

AMENDED AND RESTATED SENIOR SECURED METAL PREPAY AGREEMENT

Dated as of March 25, 2015

among

FORTUNE REVENUE SILVER MINES, INC.

as Seller

FORTUNE MINERALS LIMITED

as Guarantor

and

LRC-FRSM LLC

as Buyer

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AMENDED AND RESTATED SENIOR SECURED METAL PREPAY AGREEMENT

This AMENDED AND RESTATED SENIOR SECURED METAL PREPAY AGREEMENT (this “**Agreement**”) is dated as of March 25, 2015 (the “**Effective Date**”) and entered into among FORTUNE REVENUE SILVER MINES, INC., a corporation organized and existing under the laws of the State of Colorado, as seller (“**Fortune Revenue**” or the “**Seller**”), FORTUNE MINERALS LIMITED, a corporation organized and existing under the laws of the Province of Ontario, as a guarantor (the “**Guarantor**”), and LRC-FRSM LLC, a limited liability company organized and existing under the laws of the Delaware, as the Buyer (the “**Buyer**”).

RECITALS

WHEREAS, Fortune Revenue, Guarantor and Buyer (collectively, the “**Initial Parties**”) entered into a Senior Secured Metal Prepay Agreement dated as of October 1, 2014 (the “**Original Agreement**”) providing a metal prepay facility to the Seller in two tranches, in an aggregate principal amount of \$35,000,000 (the “**Original FRSM Metal Prepay Facility**”) for the purpose of financing Guarantor’s purchase of the Project (as defined below) through Guarantor’s subsidiary, Fortune Revenue;

WHEREAS, on December 22, 2014, the Initial Parties entered into a Waiver and First Amendment to the Senior Secured Metal Prepay Agreement (the “**First Amendment**”) which, among other things, provided advances under a working capital prepay facility to the Seller in an aggregate principal amount of \$7,000,000 (the “**Tranche 1 Working Capital Prepay Advance**”);

WHEREAS, on February 12, 2015, the Initial Parties entered into a Waiver and Second Amendment to the Senior Secured Metal Prepay Agreement (the “**Second Amendment**”) which, among other things, provided additional advances under the working capital prepay facility to the Seller in an aggregate principal amount of \$5,000,000 (the “**Tranche 2 Working Capital Prepay Advance**” and together with the Tranche 1 Working Capital Prepay Advance, the “**Initial Working Capital Prepay Facility**”);

WHEREAS, the Seller and Guarantor have requested, and the Buyer has agreed, subject to the terms and conditions set forth in this Agreement to provide additional advances (the “**New Working Capital Prepay Facility**” and together with the Initial Working Capital Prepay Facility, the “**Working Capital Prepay Facility**”) to the Seller in an aggregate principal amount of \$4,000,000 (each advance under the New Working Capital Prepay Facility, a “**Tranche 3 Working Capital Prepay Advance**”);

WHEREAS, the Seller and Guarantor have requested and the Buyer has agreed, upon the effectiveness of this Agreement, to waive certain required Payments (as defined below) under the Original FRSM Metal Prepay Facility until July 2015;

WHEREAS, certain “**Defaults**” occurred and were continuing under and as defined in the Existing Agreement (the “**Existing Defaults**”);

WHEREAS, the parties hereto agree that, upon the effectiveness of this Agreement, the Existing Defaults shall no longer exist;

WHEREAS, the Initial Parties have agreed that it is in the best interest of Fortune Revenue and Guarantor that the Original FRSM Metal Repayment Units (as defined below) deliverable under the Original FRSM Metal Prepay Facility be divided into (i) the Remaining FRSM Metal Repayment Units (as defined below) (and the resulting facility shall be referred to herein as the **“Restated FRSM Metal Prepay Facility”**) and (ii) the Converted FRSM Repayment Units (as defined below) which shall simultaneously be converted into Silver Equivalent Repayment Units (using the formula set forth in the definition of Silver Equivalent Repayment Units below) and the resulting Silver Equivalent Repayment Units shall be due and deliverable under the Short Term Metal Prepay Facility (as defined below) (all of the foregoing is referred to herein as the **“Restructuring”**);

WHEREAS, the parties hereto have agreed to amend and restate the Original Agreement, as amended by the First Amendment and the Second Amendment (as so amended, the **“Existing Agreement”**) pursuant to this Agreement; and

WHEREAS, the parties hereto intend that this Agreement and the documents executed in connection herewith shall not effect a novation of the obligations of the Seller and the Guarantor under the Existing Agreement, but merely a restatement of and, where applicable, an amendment to the terms governing such obligations;

NOW, THEREFORE, in consideration of the following mutual covenants and agreements and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“2011 Stock Purchase Agreement” means the 2011 Stock Purchase Agreement as defined in the Asset Purchase Agreement.

“Advance Notice” means a written request by the Seller for a Tranche 3 Working Capital Prepay Advance pursuant to Section 2.3, which shall include all of the information referenced in Section 2.3 and a certification from the Seller, substantially in the form of Exhibit A hereto.

“Advances Outstanding” means the aggregate principal amount advanced under outstanding and owing, at any time and from time to time, under the Restated FRSM Metal Prepay Facility. Advances Outstanding at the end of each month will be determined in accordance with the following formula: $\text{Advances Outstanding (end of month)} = \text{Advances Outstanding (beginning of month)} + \text{the aggregate principal amount advanced since the beginning of the month, if any, minus the sum of the following dollar amounts:}$

(a) $(\text{Lead Repayment Units delivered in such month} * \$2204.60 / \$20.00) * \text{SEAP}$

(b) $(\text{Gold Repayment Units delivered in such month} * \$1300 / \$20.00) * \text{SEAP}$

(c) Silver Repayment Units delivered in such month * SEAP

“Affairs” means the business, affairs, operations, undertaking, property, assets, liabilities, condition (financial or otherwise), prospects, performance and results of operations of a specified Person.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Affiliate Guarantor” means each Subsidiary of the Guarantor that is party to an Affiliate Guarantee.

