia Street  
Vancouver, British Columbia, Canada V6C 3H1  
Attention: Nafeesa Valli-Hasham  
Email: [redacted]

(b) if to the Company:

Hercules Resources Corp.  
820-1130 W Pender Street  
Vancouver, British Columbia, Canada V6E 4A4  
Attention: Michael Smith  
Email: ceo@herculesresourcescorp.com

with a copy, which shall not constitute notice to:

Armstrong Simpson  
2080-777 Hornby Street  
Vancouver, British Columbia, Canada V6Z 1S4  
Attention: Shauna Hartman  
Email: [redacted]

or, in all cases, such other address and email address as shall be notified in writing by the recipient party to the sending party from time to time.

#### **10.6 Amendments; Waivers**

No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by each of the Parties, or, in the case of a waiver, by the Party against whom enforcement of any such waiver is sought.

#### **10.7 Headings**

The headings in this Agreement are for convenience only, and shall be ignored in construing its terms.

### **10.8 Assignment**

No Party shall assign or otherwise transfer any of its rights under this Agreement without the consent of the other Party.

### **10.9 Remedies and Waiver**

The remedies provided in this Agreement shall be cumulative and in addition to all other remedies available under this Agreement or otherwise provided by law. Any delay by either Party in exercising or failing to exercise any right or remedy under this Agreement shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any rights or remedy under this Agreement or otherwise shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy. Any waiver of a breach of any of the terms of this Agreement or of any default hereunder shall not be deemed to be a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement.

### **10.10 Survival**

The representations, warranties, covenants and agreements contained in this Agreement shall survive the signing of this Agreement, each Drawdown Date, the termination of the Commitment Period and the termination of this Agreement for a period of one year.

### **10.11 Counterpart Signatures**

This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that the Parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or email transmission, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page were an original thereof.

### **10.12 Severability**

In case any one or more of the provisions of this Agreement shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby.

### **10.13 Publicity**

The Company undertakes to the Investor that: (a) on or prior to the date of delivery of the first Equity Drawdown Notice to the Investor pursuant to this Agreement, the Company shall notify the Exchange in accordance, where applicable, with the requirements of the Exchange, of the fact that this Agreement has been entered into by the Company; and (b) where public disclosure relating to matters contemplated by this Agreement is required by policies of the Exchange or under Applicable Securities Laws, it shall make such disclosure in accordance, where applicable, with the requirements of the Exchange or Applicable

Securities Laws. Except in circumstances where doing so would be impractical, the Company and the Investor, acting promptly and reasonably, shall have the right to approve before issue any press releases or any other public statement which the other may propose to issue or make with respect to any aspect of the transactions contemplated hereby (other than any announcement required pursuant to part (b) above).

#### **10.14 Cost of Enforcement of this Agreement**

In the event that the Investor takes any action to enforce any of the terms of, or preserve any rights under, this Agreement or to recover any sum owed to it in accordance with this Agreement, the Company shall, if the Investor has received judgment against the Company by a court, tribunal, mediator, arbitrator or other entity having jurisdiction, forthwith on demand reimburse the Investor and/or any of their Affiliates, as the case may be, for all costs and expenses (including legal fees and applicable taxes) reasonably incurred in connection with such enforcement, which reimbursement shall be capped at an amount equal to the amount of funds received by the Company from the Investor pursuant to this Agreement.

#### **10.15 Further Assurances**

Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the completion of the transactions contemplated hereby and undertakes to collaborate with the other Parties to in connection with any request for information or proceeding of a regulatory authority.

#### **10.16 Acknowledgment by the Company**

The Company hereby acknowledges that:

- (a) it has read and understood fully the content of this Agreement, and that it is entering into this Agreement on the basis of its own independent assessment of the risks and liabilities undertaken hereunder, without any representation having been made by the Investor or any of their Affiliates as to the effect, operation or results of this Agreement; and
- (b) it has been advised by its own legal and financial advisers in relation to its assessment of the risks and liabilities undertaken hereunder and that neither the Investor nor any of their Affiliates has provided investment advice to it in connection with the matters agreed in this Agreement or has solicited or induced the Company to enter into this Agreement.

#### **10.17 Exclusivity**

The Company agrees not to enter into an equity drawdown agreement or a similar agreement with any investors other than the Investor for a period of three years from the Closing Date. This provision does not limit the Company from raising funds by any other means or selling securities at the same price as those that are sold to the Investor.

