

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “**Agreement**”) is dated effective as of the 15th day of January, 2024.

BETWEEN:

MOONBOUND MINING LTD., a corporation having an address at 2820 - 200 Granville Street, Vancouver, British Columbia, V6C 1S4

(Email: [REDACTED])

(the “**Lender**”)

AND:

1442160 B.C. LTD., a corporation having an address at [REDACTED]

(Email: [REDACTED])

(the “**Borrower**”)

WHEREAS:

- A. The Lender has agreed to provide a loan in the principal amount of \$1,500,000 (the “**Principal Amount**”) to the Company in accordance with the terms and conditions of this Agreement; and
- B. The Borrower wishes to borrow monies from the Lender on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lender and the Borrower (each, a “**Party**” and, together, the “**Parties**”) covenant and agree as set forth below:

1. DEFINITIONS; INTERPRETATION

- 1.1 For the purpose of this Agreement, the following words and phrases will have meanings set forth below unless the Parties or the context otherwise require(s):
 - (a) “\$” means lawful currency of the Canada;
 - (b) “**Advance Date**” has the meaning set out in Section 2.1;

- (c) **"Affiliate"** with respect to any specified Person at any time, means each Person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under direct or indirect common control with, such specified Person at such time;
- (d) **"Agreement"** means this Agreement and all schedules hereto as the same may be amended, modified, replaced or restated from time to time;
- (e) **"Arrangement Fee"** means a fee of \$45,000, equivalent to 3% of the Principal Amount, payable to the Lender on a one-time basis as partial consideration for providing the Loan;
- (f) **"Bonus Shares"** means 400,000 common shares in the capital of the Borrower, as presently constituted, which will be issuable to the Lender on a one-time basis, at a deemed price of \$0.18 per share, as partial consideration for providing the Loan;
- (g) **"Borrower Subsidiary"** means Norrabees Lithium (SA) Limited, a company incorporated under the company laws of the Republic of Mauritius and wholly-owned subsidiary of the Borrower;
- (h) **"Borrower's Indebtedness"** means all present and future indebtedness and liability, direct and indirect, of the Borrower to the Lender arising under and pursuant to this Agreement (including, without limitation, at any point in time the Principal Amount outstanding under the Loan, all unpaid accrued interest thereon and all fees and costs and expenses then payable in connection therewith);
- (i) **"Business Day"** means any day other than a Saturday, Sunday or other day on which commercial banks in the Province of British Columbia are authorized or required by law to close;
- (j) **"Event of Default"** means the occurrence of any one or more of the following events:
 - (i) the Borrower fails to pay any of the Borrower's Indebtedness when due and fails to cure such default within thirty(30) days after written notice of default is sent by or on behalf of the Lender;
 - (ii) the Borrower materially defaults on or in the observance or performance of any non-monetary covenant or agreement contained herein, and fails to cure such default within thirty(30) days after written notice of default is sent by or on behalf of the Lender;
 - (iii) the Borrower ceases, or threatens to cease, to carry on its business as the same is conducted by it from time to time;
 - (iv) the Borrower files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking or acquiescing in any reorganization, arrangement, composition,

readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, provincial or other statute, law or regulation relating to bankruptcy, insolvency or other relief for borrowers, or seeks, or consents to or acquiesces in, the appointment of any trustee, receiver or liquidator of the Borrower, or makes any general assignment for the benefit of creditors, or admits in writing the Borrower's inability to pay its debts generally as they become due; or