“Affiliate Guarantor Security Agreement” means each general security agreement between an Affiliate Guarantor and Buyer.

“Affiliate Guarantee” means each Guarantee executed by a Subsidiary of the Guarantor in favor of the Buyer, substantially in the form of Exhibit G.

“Agreed Priority” means, with respect to a Security Document and a Lien made in favor of the Buyer, a senior, first priority, perfected Lien in favor of the Buyer, prior in right to any other Lien in, on, or to the Collateral which is purported to be covered thereby, subject only, in each case, to Permitted Liens.

“Agreement” has the meaning given such term in the Preamble.

“Applicable Law” means any international treaty, any domestic or foreign constitution or any supranational, national, regional, federal, provincial, territorial, state, municipal, tribal or local statute, law, ordinance, code, rule, regulation, order (including any consent decree or administrative order), applicable to, or any directive, guideline, policy or Authorization of any Governmental Entity (whether or not having the force of law) having jurisdiction with respect to any specified Person, property, transaction or event, and any order, judgment, award or decree of any Governmental Entity, or arbitrator in any proceeding or action to which the Person in question is a party or by which such Person is bound.

“Applicable Securities Legislation” means all applicable securities laws of each of the Reporting Jurisdictions and in the United States and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of the Reporting Jurisdictions and in the United States and such other jurisdictions as may be agreed to between the Seller and the Buyer.

“Asset Monetization Program” means a program to systematically seek to monetize any and all assets of the Credit Parties (including, without limitation, by Asset Sales) as soon as possible in order to satisfy the required repayments of the Short Term Metal Prepay Facility, which program is in form and substance and on terms acceptable to the Buyer.

“Asset Purchase Agreement” means the Participating Interest and Asset Purchase Agreement dated as of May 1, 2014, among Revenue-Virginus Mines Corporation (“RVM”), Silver Star Resources, LLC (“SSR”), and Star Mine Operations, LLC, as sellers, Yankee Boy Resources, LLC, James D. Leake, Richard Frommer, SSR and RVM, as participating interest holders, Fortune Revenue, as buyer, and Guarantor, as parent, as amended on July 31, 2014, August 19, 2014 and September 26, 2014.

“Asset Sale” means, with respect to any Person, the sale, lease, assignment, other disposition or other transfer for value of any kind that generates proceeds of any kind in respect of an asset or intangible interest by such Person to any other Person (including any sale or other transfer of any equity interest in any Subsidiary of such Person other than directors’ qualifying shares), other than (a) the sale of inventory in the ordinary course of business, (b) sales or other transfers as part of the periodic replacement of assets in the ordinary course of business, (c) non-exclusive licenses of intellectual property and the sale or discount of overdue accounts receivable in connection with collections, in each case made in the ordinary course of business, and (d) the disposition of damaged, obsolete or worn out assets and scrap, in each case in the ordinary course of business.

“Authorization” means any authorization, approval, consent, certificate, exemption, license, permit, franchise, certification, registration or no-action letter from any Governmental Entity having jurisdiction with respect to any specified Person or its property.

“Bankruptcy Law” shall mean all Applicable Laws pertaining or applicable to bankruptcy, insolvency, debtor relief, debtor protection, liquidation, reorganization, winding up, arrangement, receivership, administration, moratorium, assignment for the benefit of creditors or other similar laws applicable in Canada, the United States or any other applicable jurisdictions as in effect from time to time.

“Business Day” means any day that is not a Saturday, Sunday, or other day on which commercial banks in New York City are authorized or required by law to remain closed.

“Buyer” has the meaning given such term in the Preamble.

“Buyer’s Accounts” shall mean the account or accounts within the United States of America designated by the Buyer in writing from time to time.

“Buyer’s Counsel” means Mayer Brown LLP and, at any time, any other legal counsel retained by the Buyer.

“Capital Contribution” means a cash capital contribution made to the Guarantor in exchange for (a) common equity of the Guarantor and/or (b) other Equity Interests of the Guarantor that do not require any redemption, repurchase, sinking fund payment, dividend payment or other payment or distribution earlier than one year after the scheduled Maturity Date.

“Capital or Operating Lease Obligation” with respect to any Person, means the obligation of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital or operating leases under IFRS on the

balance sheet of such Person and the amount of such obligations shall be the capitalized amount thereof determined in accordance with IFRS.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Entity or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Entity; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means the occurrence of any of the following events:

(a) any person or group of persons “acting in concert” (as interpreted in accordance with Applicable Securities Legislation or under the equivalent thereof pursuant to Applicable Law) shall have acquired legal or beneficial ownership of, or the power to exercise control or direction over, any common shares of Guarantor (or securities convertible into such common shares), that together with such person’s existing securities would constitute common shares of Guarantor representing more than 50% of the total voting power attached to all common shares of Guarantor then outstanding;

(b) there is consummated any amalgamation, consolidation, statutory arrangement, merger or similar transaction of Guarantor (1) in which Guarantor is not the continuing or surviving corporation or (2) pursuant to which any common shares of Guarantor would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger or similar transaction of the Guarantor in which the holders of the common shares of the Guarantor immediately prior to the amalgamation, consolidation, statutory arrangement, merger or similar transaction have, directly or indirectly, more than 50% of the common shares of the continuing or surviving corporation immediately after such transaction;

(c) any person or group of persons acting in concert shall succeed in having a sufficient number of its nominees elected as Directors such that such nominees, when added to any existing Directors after such election who was a nominee of or is an Affiliate or related Person of such Person or group of Persons, will constitute a majority of the Directors;

(d) any Key Person ceases to be an officer of Guarantor or the Seller for any reason and a replacement satisfactory to Guarantor and/or the Seller, as applicable, and the Buyer, acting reasonably, is not identified within ninety (90) days and appointed promptly thereafter; or

(e) Guarantor shall cease to directly or indirectly own 100% of the Equity Interests in the Seller or any of its other Subsidiaries (or in the case of any Subsidiary that is less than wholly owned, Guarantor's interest shall be reduced) other than an Excluded Subsidiary.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder.