**10.18 Governing Law and Jurisdiction**

This Agreement (together with all documents to be entered into pursuant to its which are not expressed to be governed by another law) and any dispute or claim arising out of or in connection with it or its subject matter existence, validity or termination (including non-contractual disputes or claims) is governed by and shall be construed and take effect in accordance with the laws of the Province of British Columbia.

IN WITNESS WHEREOF the Parties have executed this agreement as of the Effective Date.

**HERCULES RESOURCES CORP.**

**CRESCITA CAPITAL LLC**

Per: *"Michael Smith"*

Per: *"Jason Wells"*

\_\_\_\_\_  
Name: Michael Smith

\_\_\_\_\_  
Name: Jason Wells

Title: Chief Executive Officer

Title: Managing Director

**EXHIBIT A**  
**EQUITY DRAWDOWN NOTICE**

**To: CRESCITA CAPITAL LLC (the “Investor”)**

**From: HERCULES RESOURCES CORP. (the “Company”)**

**DATE:** \_\_\_\_\_

We refer to the Amended and Restated Investment and Advisory Agreement (the “**Agreement**”) dated effective April 18, 2024 among the Company and the Investor. This Equity Drawdown Notice is being delivered to you pursuant to clause 6.1 of the Agreement.

Subscription Number: \_\_\_\_\_ Drawdown Units<sup>(1)</sup>

\_\_\_\_\_ Drawdown Shares

\_\_\_\_\_ Drawdown Warrants

Minimum Acceptable Price: CDN\$ \_\_\_\_\_ per Drawdown Unit.

We hereby certify that that all conditions precedent to the delivery of this Equity Drawdown Notice pursuant to the Agreement have been satisfied (or waived in writing by you.)

**HERCULES RESOURCES CORP.**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<sup>(1)</sup> *Must not be greater than the Equity Drawdown Maximum, being 500% of the average Daily Trading Volumes for the ten (10) Trading Days immediately preceding the date of this Equity Drawdown Notice.*

**EXHIBIT B**  
**FORM OF ACCEPTANCE NOTICE**

**To:**               **HERCULES RESOURCES CORP. (the "Company")**

**From:**           **CRESCITA CAPITAL LLC (the "Investor")**

**DATE:**           \_\_\_\_\_

We refer to the Amended and Restated Investment and Advisory Agreement (the "**Agreement**") dated effective April 18, 2024 between the Company and the Investor. Capitalized terms defined in the Agreement have the same meaning herein. This Acceptance Notice is being delivered to you pursuant to clause 6.2 of the Agreement.

Subscription Number in Equity Drawdown Notice: \_\_\_\_\_

Number of Drawdown Units Subscribed for: \_\_\_\_\_

Number of Drawdown Shares comprising Drawdown Units: \_\_\_\_\_

Number of Drawdown Warrants comprising Drawdown Units: \_\_\_\_\_

Subscription Price per Drawdown Unit Subscribed for: CDN\$\_\_\_\_\_

We confirm that the number of Drawdown Units subscribed for is not less than 50% of the Subscription Number and not more than 200% of the Subscription Number in the Equity Drawdown Notice.

Equity Drawdown Amount: CDN\$\_\_\_\_\_

(Number of Drawdown Units Subscribed for x Subscription Price)

Remaining Balance of Commitment Available: CDN\$\_\_\_\_\_

The undersigned hereby directs you to issue:

- \_\_\_\_\_ Drawdown Shares, and
- \_\_\_\_\_ Drawdown Warrants, and

to register and deliver such Drawdown Shares and Drawdown Warrants in the name: **Crescita Capital LLC.**

**CRESCITA CAPITAL LLC**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT C  
FORM OF REJECTION NOTICE**

**To:**           **HERCULES RESOURCE CORP. (the "Company")**

**From:**       **CRESCITA CAPITAL LLC (the "Investor")**

**DATE:**       \_\_\_\_\_

We refer to the Amended and Restated Investment and Advisory Agreement (the "**Agreement**") dated effective April 18, 2024 between the Company and the Investor. Capitalized terms defined in the Agreement have the same meaning herein. This Rejection Notice is being delivered to you pursuant to clause 6.2 of the Agreement.

Further to the Equity Drawdown Notice received on \_\_\_\_\_, we hereby reject the subscription on the basis of [*the existence of the Refusal Right/failure to meet the conditions set out at clause (XX) of the Agreement*].