- (v) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Borrower seeking any reorganization, dissolution or similar relief under any present or future federal, provincial or other statute, law or regulation relating to bankruptcy, insolvency or other relief for borrowers, and such order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof;
- (k) "**Interest Rate**" means 10% per annum from and including the Advance Date to and including the date that the Borrower's Indebtedness is paid in full, calculated as set forth in Section 4;
- (l) "**Loan**" means the term loan in the Principal Amount to be made by the Lender to the Borrower pursuant to this Agreement;
- (m) "**Maturity Date**" means the date that is the earlier of: (i) 30 days following the Advance Date; and (ii) such other date as the Lender and the Borrower may mutually agree on, in writing;
- (n) "**Moonbound Transaction**" means the acquisition by the Lender of all the issued and outstanding common shares in the capital of the Borrower such that at the time of closing of the transaction, the Borrower will be a wholly-owned subsidiary of the Lender;
- (o) "**Person**" means and includes an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof;
- (p) "**Principal Amount**" has the meaning set out in Recital A;
- (q) "**Sale Agreement**" means the sale of shares agreement entered into between the Borrower Subsidiary, Dune Resources Proprietary Limited and SPH Kundalila Proprietary Limited; and
- (r) "**Term**" has the meaning set out in Section 3.1.

2. PRINCIPAL AMOUNT

- 2.1 Subject to the terms and conditions of this Agreement, the Lender agrees to advance to the Borrower the Principal Amount, less the Arrangement Fee, immediately upon such date in which the Borrower notifies the Lender that all outstanding conditions to completion of the acquisition of an initial interest in Dune Resources Proprietary Limited have been satisfied pursuant to the Sale Agreement (the "**Advance Date**").
- 2.2 Unless otherwise agreed between the Borrower and the Lender, this Agreement will automatically terminate without any further liability or obligation on the part of either Party in the event the Advance Date has not occurred on or before January 19, 2024.

3. TERM AND TERMINATION

- 3.1 The term of the Loan (the "**Term**") will commence on the Advance Date and mature on the Maturity Date.
- 3.2 Notwithstanding Section 3.1 and anything else contained in this Agreement, the Term will end earlier than the Maturity Date upon full repayment of the Borrower's Indebtedness in accordance with Section 7 or upon a demand by the Lender in accordance with Section 9.1.

4. INTEREST

- 4.1 The Borrower shall pay interest on the Borrower's Indebtedness at the Interest Rate, both before and after the Maturity Date. Interest will be calculated on the basis of a 360-day year, based on the number of days elapsed and shall accrue daily commencing on the Advance Date until payment in full by the Borrower of the Borrower's Indebtedness.
- 4.2 All overdue and unpaid interest and all fees, costs and other amounts payable by the Borrower hereunder will be added to the Principal Amount and will bear interest at the Interest Rate, calculated in the same manner as contemplated by Section 4.1, until paid in full.

5. REPAYMENT

- 5.1 Subject to earlier repayment of the Borrower's Indebtedness in full in accordance with Section 7, on the Maturity Date the Borrower will pay to the Lender, in full, the Borrower's Indebtedness then outstanding.
- 5.2 Notwithstanding anything in this Agreement to the contrary, any payment of the Borrower's Indebtedness that is due on a date other than a Business Day will be made on the next succeeding Business Day.

6. ARRANGEMENT FEE AND BONUS SHARES

- 6.1 As partial consideration for providing the Loan, the Lender will be entitled to receive the Bonus Shares and the Arrangement Fee which will be fully earned as of the Advance Date. The Lender will deduct the amount of the Arrangement Fee from the Principal Amount

of the Loan advanced to the Borrower on the Advance Date, unless otherwise agreed to by the Parties.

- 6.2 The Lender acknowledges that the Borrower is a privately held company, and that as a result there is no public market for the Bonus Shares, and they will be subject to restrictions on resale prescribed by applicable securities laws and the constating documents of the Borrower.

7. PREPAYMENT

- 7.1 Provided that there is no outstanding Event of Default, the Borrower will be entitled to prepay all of the Borrower's Indebtedness, at any time and from time to time, without notice, bonus or penalty.

- 7.2 Subject to this Section 7.2, all payments received by the Lender on account of the Borrower's Indebtedness will be applied first in payment of outstanding interest and secondly in reduction of the Principal Amount then outstanding. If any payment is received at any time while an Event of Default remains outstanding or after demand has been made by the Lender in accordance with Section 9.1, the Lender may appropriate such payment to such part or parts of the Borrower's Indebtedness as the Lender in its sole discretion may determine and the Lender may from time to time revoke and change any such appropriation.