"Collateral" means any and all real and personal property, assets, rights, titles and interests in respect of which the Buyer has or will have a Lien pursuant to a Security Document (or in which a Security Document purports to create a Lien in favor of the Buyer), whether tangible or intangible, presently held or hereafter acquired, and all products and proceeds of the foregoing, including insurance proceeds related to the foregoing. The collateral shall consist, without limitation, of (a) all real and personal assets and intangible interests of the Credit Parties and (b) a pledge of Guarantor's Equity Interests in each of its Subsidiaries and any debt interests in the Seller.

"Compliance Certificate" means a certificate substantially in the form of Exhibit B attached hereto.

"Concentrates Payments" means payments by the Seller to the Buyer based on the tonnage of Material shipped from the Mining Properties.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Contaminant" means any solid, liquid, gas, odor, heat, sound, vibration, radiation or combination of any of them that may (i) injure or damage property or plant or animal life, (ii) harm or cause a nuisance to any Person, (iii) adversely affect the health of any individual, (iv) impair the safety, of any individual, (v) render any property or plant or animal life unfit for use by humans, (vi) cause loss of enjoyment of normal use of property, or (vii) interfere with the normal course of business, and includes any "Contaminant" within the meaning assigned to such term (or any similar term) in any Environmental Law applicable to the Mineral Properties or any of the Credit Parties.

"Contingent Liability" means, with respect to a Person, any agreement, undertaking or arrangement by which the Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) the obligation, debt or other liability of any other Person or guarantees the payment of dividends or other distributions upon the shares of any Person. The amount of any contingent liability will, subject to any limitation contained therein, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation, debt or other liability to which the contingent liability is related.

"Control" of any Person means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to, directly or indirectly, (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of such

Person; (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such Person; or (c) otherwise direct or cause the direction of management of such Person.

“Converted FRSM Metal Repayment Units” means 4,599 troy ounces of Gold, 1,378,745 ounces of Silver, 3,549 metric tons of Lead and 725 metric tons of Zinc.

“Copper” means payable Copper as defined in the Offtake Agreements.

“Copper Payment Units” means, during the Repayment Period, 25% of any shipment of Copper.

“Credit Documents” means this Agreement, each Affiliate Guarantee, the Security Documents, the NSR Royalty Agreement, any other security agreement with respect to the Collateral, the Advance Notice, each Compliance Certificate, all financing statements, personal property security act filings and each other Instrument executed by the Seller or other Credit Party in connection with this Agreement or any of the foregoing Instruments, whether or not specifically identified in this clause, as any of the foregoing may be amended, modified, supplemented, extended or restated from time to time in accordance with their respective terms.

“Credit Parties” means, collectively, the Seller, Guarantor, each Affiliate Guarantor and each other party that provides a guarantee of the Obligations hereunder, together with their permitted successors and assigns.

“Credit Party’s Accounts” means the accounts of the Seller and the other Credit Parties described in Schedule 8.1(u).

“Default” means an Event of Default or any event which, with the giving of notice or passage of time, or any combination of the foregoing, would constitute an Event of Default.

“Default Rate” means the interest rate per annum equal to the Restated FRSM Metal Prepay Interest Rate or the Short Term Metal Prepay Interest Rate, as applicable, plus five percent.

“Direct Agreement” means a direct agreement entered into by a Credit Party, the counterparty to a Material Contract and the Buyer in respect of the assignment of the rights of the Credit Party and the exercise of step-in rights by the Buyer under such Material Contract, in form and substance satisfactory to the Buyer, acting reasonably.

“Director” means a director of a Credit Party and **“Directors”** means the board of directors of a Credit Party or, whenever duly empowered, a committee of the board of directors of a Credit Party, and reference to action by the Directors means action by the directors as a board or action by such a committee of the board as a committee.

“Dollars” and **“\$”** means lawful money of the United States of America.

“Effective Date” has the meaning given such term in the Preamble.

“Environmental Claims” means, all liabilities (including costs of remedial actions, natural resource damages and costs and expenses of investigation and feasibility studies, including the cost of environmental consultants and cost of legal payments) that may be imposed on, incurred by, or asserted against a Credit Party as a result of, or related to, any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law or otherwise, arising under any Environmental Law, any Release or threatened Release of Hazardous Materials, or in connection with any environmental, health or safety condition arising prior to or after the date hereof.

“Environmental Laws” means any Applicable Law relating to pollution or protection of the environment, ecology or public health or safety, including, Applicable Laws relating to emissions, discharges, Releases or threatened Releases of Hazardous Materials or other pollutants, Contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, pollutants, Contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

“Equity Interests” means, with respect to any Person, shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.

“ERISA Affiliate” means the Guarantor and each of its Subsidiaries and any Person who together with the Guarantor or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

“ERISA Event” means the occurrence of any of the following: (a) a “Reportable Event” described in Section 4043 of ERISA for which the thirty (30) day notice requirement has not been waived by the PBGC occurs with respect to a Pension Plan, (b) the withdrawal of any ERISA Affiliate from a Pension Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations by any ERISA Affiliate that is treated as such a withdrawal under Section 4062(e) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC, (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination

of, or the appointment of a trustee to administer, any Pension Plan, (f) a failure to make any contributions to any Pension Plan or to pay any amounts due and owing to any Pension Plan as required by Sections 412 or 430 of the Code or Section 302 or 303 of ERISA on or prior to the due dates of such contributions, whether or not waived, (g) a failure by any ERISA Affiliate to make a required contribution or payment to a Multiemployer Plan, (h) the imposition of a Lien pursuant to Section 430(k) of the Code or Section 303 of ERISA on the property of any ERISA Affiliate, (i) the determination that any Pension Plan or Multiemployer Plan is considered to be “at-risk” or in endangered or critical status within the meaning of Sections 430, 431 or 432 of the Code or Sections 303, 304 or 305 of ERISA, (j) the partial or complete withdrawal of any ERISA Affiliate from a Multiemployer Plan if Withdrawal Liability is asserted by such plan, (k) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Sections 4241 or 4245 of ERISA, (l) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA, (m) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any ERISA Affiliate; or (n) the imposition on any Credit Party of any material liability under any International Plan, other than liabilities for routine periodic contributions to or the administration of any such International Plan.