**CRESCITA CAPITAL LLC**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT D**  
**FORM OF WARRANT CERTIFICATE**

**THE WARRANTS REPRESENTED BY THIS CERTIFICATE ARE TRANSFERRABLE.**

**THIS WARRANT CERTIFICATE, AND THE SECURITIES EVIDENCED HEREBY, WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON [DATE THAT IS THREE YEARS FROM THE DATE OF ISSUE].**

**HERCULES RESOURCES CORP.**

a corporation incorporated under the laws of the Province of British Columbia  
having an office at 820-1130 W Pender Street, Vancouver, BC V6E 4A4

NO. \_\_\_\_\_

 **WARRANTS**

Each entitling the holder to acquire one common share of HERCULES RESOURCES CORP., subject to adjustment as set forth herein, in accordance with the terms and conditions set forth herein.

**WARRANTS**

**THIS IS TO CERTIFY THAT** for value received **CRESCITA CAPITAL LLC**, whose registered office is Sharjah Media City, Sharjah, United Arab Emirates (the “**Holder**”) is the registered holder of the number of transferable warrants stated above (each a “**Warrant**” and collectively, the “**Warrants**”) and is entitled, for each whole Warrant represented hereby, to purchase one fully paid and non-assessable common share, subject to adjustment as hereinafter provided (each a “**Share**” and collectively the “**Shares**”), in the capital of **HERCULES RESOURCES CORP.** (the “**Company**”), at any time and from time to time from the date of issue hereof up to and including 5:00 p.m. (Pacific Standard Time) on **[the date that is three years from the date of issue]** (the “**Expiry Time**”), at a price per Share equal to **[\$♦]**, subject to adjustment as hereinafter provided and subject to the Warrant Exercise Price Adjustment (as defined herein) (the “**Exercise Price**”), upon and subject to the following terms and conditions.

**For purposes of this Warrant Certificate:**

- (a) “**\$**” means Canadian dollars;
- (b) “**Exchange**” means Canadian Securities Exchange or such other recognized North American stock exchange on which the Shares are listed for trading at the relevant time;
- (c) “**Listing Rules**” means the policies, guidelines and requirements of the Exchange in effect from time to time;
- (d) “**Shares**” means the common shares in the capital of the Company which are issuable upon the exercise from time to time of these Warrants;
- (e) “**Trading Day**” means a day on which the Exchange is open and remains open for not less than 5 hours for general trading of securities;
- (f) “**VWAP**” means the volume weighted average price of the Shares on the Exchange;

- (g) **“Warrant Adjusted Exercise Price”** means the new exercise price of the Warrants which is equal to the greater of: (i) the VWAP of the Shares during the Warrant Exercise Price Adjustment Period, and (ii) the minimum exercise price permitted by the Exchange, in any case subject to the applicable Listing Rules;
- (h) **“Warrant Exercise Price Adjustment”** means the reduction of the exercise price of the Warrants from the exercise price set at the time of issuance to the Warrant Adjusted Exercise Price, which reduction is triggered and becomes effective on the Warrant Exercise Price Adjustment Date, subject to the Listing Rules;
- (i) **“Warrant Exercise Price Adjustment Date”** means the first anniversary of the issue date of the Warrants, provided that the Warrant Exercise Price Adjustment Trigger has occurred;
- (j) **“Warrant Exercise Price Adjustment Period”** means the 40 Trading Days immediately preceding the first anniversary of the issue date of the Warrants; and
- (k) **“Warrant Exercise Price Adjustment Trigger”** means the circumstances where on the Warrant Exercise Price Adjustment Date the VWAP of the Common Shares for the Warrant Exercise Price Adjustment Period is less than 80% of the exercise price of the Warrants that was set at the time of issuance of the Warrants.