8. REPRESENTATIONS AND WARRANTIES

- 8.1 The Borrower represents and warrants to the Lender as follows:

- (a) it has been duly incorporated and is validly subsisting as a corporation or company under the laws of its jurisdiction of incorporation;
- (b) the Borrower Subsidiary is the only subsidiary of the Borrower and the business of the Borrower is not operated in or through any other Person;
- (c) it has the power, authority and right to enter into and deliver, and to exercise its rights and perform its obligations under, this Agreement and all other instruments and agreements delivered by it in connection with the Loan; and
- (d) the execution, delivery and performance of this Agreement, and every other instrument or agreement delivered by it pursuant to this Agreement, has been duly authorized by all actions, if any, required on its part and by its shareholders and directors (or, where applicable, partners, members, unitholders, trustees or managers), and each of such documents has been duly executed and delivered and constitutes a valid and legally binding obligation of the Borrower enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to bankruptcy, winding-up, insolvency, arrangement, other laws of general application affecting the enforcement of creditors' rights and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

9. EFFECT OF EVENT OF DEFAULT

9.1 In the event of the occurrence of an Event of Default, on the demand of the Lender, the Borrower's Indebtedness will immediately become due and payable.

10. WAIVER

10.1 The Lender may waive any breach by the Borrower of any of the provisions contained in this Agreement or any default by the Borrower in the observance or performance of any covenant or condition required to be observed or performed by the Borrower under the terms of this Agreement; but any waiver by the Lender of such breach or default, or any failure to take any action to enforce its rights under this Agreement, will not extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

11. MISCELLANEOUS

11.1 All notices, requests and demands hereunder, which may or are required to be given by or to a Party pursuant to any provision of this Agreement, shall be given or made in writing and shall be delivered by courier, prepaid registered mail or email to the address or email address of the Party as set out on the first page of this Agreement, or to such other address or email address as a Party may, from time to time, advise to the other Party by notice in writing. All notices, requests and demands hereunder shall be deemed to have been received, if delivered by courier or prepaid registered mail, on the day of delivery (regardless of whether such delivery is accepted), and if sent by email, on the next Business Day after the email was sent.

11.2 Each Party will forthwith at all times, and from time to time, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, documents and assurances which, in the opinion of the other Party, acting reasonably, are necessary or advisable for the better accomplishing and effecting of the intent of this Agreement.

11.3 Neither this Agreement nor any benefits hereunder may be transferred, assigned or otherwise disposed of by the Borrower without the prior written consent of the Lender, which consent may be arbitrarily withheld, other than in connection with the Moonbound Transaction. This Agreement and the Lender's interest and benefits hereunder may be transferred, assigned or otherwise disposed of by the Lender without the consent of the Borrower.

11.4 No amendment, waiver or modification of, or agreement collateral to, this Agreement will be enforceable unless it is by a formal instrument in writing expressed to be a modification of this Agreement and executed in the same manner as this Agreement.

11.5 The descriptive headings of the sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

- 11.6 This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Parties attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
- 11.7 Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.
- 11.8 The Lender acknowledges that:
- (a) this Agreement was prepared by Clark Wilson LLP as counsel for the Lender;
 - (b) Clark Wilson LLP has received instructions from the Lender in respect of this Agreement and does not represent the Borrower;
 - (c) the Borrower has been requested to obtain their own independent legal advice;
 - (d) the Borrower has been given adequate time to obtain independent legal advice;
 - (e) by signing this Agreement, the Borrower confirms they fully understand this Agreement; and
 - (f) by signing this Agreement without first obtaining independent legal advice, the Borrower waives their right to obtain legal advice.
- 11.9 This Agreement may be executed by the Parties in counterparts, each of which will be deemed an original, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. This Agreement may be executed by delivery of executed signature pages by email or other form of electronic transmission and such transmission will be deemed to be an original and be effective for all purposes.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective authorized signatories as of the date set forth on page one of this Agreement.

MOONBOUND MINING LTD.

Per: “Ann Fehr”
Ann Fehr
Director

1442160 B.C. LTD.

Per: “Steve Mynott”
Steve Mynott
Director