“Event of Default” has the meaning specified in Section 9.1.

“Excess Monthly Production” has the meaning specified in Section 4.1(a).

“Excluded Subsidiary” means each of Fortune Minerals Marketing Limited, a Barbados company, and Fortune Minerals Mining Limited, an Ontario corporation.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to Buyer or required to be withheld or deducted from a payment to Buyer, (a) Taxes imposed on or measured by net income, net profits, capital (however denominated), including franchise Taxes, branch profits Taxes and similar Taxes, in each case, (i) imposed as a result of Buyer being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Buyer with respect to an applicable interest in a Metal Prepay Facility or commitment hereunder pursuant to a law in effect on the date on which (i) Buyer acquires such interest in the Metal Prepay Facility or commitment or (ii) Buyer changes its lending office, except in each case to the extent that, pursuant to Section 11.7, amounts with respect to such Taxes were payable to Buyer immediately before it changed its lending office, (c) Taxes attributable to Buyer’s failure to comply with Section 11.7 and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Agreement” has the meaning specified in the recitals hereto.

“Expropriation Event” means the appropriation, confiscation, expropriation, cancellation, seizure or nationalization (by Applicable Law, intervention, court order, condemnation, exercise of eminent domain or other action or form of taking) of ownership or control of a Credit Party or of the Project, or any substantial portion thereof, or any substantial portion of the rights related thereto, or any substantial portion of the economic value thereof, or

which prevents or interferes with the ability of a Person to own or operate the property subject to such action, including by the imposition of any Tax, fee, charge or royalty.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Financial Quarter” means, in relation to each Credit Party, a period of three consecutive months in each Financial Year ending on March 31, June 30, September 30 and December 31, as the case may be, of such year.

“Financial Year” means, in relation to each Credit Party, its financial year commencing on January 1 of each calendar year.

“Foreign Plan” means any employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to U.S. law and is maintained or contributed to by the Guarantor or any Subsidiary of the Guarantor or in respect of which the Guarantor or any Subsidiary of the Guarantor otherwise has any obligation or liability, contingent or otherwise.

“Fortune Additional Security Agreement” means the Security Agreement between the Guarantor and the Buyer, a copy of which is attached as Exhibit H.

“Fortune Intercreditor Agreement” means the Amended and Restated Intercreditor Agreement among Gretchen Ross, Felicia Ross and Victoria Ross and the Buyer, substantially in the form attached as Exhibit I.

“Fortune Revenue” has the meaning given such term in the Preamble.

“Fortune Security Agreement” means the Security Agreement between the Guarantor and the Buyer, a copy of which is attached as Exhibit E.

“Full Prepayment Amount” means, as at any date of determination, the aggregate of (i) the Repayment Units Due listed on Schedule 1.1(a) (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2), for the month in which such determination is being made and (ii) all subsequent Repayment Units Due.

“Gold” means payable gold as defined in the Offtake Agreements.

“Gold Market Price” means, on any day, the fixing price per troy ounce of Gold, quoted as the Comex (1st Position) Settlement Price averaged over the previous month. Unless specifically otherwise provided, each determination of the dollar value or amount of Gold under this Agreement shall be made at the Gold Market Price.

“Gold Repayment Units” means, the amount of Gold for each quarter during the Repayment Period as set out opposite such quarter in the column entitled “Au Repayment Units

Due” in Schedule 1.1(a), as applicable (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2).

“Governmental Entity” means (i) any multinational, national, federal, provincial, state, territorial, municipal, local, tribal, aboriginal, native or other government, governmental or public department, central bank, court, commission, board, bureau, agency, instrumentality or regulatory authority, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, judicial, expropriation or taxing authority under or for the account of any of the above (including the TSX).

“Guarantor” has the meaning given such term in the Preamble.

“Hazardous Material” means any substance or mixture of substances, or any pollutant or Contaminant, toxic or dangerous waste or hazardous material, as defined or listed in, or otherwise classified pursuant to, or give rise to liability under, any Environmental Law or applicable regulations, including any **“hazardous substance”**, **“hazardous material”**, **“hazardous waste”**, **“toxic substance”**, **“contaminant”**, **“pollutant”** or any other similar formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosiveness, reactivity, carcinogenicity, toxicity or dangerousness.

“Hedging Agreement” means (i) any currency exchange or interest rate swap agreement, currency exchange or interest rate cap agreement or currency exchange or interest rate collar agreements between any Credit Party and any other Person and (ii) all net forward sale, put/call options, spot deferred sale or other similar arrangement or agreement relating to the sale or purchase of any commodity.

“Highly Liquid Securities” means (a) short-term interest bearing or discount debt obligations (having a duration of no more than 90 days) of, or fully guaranteed as to timely payment of principal and interest by, the Government of the United States of America or a state thereof or the Government of Canada or a province thereof, provided that such obligation is rated at least “A+” by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., “A1” by Moody's Investors Service, Inc. or R1 (middle) by DBRS Inc.; (b) such commercial paper as is agreed to, in writing, from time to time by Buyer and Seller; and (c) certificates of deposit, notes or bankers acceptances (having a duration of no more than 90 days) with any chartered bank or trust company organized under the laws of United States of America or a state thereof or the laws of Canada or any province thereof, provided that the obligation is rated at least “A+” by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., “A1” by Moody's Investors Service, Inc. or R1 (middle) by DBRS Inc.