#### TERMS AND CONDITIONS

2. At any time and from time to time at or prior to the Expiry Time (the **“Exercise Period”**), the Holder may exercise all or any number of whole Warrants represented hereby, upon delivering to the Company at its principal office noted above, this Warrant Certificate, together with a duly completed and executed subscription notice in the form attached hereto (the **“Subscription Notice”**) evidencing the election of the Holder to exercise the number of Warrants set forth in the Subscription Notice (which shall not be greater than the number of Warrants represented by this Warrant Certificate) and a certified cheque, money order or bank draft payable to the Company for the aggregate Exercise Price of all Warrants being exercised. If the Holder is not exercising all Warrants represented by this Warrant Certificate, the Holder shall be entitled to receive, without charge, a new Warrant Certificate representing the number of Warrants which is the difference between the number of Warrants represented by the then original Warrant Certificate and the number of Warrants being so exercised.
3. The Holder shall be deemed to have become the holder of record of Shares on the date (the **“Exercise Date”**) on which the Company has received a duly completed Subscription Notice, delivery of the Warrant Certificate and payment of the full aggregate Exercise Price in respect of the Warrants being exercised pursuant to such Subscription Notice; provided, however, that if such date is not a business day in the City of Vancouver, British Columbia (a **“Business Day”**) then the Shares shall be deemed to have been issued and the Holder shall be deemed to have become the holder of record of the Shares on the next following Business Day. Within five (5) Business Days of the Exercise Date, the Company shall issue and deliver (or cause to be delivered) to the Holder, by registered mail or pre-paid courier to his, her or its address specified in the register of the Company, one or more certificates for the appropriate number of issued and outstanding Shares to which the Holder is entitled pursuant to the exercise of Warrants. All costs, expenses, transfer taxes and other charges payable in connection with the issue and delivery of the Shares shall be at the sole expense of the Company (other than withholding tax, if any).

4. The Company covenants and agrees that, until the Expiry Time, while any of the Warrants represented by this Warrant Certificate shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Sections 5 and 6 of this Warrant Certificate. The Company represents and warrants that all Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment of the aggregate Exercise Price at which Shares may at that time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Company or its creditors in respect thereof. The Company further represents and warrants that this Warrant Certificate is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, provided that enforcement thereof may be limited by laws effecting creditors' rights generally and that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction. The Company covenants that it will make all requisite filings under applicable laws in connection with the exercise of the Warrants and issue of Shares.
  
5. The Exercise Price (and the number of Shares issuable upon exercise) shall be subject to the Warrant Exercise Price Adjustment and to adjustment from time to time in the events and in the manner provided as follows:
  - (a) Share Reorganization. If during the Exercise Period the Company shall:
    - (i) issue Shares or securities exchangeable for or convertible into Shares to holders of all or substantially all of its then outstanding Shares by way of stock dividend or other distribution, or
    - (ii) subdivide, re-divide or change its outstanding Shares into a greater number of Shares, or
    - (iii) consolidate, reduce or combine its outstanding Shares into a lesser number of Shares,

(any of such events in these paragraphs (i), (ii) and (iii) being a "**Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date, as the case may be, at which the holders of Shares are determined for the purpose of the Share Reorganization by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which shall be the number of Shares outstanding as of the effective date or record date after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Shares are distributed, the number of Shares that would have been outstanding had such securities been fully exchanged for or converted into Shares on such record date or effective date). From and after any adjustment of the Exercise Price pursuant to this Section 5(a), the number of Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(b) Rights Offering. If and whenever during the Exercise Period the Company shall fix a record date for the issue or distribution of rights, options or warrants to all or substantially all of the holders of Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares at a price per share to the holder (or having a conversion price or exchange price per Share) of less than 95% of the Current Market Price (as defined in Section 6 hereof) for the Shares on such record date (any of such events being called a “**Rights Offering**”), then the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding as of the record date for the Rights Offering, and

(B) a number determined by dividing either

I. the product of the number of Shares offered under the Rights Offering and the price at which such Shares are offered,

or, as the case may be,

II. the product of the exchange or conversion price per share of such securities offered and the maximum number of Shares for or into which the securities so offered pursuant to the Rights Offering may be exchanged or converted,

by the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date after giving effect to the Rights Offering and including the number of Shares offered pursuant to the Rights Offering (including shares issuable upon exercise of the rights, warrants or options under the Rights Offering or upon the exercise of the exchange or conversion rights contained in such exchangeable or convertible securities under the Rights Offering).

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that such Rights Offering is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued. From and after any adjustment of the Exercise Price pursuant to this Section 5(b), the number of Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(c) Special Distribution. If and whenever during the Exercise Period the Company shall issue or distribute to all or to substantially all the holders of the Shares:

- (i) securities of the Company including shares, rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into or exchangeable into any such shares, or
- (ii) any cash (other than cash dividends made in the ordinary course), property or other assets or evidences of its indebtedness,

and if such issuance or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a “**Special Distribution**”), the Exercise Price shall be adjusted immediately after the record date for the Special Distribution so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which shall be the difference between:
  - (A) the amount obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date, and
  - (B) the fair value (as determined by the directors of the Company) to the holders of such Shares of such Special Distribution; and
- (ii) the denominator of which shall be the total number of Shares outstanding on such record date multiplied by such Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. To the extent that such Special Distribution is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued. From and after any adjustment of the Exercise Price pursuant to this Section 5(c), the number of Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(d) Capital Reorganization. If and whenever during the Exercise Period there shall be a reclassification or re-designation of Shares at any time outstanding or a change of the Shares into other shares or into other securities or any other capital reorganization (other than a Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Company with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification or re-designation of the outstanding Shares or a change of the Shares into other securities), or a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity (any of such events

being herein called a “**Capital Reorganization**”), the Holder, where he, she or it has not exercised the right of subscription and purchase under this Warrant Certificate prior to the effective date or record date, as the case may be, of such Capital Reorganization, shall be entitled to receive, and shall accept upon the exercise of such right for the same aggregate consideration, in lieu of the number of Shares to which such Holder was theretofore entitled upon such exercise, the kind and aggregate number of shares, other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, he had been the registered holder of the number of Shares to which such holder was theretofore entitled to subscribe for and purchase; provided however, that no such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken by the Company to so entitle the Holder. If determined appropriate by the board of directors of the Company, acting reasonably and in good faith, and subject to the prior written approval of the principal Canadian stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading if required by such stock exchange or over-the-counter market, appropriate adjustments shall be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 5 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 5 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any Warrant. Any such adjustments shall be made by and set forth in terms and conditions supplemental hereto approved by the board of directors of the Company, acting reasonably and in good faith.

- (e) Warrant Exercise Price Adjustment Trigger. If on the first anniversary of the issue date of the Warrants a Warrant Exercise Price Adjustment Trigger shall have occurred, then the Exercise Price shall be adjusted as of the Warrant Exercise Price Adjustment Date to the Warrant Adjusted Exercise Price, subject to the Listing Rules. From and after any adjustment of the Exercise Price pursuant to this Section 5(e), the number of Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.
- (f) Subject to the approval of the Exchange, if and whenever at any time after the date hereof and prior to the Expiry Time, the Company takes any action affecting its Shares to which the foregoing provisions of this Section 5, in the opinion of the board of directors of the Company, acting reasonably and in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Holder against dilution in accordance with the intent and purposes thereof, or would otherwise materially affect the rights of the Holder hereunder, then the Company shall execute and deliver to the Holder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the board of directors of the Company may determine to be equitable in the circumstances, acting reasonably and in good faith. The failure of the taking of action by the board of directors of the Company to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence, absent manifest error, that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

6. The following rules and procedures shall be applicable to the adjustments made pursuant to Section 5:
- (a) The adjustments provided for in Section 5 are cumulative and shall be made successively whenever an event referred to therein shall occur, and shall, in the case of adjustments to the Exercise Price be computed to the nearest one-tenth of one cent subject to the following paragraphs of this Section 6.
  - (b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment shall be made in the number of Shares purchasable upon exercise of this Warrant Certificate unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments which, except for the provisions of this Section 6(b) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding Section 5 or 6 hereof, no adjustment shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant Certificate (except in respect of a consolidation of the outstanding Shares).
  - (c) No adjustment in the Exercise Price or in the number of Shares purchasable upon exercise of Warrants shall be made in respect of any event described in Section 5, other than the events referred to in Sections 5(a)(ii) and (iii), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if it had exercised its Warrants prior to or on the effective date or record date, as the case may be, of such event. The terms of the participation of the Holder in such event shall be subject to the prior written approval, if applicable, of the principal Canadian stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading.
  - (d) No adjustment in the Exercise Price shall be made pursuant to Section 5 in respect of the issue from time to time:
    - (i) of Shares purchasable on exercise of the Warrants represented by this Warrant Certificate;
    - (ii) of Shares to holders of Shares who exercise an option or election to receive substantially equivalent dividends in Shares in lieu of receiving a cash dividend pursuant to a dividend reinvestment plan or similar plan adopted by the Company in accordance with the requirements of the principal Canadian stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and applicable securities laws; or
    - (iii) of Shares pursuant to any stock option, stock option plan, stock purchase plan or benefit plan in force at the date hereof for directors, officers, employees or consultants of the Company, as such option or plan is amended or superseded from time to time in accordance with the requirements of the principal Canadian stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and applicable securities laws, and such other stock option, stock option plan or stock purchase plan as may be adopted by the Company in accordance with the requirements of the principal Canadian stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and applicable securities laws;



and any such issue shall be deemed not to be a Share Reorganization or Capital Reorganization.