“IFRS” means the International Financial Reporting Standards, which are the accounting standards and interpretations adopted by the International Accounting Standards Board, consistently applied.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with IFRS:

- (a) all indebtedness of such Person for borrowed money;

(b) all obligations of such Person for the deferred purchase price of property or services (other than (i) trade payables incurred in the ordinary course of business and not past due for more than 91 days after the date on which each such trade payable or account payable was created, and (ii) any earn-out, purchase price adjustment or similar obligation until such obligation appears in the liabilities section of the balance sheet of such Person);

(c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments;

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property);

(e) all Capital or Operating Lease Obligations of such Person;

(f) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person or any warrants, rights or options to acquire such Equity Interests, valued, in the case of redeemable preferred interests, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(g) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit or similar facilities in respect of obligations of the kind referred to in subsections (a) through (f) of this definition;

(h) all guaranties of such Person in respect of obligations of the kind referred to in subsections (a) through (g) above;

(i) all obligations of the kind referred to in subsections (a) through (h) above secured by (or which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation; provided that, if such Person has not assumed or become liable for the payment of such obligation, the amount of such Indebtedness shall be limited to the lesser of (i) the principal amount of the obligations being secured and (ii) the fair market value of the encumbered property;

(j) all net obligations of such Person in respect of swap agreements or hedge agreements valued on any date at the swap or hedge termination value thereof as of such date; and

(k) all debt of any partnership, unlimited liability company or unincorporated joint venture in which such Person is a general partner, member or a joint venturer, respectively (unless such Indebtedness is expressly made non-recourse to such Person).

For the avoidance of doubt, net smelter royalty and bonus payments payable by the Seller under the 2011 Stock Purchase Agreement and amounts payable by the Seller under the Asset Purchase Agreement shall not be deemed Indebtedness.

“Indemnified Person” has the meaning specified in Section 11.5(a).

“Initial Working Capital Prepay Facility” has the meaning specified in the recitals hereto.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Instrument” means any contract, agreement, undertaking, indenture, mortgage, certificate, document or writing (whether formal agreement, letter or otherwise) under which any obligation, duty, covenant, agreement, affirmation, undertaking or liability is evidenced, assumed or undertaken, or any right or Lien (or right or interest therein) is granted, authenticated, notarized, authorized or perfected, and any notice, registration, recordation or filing associated with or required by any of the foregoing.

“Insurance Proceeds” means the proceeds of any insurance claim under any insurance policy maintained by any Credit Party or the proceeds of any insurance claim related to any Credit Party or the Project under any insurance policy maintained by any Credit Party.

“Intercompany Loans” means working capital loans made by Guarantor to the Seller prior to the Effective Date in the aggregate amount of approximately \$7,000,000, as the same may be increased from time to time.

“Interest Advances Outstanding” means the Advances Outstanding with respect to the end of the calendar month prior to the month that contains the Interest Payment Date.

“Interest Payment Amount” means, in relation to any Interest Payment Date, an amount calculated by the Buyer equal to interest on the Interest Advances Outstanding calculated at the Restated FRSM Metal Prepay Interest Rate.

“Interest Payment Date” means any one of (i) the fifteenth (15th) Business Day of each calendar month and ending on the Maturity Date and (ii) the Maturity Date.

“ITA” means the Income Tax Act (Canada).

“Joint Venture Agreement” means the Exploration, Development and Mine Operating Joint Venture Agreement dated as of July 31, 2011 among Fortune Coal Limited, the Guarantor, POSCO Klappan Coal Ltd. and POSCO Canada Ltd.

“Key Person” means Robin Goad, Mike Romaniuk, Clint Fletcher, Dave Massola and any replacement duly appointed pursuant hereto.

“Lead” means payable lead as defined in the Offtake Agreements.

“Lead Market Price” means, on any day, the fixing price metric ton of Lead, quoted on as the LME Cash Settlement Price for Standard Lead in Dollars as published in the London Metal Bulletin averaged over the previous month. Unless specifically otherwise provided, each determination of the dollar value or amount of Lead under this Agreement shall be made at the Lead Market Price.

“Lead Repayment Units” means, the amount of Lead deliverable for each month during the Repayment Period as set out opposite such month in the column entitled “Pb Repayment Units Due” in Schedule 1.1(a), as applicable (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2).

“Lien” means any mortgage, pledge, hypothecation, assignment (as security), deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest, or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever having substantially the same economic effect as any of the foregoing (including any conditional sale or other title retention agreement and any capital lease and any easement, right of way or other encumbrance on title to real property).

“Mandatory Prepayment Amount” has the meaning specified in Section 4.1.

“Market Day” means any day during which price for Lead, Zinc Silver and Gold is established at the London Metal Exchange for Lead and Zinc and COMEX Market for Silver and Gold.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), financial condition of any Credit Party, (b) a material impairment of the ability of any Credit Party to perform its obligations under any Credit Document; (c) a material impairment of the ability of any Key Person to devote adequate time and attention to the affairs of the Guarantor and the Seller as determined by the Buyer acting reasonably after due consultation with the Seller, or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against any Credit Party of any Credit Document to which it is a party.

“Material Contracts” means, collectively, (a) the Asset Purchase Agreement, (b) the agreements set out in Schedule 1.1(b), (c) all Offtake Agreements, and (d) any other agreement to which any Credit Party is a party and which is deemed material (i) by the Buyer acting reasonably or (ii) to the operation of the Mineral Properties.

“Materials” means concentrates and any other intermediate product containing Metals.

“Maturity Date” means the earlier of the (a) the end of the Repayment Period, (b) the date whereby the Seller delivers to the Buyer 100% of the Repayment Units Due as set out in Schedule 1.1(a), as applicable (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.3), or (c) if the Metal Prepay Facility has been accelerated as set out in Section 9.2, the date on which the Buyer demands repayment of the Metal Prepay Facility as set out herein.

“Metal Prepay Facility” means the Restated FRSM Metal Prepay Facility and the Short Term Metal Prepay Facility.

“Metals” means Gold, Silver, Zinc and Lead.

“Mineral Properties” and each individually, a **“Mineral Property”**, means all surface rights, subsurface rights and Mining Rights, and all surface, subsurface and mineral leases, concessions, licenses, claims, rights, titles or interests to be owned, leased, held or controlled by any Credit Party on the date hereof and in the future, and all related, associated or appurtenant rights, in each case, howsoever characterized or designated, that will be owned, leased, held, operated or controlled, directly or indirectly, by any Credit Party on the date hereof and in the future, including such rights, titles and interests described in Schedule 1.1(c).

“Mining Rights” means all interests in the minerals in (or that may be extracted from) any lands, water rights, patented and unpatented claims, mining licenses, profits-a-prendre, joint ventures and other leasehold interests, access rights, rights of way, inurements, licenses, permits and other mining rights and interests used by any Credit Party.

“Monthly Budget” means the projected monthly production of Metals in accordance with the production plan of the Seller set forth on Schedule 1.1(e).

“Mortgage” means the mortgage or deed of trust pursuant to which any Credit Party assigns, mortgages, hypothecates, transfers and pledges the Mining Rights and Real Property Interests to and in favor of the Buyer, substantially in the form of Exhibit F.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 3(37) or 4001(a)(3) of ERISA to which any ERISA Affiliate makes, or is obligated to make, contributions, or under which any ERISA Affiliate has any obligation or any liability, contingent or otherwise.

“New Working Capital Prepay Facility” has the meaning specified in the recitals hereto.

“NSR” means the Net Revenue as defined in the NSR Royalty Agreement multiplied by the NSR Percentage.

“NSR Royalty Agreement” means an agreement in a form and substance satisfactory to the Buyer acting reasonably, documenting and describing the rights, obligations, calculations, and payment terms with respect to the NSR. Such NSR Royalty Agreement will be attached to the Mineral Properties owned by the Seller. Such NSR Royalty Agreement will specify that the first payment of the NSR will be due with the first shipment of Materials in January 2016 and will continue for the life of such Mineral Properties.

“NSR Percentage” means a percentage in accordance with the table below determined by the month in which the Seller delivers in full the Short Term Metal Repayment Units. As noted in such table upon delivery of 100% of all Repayment Units, the NSR Percentage will be further reduced by the following formula: NSR Percentage (after the delivery of 100% of all

Repayment Units) = NSR Percentage (prior to delivery of 100% of all Repayment Units) multiplied by 50%.

<i>Short Term Metal Repayment delivered in full prior to end of:</i>	<i>NSR Percentage prior to delivery of 100% of all Repayment Units</i>	<i>NSR Percentage after delivery of 100% of all Repayment Units</i>
Apr-15	2.60%	1.30%
May-15	2.80%	1.40%
Jun-15	3.00%	1.50%
Jul-15	3.20%	1.60%
Aug-15	3.40%	1.70%
Sep-15	3.60%	1.80%
Oct-15	3.80%	1.90%
Nov-15	3.90%	1.95%
Dec-15	4.00%	2.00%
Jan-16	4.00%	2.00%
Feb-16	4.00%	2.00%
Mar-16	4.00%	2.00%

“Obligations” means all duties, covenants, agreements, liabilities, indebtedness and obligations of the Credit Parties under this Agreement or any other Credit Document, as amended from time to time.

“OFAC” means Office of Foreign Asset Control.

“Offtake Agreements” means one or more tri-party agreements among the Seller, the Buyer, and a purchaser of Materials acceptable to both the Seller and the Buyer each in a form and substance satisfactory to the Buyer acting reasonably, providing that all provisions in such agreement relating to the Restated FRSM Metal Prepay Facility described in Section 3.1, and any and all information rights of the Buyer with respect to such agreement, must be satisfactory to the Buyer in its sole discretion.

“Organizational Documents” means (a) with respect to a corporation, its articles of incorporation, certificate of incorporation or other similar documents and its by-laws, and (b) with respect to any other Person which is an artificial body, the organization and governance documents of such Person, in each case as amended and supplemented from time to time.

“Original FRSM Metal Prepay Facility” has the meaning specified in the recitals hereto.

“Original FRSM Metal Repayment Units” means such Repayment Units Due under and as defined in the Original FRSM Metal Prepay Facility as of the date herein, and are equal to 7,999 troy ounces of Gold, 2,014,745 ounces of Silver, 6,099 metric tons of Lead and 775 metric tons of Zinc.

“Other Connection Taxes” means Taxes imposed as a result of a present or former connection between a Seller and the jurisdiction imposing such Tax (other than connections

arising from such Seller having executed, delivered, become party to, performed obligations, received payments under, received or perfected a Lien, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Metal Prepay Facility or Credit Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Partial Prepayment Amount” has the meaning specified in Section 4.2(c).

“Payments” means all monies or shipments of Metals due (if any) deliverable by a Credit Party under this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation or any successor agency.

“Pension Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA, other than a Multiemployer Plan, which is subject to the provisions of Section 302 or Title IV of ERISA or Section 412 of the Code and (a) which is maintained or contributed to by any ERISA Affiliate, or (b) pursuant to which any ERISA Affiliate has any obligation or liability, whether actual or contingent.

“Permitted Indebtedness” means, in respect of any Credit Party, the following:

- (a) Indebtedness under any of the Credit Documents;
- (b) the Intercompany Loans;
- (c) Capital or Operating Lease Obligations with respect to operating equipment for the Project;
- (d) Indebtedness owed to any Person providing workers’ compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business; and
- (e) unsecured account trade payables incurred in the ordinary course of business provided (i) such trade payables are not secured by any Lien and (ii) payment thereof is not more than ninety (90) days overdue, provided that the aggregate amount of all such Indebtedness shall not exceed \$5,000,000.