- (e) If the Company shall set a record date to determine the holders of the Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of any Warrant shall be required by reason of the setting of such record date.
- (f) As a condition precedent to the taking of any action which would require any adjustment in any of the subscription rights pursuant to this Warrant Certificate, including the Exercise Price and the number or class of shares or other securities which are to be received upon the exercise thereof, the Company shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Company have unissued and reserved Shares in its authorized capital, and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder of such Warrant Certificate is entitled to receive on the full exercise thereof in accordance with the provisions hereof.
- (g) For the purposes of this Warrant Certificate, “**Current Market Price**” of a Share at any date shall be calculated as the price per share equal to the closing price for the Shares on the principal Canadian stock exchange or, if the Shares are not listed, the over-the-counter market, on which the Shares are then listed or posted for trading on the Trading Day immediately prior to such date as reported by such exchange or market in which the Shares are then trading or quoted. If the Shares are not then traded in the over-the-counter market or on a recognized Canadian stock exchange, the Current Market Price of the Shares shall be the fair market value of the Shares as determined in good faith by the board of directors of the Company in consultation with a nationally or internationally recognized and independent investment dealer, investment banker or firm of chartered accountants.
- (h) In the absence of a resolution of the board of directors of the Company fixing a record date for any dividend or distribution referred to in Section 5(a)(i) or any Rights Offering or Special Distribution, the Company shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution, Rights Offering or Special Distribution is effected.
- (i) Any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustments pursuant to Section 5 shall be conclusively determined by a firm of independent chartered accountants and shall be binding upon the Company and the Holder, absent manifest error. Notwithstanding the foregoing, such determination shall be subject to the prior written approval of the principal Canadian stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading if required by such stock exchange or over-the-counter market. In the event that any such determination is made, the Company shall notify the Holder in the manner contemplated in Section 17 describing such determination.

7. On the happening of each and every such event set out in Section 5, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to be amended accordingly and the Company shall take all necessary action so as to comply with such provisions as so amended.
8. In any case in which Section 5 shall require that an adjustment shall be effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such an event:
  - (a) issuing to the holder of any Warrant exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event, and
  - (b) delivering to such holder any distributions declared with respect to such additional Shares after such Exercise Date and before such event;

provided, however, that the Company shall deliver or cause to be delivered to such holder, an appropriate instrument evidencing such holder's right, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and/or the number of Shares purchasable on the exercise of any Warrant and to such distributions declared with respect to any additional Shares issuable on the exercise of any Warrant.

9. At least ten days prior to the effective date or record date, as the case may be, of any event which requires or might require adjustment in any of the subscription rights pursuant to this Warrant Certificate, including the Exercise Price and the number of Shares which are purchasable upon the exercise thereof, or such longer period of notice as the Company shall be required to provide holders of Shares in respect of any such event, the Company shall notify the Holder of the particulars of such event and, if determinable, the required adjustment and the computation of such adjustment. In case any adjustment for which such notice has been given is not then determinable, the Company shall promptly after such adjustment is determinable notify the Holder of the adjustment and the computation of such adjustment.
10. The Company shall maintain a register of holders in which shall be entered the names and addresses of the holders of the Warrants and of the number of Warrants held by them. Such register shall be open at all reasonable times for inspection by the Holder. The Company shall notify the Holder forthwith of any change of address of the principal office of the Company.
11. Where the Holder is entitled to receive on the exercise or partial exercise of its Warrants a fraction of a Share, such right may only be exercised in respect of such fraction in combination with another Warrant or Warrants which in the aggregate entitle the Holder to receive a whole number of Shares. If a Holder is not able to, or elects not to, combine Warrants so as to be entitled to acquire a whole number of Shares, the Holder may not exercise the right to acquire a fractional Share, and, does not have the right to receive a cash equivalent in lieu thereof equal to such fraction of a Share multiplied by the Current Market Price.
12. Subject as herein provided, all or any of the rights conferred upon the Holder by the terms hereof may be enforced by the Holder by appropriate legal proceedings.
13. The registered Holder of this Warrant Certificate may at any time up to and including the Expiry Time, upon the surrender hereof to the Company at its principal office, exchange this Warrant Certificate for one or more Warrant Certificates entitling the Holder to subscribe in the aggregate

for the same number of Shares as is expressed in this Warrant Certificate. Any Warrant Certificate tendered for exchange shall be surrendered to the Company and cancelled.