“Permitted Liens” means, in respect of any Credit Party, any one or more of the following:

- (a) Liens for taxes, assessments or governmental charges or levies if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in

good faith and by appropriate proceedings and where adequate reserves (segregated to the extent required by IFRS) satisfactory to the Buyer, acting reasonably, have been established in accordance with IFRS and so long as such contested Liens could not reasonably be expected to have a Material Adverse Effect;

(b) Liens imposed by law, such as carriers, warehousemen and mechanics' liens and other similar liens arising in the ordinary course of business associated with amounts not yet due and payable, provided that such Liens are not registered against title to any assets of the Person and in respect of which adequate holdbacks are being maintained as required by Applicable Law or such Liens are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by IFRS) in an amount satisfactory to the Buyer, acting reasonably, and provided further that such Liens could not reasonably be expected to have a Material Adverse Effect;

(c) Liens outstanding on the date hereof and described in Schedule 1.1(d) hereto; and

(d) Liens arising under the Security Documents; and

(e) Liens securing Capital or Operating Lease Obligations with respect to operating equipment for the Project.

"Person" means a natural person, partnership, limited liability company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"POSCO" means, collectively, POSCO Klappan Coal Ltd. and POSCO Canada Ltd.

"Pre-Adjustment Silver Equivalent Repayment Units" means any Silver, Zinc, Lead or Gold delivered to the Buyer with respect to amortizing the Short Term Metal Prepay Facility using the following formula for any such metal delivery:

- (a) the sum in such metal delivery of
- i. total number of metric tonnes of Zinc delivered [formula redacted], plus
 - ii. total number of metric tonnes of Lead delivered [formula redacted], plus
 - iii. total number of ounces of Gold delivered [formula redacted], plus
 - iv. total number of ounces of Silver delivered.

"Prepayment Notice" has the meaning specified in Section 4.2(a).

"Project" means the mining assets, business and operations related to the Revenue Silver Mine project located in Ouray County, Colorado, substantially as described in the Asset Purchase Agreement.

"Project Permits" means those Authorizations for the development and operation of the Mineral Properties, as defined in Section 7.1(r).

“Project Technical Characteristics” means mineral resources, mineral reserves, mine plans, and project economics including operating and capital costs, utilized to determine the technical and economic feasibility of the start of the sustainable commercial operation of the Mineral Properties, each in the Buyer’s sole discretion.

“Prudent Mining Industry Practices” means those practices, standards, methods, techniques and specifications, as they may evolve, change and modify from time to time that (a) are commonly used and generally accepted in the mining industry as good, safe and prudent operational, administrative and engineering practices in connection with the design, construction, operation, maintenance, repair or use of mining projects, mining facilities, mining infrastructure, mining equipment or other components of a mining operation, (b) conform in all material respects to Applicable Laws, (c) conform in all material respects to operational and maintenance guidelines and requirements suggested by applicable manufacturers, suppliers and insurance providers (taking into account the size, age, service and type of asset), and (d) are commercially reasonable based on the nature of the Mineral Properties.

“Real Property Interests” has the meaning set forth in Section 7.1(i)(i).

“Related Party” or **“Related Parties”** means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Release” means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leaching or migration of any element or compound in or into the indoor or outdoor environment (including the abandonment or disposal of any barrels, tanks, containers or receptacles containing any Contaminant), or in, into or out of any vessel or facility, including the movement of any substance through the air, soil, subsoil, surface, water, groundwater, rock formation or otherwise.

“Relevant Jurisdiction” means, with respect to Guarantor, the Province of Ontario, and with respect to the Seller or another Credit Party, any jurisdiction in which such party has property or assets from time to time that are secured pursuant to the Security Documents, or in which it carries on business and, for the purposes of this Agreement, includes the State of Colorado.

“Remaining FRSM Metal Repayment Units” means the 3,400 troy ounces of Gold, 636,000 ounces of Silver, and 2,550 metric tons of Lead of the Original FRSM Metal Prepay Units that are not converted into Silver Equivalent Repayment Units and will be delivered under the Restated FRSM Metal Prepay Facility.

“Repayment Date” means the last Business Day of each calendar month during the Repayment Period, as applicable.

“Repayment Dollars” has the meaning set forth in Section 1.11.

“Repayment Period” of the Restated FRSM Metal Prepay Facility means the period beginning July 1, 2015 and ending no later than December 31, 2019.

“Repayment Units” means, collectively, the Gold Repayment Units, the Silver Repayment Units, and the Lead Repayment Units.

“Repayment Units Due” are set forth on Schedule 1.1(a).

“Reporting Jurisdictions” means all of the jurisdictions in Canada in which Guarantor is a “reporting issuer”.

“Representative” means any officer, partner, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of a Person.

“Restricted Party” means a person or entity that is, (a) listed on, or fifty percent or more owned or controlled by a person or entity listed on, any Sanctions List, (b) that is located in, organized under the laws of, or resident in a country or territory which is a subject of country-or territory-wide Sanctions; or (c) otherwise a target of Sanctions (namely a person with whom a U.S. person or other relevant national would be prohibited or restricted by law from engaging in trade, business or other activities).

“Restated FRSM Metal Prepay Interest Rate” means 9.25% per annum.

“Restated FRSM Metal Prepay Facility” has the meaning specified in the recitals hereto.

“Restructuring” has the meaning specified in the recitals hereto.

“Sanction(s)” means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“Sanctions List” means (a) the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC, (b) the Consolidated List of Financial Sanctions Targets maintained by the UK Treasury; or (c) any similar list maintained by any other relevant sanctions authority.

“Security Documents” means each (a) the Seller Security Agreement, (b) the Fortune Security Agreement, (c) the Fortune Additional Security Agreement, (d) the Affiliate Guarantor Security Agreements (e) each Mortgage, and (f) any other security granted to the Buyer by any Credit Party, as security for the payment and performance of the Obligations.

“Seller” has the meaning given such term in the Preamble.

“Seller Security Agreement” means the Security Agreement between the Seller and the Buyer, a copy of which is attached as Exhibit D.