14. If this Warrant Certificate becomes stolen, lost, mutilated or destroyed, the Company shall, on such terms as it may in its discretion acting reasonably impose, issue and deliver to the Holder a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost, mutilated or destroyed.
15. Nothing contained herein shall confer any right upon the Holder hereof or any other person to subscribe for or purchase any Shares of the Company at any time subsequent to the Expiry Time. After the Expiry Time this Warrant Certificate and all rights hereunder shall be void and of no value.
16. Except as expressly set out herein, the holding of this Warrant Certificate shall not constitute a Holder hereof a holder of Shares nor entitle it to any right or interest in respect thereof.
17. Unless herein otherwise expressly provided, any notice to be given hereunder to the Holder shall be deemed to be validly given if such notice is given by personal delivery or registered mail to the attention of the Holder at its registered address recorded in the registers maintained by the Company. Any notice so given shall be deemed to be validly given, if delivered personally, on the day of delivery and if sent by post or other means, on the fifth Business Day next following the sending thereof. In determining under any provision hereof the date when notice of any event must be given, the date of giving notice shall be included and the date of the event shall be excluded.
18. This Warrant Certificate and the Warrants represented hereby may be assigned with prior written consent of the Company, which consent shall not be unreasonably withheld.
19. Time is of the essence hereof.
20. This Warrant Certificate is binding upon the Company and its successors and assigns, provided that it shall not be assigned by the Company without the prior written consent of the Holder.
21. This Warrant Certificate and the Warrants represented hereby shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

**IN WITNESS WHEREOF** this Warrant Certificate has been executed on behalf of HERCULES RESOURCES CORP. as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_.

**HERCULES RESOURCES CORP.**

By: \_\_\_\_\_  
Authorized Signing Officer  
Name: Michael Smith  
Title: Chief Executive Officer

**SUBSCRIPTION NOTICE**

TO: **HERCULES RESOURCES CORP.**

Terms used herein but not otherwise defined have the meanings ascribed thereto in the attached Warrant Certificate.

The undersigned registered Holder of the attached Warrant Certificate, hereby:

- (a) subscribes for \_\_\_\_\_ Shares at a price of CDN\$\_\_\_\_\_ per Share (or such adjusted price which may be in effect under the provisions of the Warrant Certificate) and in payment of the exercise price encloses a certified cheque, bank draft or money order in lawful money of Canada payable to the order of COMPANY. or its successor corporation; and
- (b) delivers herewith the above-mentioned Warrant Certificate entitling the undersigned to subscribe for the above-mentioned number of Shares;

in each case in accordance with the terms and conditions set out in the attached Warrant Certificate.

The undersigned hereby directs that the said Shares be registered as follows:

Name(s) in full	Address(es) (including Postal Code)	Number of Shares
_____	_____	_____

Total: \_\_\_\_\_

*(Please print full name in which Share certificates are to be issued.)*

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

\_\_\_\_\_  
(Signature of Subscriber)

\_\_\_\_\_  
(Print Name of Subscriber)

\_\_\_\_\_  
(Address of Subscriber in full)

\_\_\_\_\_

\_\_\_\_\_

***The certificates will be mailed by registered mail to the address appearing in this Subscription Notice.***

**EXHIBIT E**  
**SERVICES AND COMPENSATION**

**Services**

The Services to be provided by the Investor under this Agreement, from time to time at the request of the CEO of the Company, include one or more of the following:

- advisory services with respect to general corporate and public company matters;
- assistance in identifying strategic investment opportunities for the Company;
- advisory services with respect to the Company's business development;
- advisory services with respect to the identification, negotiation and completion of strategic mergers and acquisitions for the Company; and
- such other services as agreed to by the Company and the Investor in writing from time-to-time.

The Services provided by the Investor to the Company hereunder shall be on a project specific basis, and the scope of work for each project shall be reviewed and agreed to as between the Company and the Investor prior to the commencement of work. The Company shall not provide any material information to the Investor in the scope of the engagement for Services which has not been publicly disclosed. To the extent that any such disclosure is necessary, the Company must notify the Investor of the confidential nature of any such information prior to disclosure.

The Services will be charged monthly, where requested by the Company, at a rate per month not exceeding \$2,000 per month unless otherwise agreed to by the Company and the Investor.

**Compensation**

The fees payable by the Company to the Investor for Services rendered in connection with each project will be determined from time to time on mutual written agreement of the Parties at the outset of the project. Any Services rendered on a general and non-project specific basis will be billed at an hourly rate to be agreed upon by the Company and the Investor at the relevant time, and the work and projected time required for such work must be pre-approved by the CEO of the Company. The fees payable by the Company to the Investor for Services may be paid either in cash or by the issuance of Common Shares, to be issued subject to approval of the Exchange, at a deemed price equal to the greater of (i) the minimum price permitted by the Exchange and (ii) 85% of the VWAP of the Common Shares for the ten (10) Trading Days prior to the issue date of such Common Shares.

**EXHIBIT F  
REQUEST FOR ADDITIONAL COMMITMENT**

**To: CRESCITA CAPITAL LLC (the "Investor")**

**From: HERCULES RESOURCES CORP. (the "Company")**

**DATE:** \_\_\_\_\_

We refer to the Amended and Restated Investment and Advisory Agreement (the "**Agreement**") dated effective April 18, 2024 among the Company and the Investor. This request for Additional Commitment is being delivered to you pursuant to clause 3.2 of the Agreement.

Additional Commitment: CDN\$\_\_\_\_\_

Plus: Original Commitment: CDN\$5,000,000

Less: Total Equity Drawdown Amount funded: CDN\$\_\_\_\_\_

Total Commitment (after inclusion of Additional Commitment): CDN\$\_\_\_\_\_

We hereby certify that that all conditions precedent to the delivery of this request for Additional Commitment pursuant to the Agreement have been satisfied (or waived in writing by you.)

**HERCULES RESOURCES CORP.**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ACCEPTANCE** of request for Additional Commitment by the Investor:

**CRESCITA CAPITAL LLC**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT G  
FORM OF ACCREDITED INVESTOR CERTIFICATE**

**To: HERCULES RESOURCES CORP. (the “Company”)**

**From: CRESCITA CAPITAL LLC (the “Investor”)**

**Re: Investment and Advisory Agreement dated effective April 18, 2024 (the “Agreement”) between the Company and the Investor**

This certificate is delivered pursuant to Section 4.3(d) of the Agreement. Capitalized terms used in this certificate but not defined have the meanings given to them in the Agreement.

The undersigned, \_\_\_\_\_ (**print name officer**), the duly appointed \_\_\_\_\_ (**print title of officer**), certifies for and on behalf of the Investor and not in their personal capacity, and without personal liability that the Accredited Investor Representations are true and correct in all material respects as of the date of this certificate, including the following:

1. the Investor is an “accredited investor” (as such term is defined in NI 45-106) and, specifically, is a person, other than an individual or investment fund, that has net assets of at least CDN\$5,000,000 as shown on its most recently prepared financial statements; and
2. is acquiring Securities as principal for its own account

IN WITNESS WHEREOF the undersigned has signed this certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ on behalf of the Investor and without personal liability.

**CRESCITA CAPITAL LLC**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_

**EXHIBIT H  
FORM OF CONSULTANT CERTIFICATE**

**To: HERCULES RESOURCES CORP. (the “Company”)**

**From: CRESCITA CAPITAL LLC (the “Investor”)**

**Re: Investment and Advisory Agreement dated effective April 18, 2024 (the “Agreement”) between the Company and the Investor**

This certificate is delivered pursuant to Section 4.3(d) of the Agreement. Capitalized terms used in this certificate but not defined have the meanings given to them in the Agreement.

The undersigned, \_\_\_\_\_ (**print name officer**), the duly appointed \_\_\_\_\_ (**print title of officer**), certifies for and on behalf of the Investor and not in their personal capacity, and without personal liability that the Consultant Representations are true and correct in all material respects as of the date of this certificate, including the following:

1. the Investor is and will be a “consultant” (as such term is defined in NI 45-106) with respect to the Company and, specifically:
  - (a) is engaged to provide the Services which do not include any services in relation to a “distribution” (as such term is defined in the Securities Act);
  - (b) provides the Services under the Agreement; and
  - (c) spends a significant amount of time and attention on the affairs and business of the Company; and
2. the Investor is acquiring the Securities voluntarily.

IN WITNESS WHEREOF the undersigned has signed this certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ on behalf of the Investor and without personal liability.

**CRESCITA CAPITAL LLC**

Signed by: \_\_\_\_\_

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

Title: \_\_\_\_\_