“Seller’s Accounts” means the accounts of the Seller and the other Credit Parties described in Schedule 8.1(u).

“Seller’s Accounts” means the accounts of the Seller described in Schedule 8.1(u).

“Settlement Proceeds” means any and all proceeds from any settlements or payments from any party in connection with the mineral claims, mining leases or other mineral interests in respect of the Properties, as such properties are more particularly described in the Joint Venture Agreement.

“Short Term Accrued Ounces” means interest on the Short Term Metal Prepay Facility accrued in additional Silver Equivalent Repayment Units calculated at the beginning of each calendar month by multiplying the then outstanding Silver Equivalent Repayment Units and the cumulative Short Term Accrued Ounces through the end of the prior month by the Short Term Metal Prepay Interest Rate. For clarity, Short Term Accrued Ounces are added to and become a part of the obligations under the Short Term Metal Prepay Facility.

“Short Term Metal Prepay Interest Rate” means 15.00% per annum.

“Short Term Metal Repayment Units” means the delivery to the Buyer of Silver Equivalent Repayment Units in an amount that totals 3,165,156 Silver Equivalent Repayment Units plus the cumulative Short Term Accrued Ounces, to be reduced pro rata in the event that the Tranche 3 Working Capital Advance is not drawn in full.

“Short Term Metal Prepay Facility” means the Working Capital Prepay Facility and the obligations to deliver the Converted FRSM Metal Repayment Units.

“Silver” means payable silver as defined in the Offtake Agreements.

“Silver Equivalent Repayment Units” means any Silver, Zinc, Lead or Gold delivered to the Buyer with respect to amortizing the Short Term Metal Prepay Facility, adjusted pursuant to the following formula for any such metal delivery:

- (a) the Pre-Adjustment Silver Equivalent Repayment Units;
- (b) divided by [number redacted] ;
- (c) then, multiplied by the lower of (x) [number redacted] and (y) the Silver Equivalent Price for such metal delivery.

For clarity, such adjusted Silver Equivalent Repayment Units will be used only to make Payments under the Short Term Metal Facility and will not count as Repayment Units.

“Silver Equivalent Price” is equal to an amount based on the quantity of each of the delivered metals in accordance with the following formula:

- (a) the sum in such metal delivery of
 - i. total number of metric tonnes of Zinc delivered multiplied by the Zinc Market Price, plus
 - ii. total number of metric tonnes of Lead delivered multiplied by the Lead Market Price, plus

- iii. total number of ounces of Gold delivered multiplied by the Gold Market Price, plus
 - iv. total number of ounces of Silver delivered multiplied by the Silver Market Price;
- (b) then, divided by the Pre-Adjustment Silver Equivalent Repayment Units in such delivery.

“Silver Market Price” means, on any day, the fixing price per ounce of Silver, quoted as the Comex (1st Position) Settlement Price averaged over the previous month. Unless specifically otherwise provided, each determination of the dollar value or amount of Silver under this Agreement shall be made at the Silver Market Price.

“Silver Repayment Units” means, the amount of Silver deliverable for each month during the Repayment Period as set out opposite such month in the column entitled “Ag Repayment Units Due” in Schedule 1.1(a), as applicable (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2).

“SEAP or Silver Equivalent Amortization Price” is an amount equal to

- (a) the amount of the Advances Outstanding under the Restated FRSM Metal Prepay Facility on the Effective Date divided by
- (b) the sum of
 - (i) total Lead Repayment Units [formula redacted] , plus
 - (ii) total Gold Repayment Units [formula redacted] , plus
 - (iii) total Silver Repayment Units.

For the sake of clarity and for example only, based on [number redacted] of total advances and [number redacted] Lead Repayment Units, [number redacted] Gold Repayment Units and [number redacted] Silver Repayment Units the Silver Equivalent Amortization Price is equal to \$[number redacted] as shown in the below calculations.

<u>Metal</u>	<u>Unit</u>	<u>Price</u>	<u>Total Repayment Units</u>	<u>Silver Equivalent Repayment Units</u>
Pb	metric ton	\$(number redacted]	[number redacted]	[number redacted]
Au	ounce	\$(number redacted]	[number redacted]	[number redacted]

Ag	ounce	[\$[number redacted]	[number redacted]	[number redacted]
Silver Equivalent Repayment Units in the Restated FRSM Metal Prepay Facility on the Effective Date (b)				[number redacted]
Total Advances Outstanding under the Restated FRSM Metal Prepay Facility on the Effective Date (a)				[\$[number redacted]
Silver Equivalent Amortization Price SEAP (a/b)				[\$[number redacted]

“**Subsidiary**” means with respect to any Person (the “**parent**”) at any date, (i) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the board of directors thereof are, as of such date, held by the parent and/or one or more subsidiaries of the parent, (ii) any partnership, (x) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (y) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iii) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“**Taxes**” means all taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, payments or other charges imposed by any Governmental Entity, including any interest, additions to tax or penalties applicable thereto.

“**Tranche 3 Working Capital Prepay Advance**” has the meaning specified in the recitals hereto.

“**Transactions**” means the transactions contemplated by the Transaction Documents.

“**Transfer of Mining Rights**” means an executed, undated, unconditional transfer (in statutory form) of the Mining Rights, together with an irrevocable power of attorney authorizing the Buyer to date such transfer.

“**TSX**” means the Toronto Stock Exchange.

“**UCC**” means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York (and each reference in this Agreement to an Article thereof will refer to that Article as from time to time in effect); provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Buyer’s security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” will mean the Uniform Commercial Code or other personal property legislation (including the Articles or provisions thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

“Use of Proceeds” has the meaning specified in Section 2.4.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“Waste” means ashes, garbage and refuse and includes domestic waste, industrial waste, municipal refuse or such other wastes as are designated as such under any Environmental Law.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

“Working Capital Prepay Facility” has the meaning specified in the recitals hereto.

“Zinc” means payable Zinc as defined in the Offtake Agreements.

“Zinc Market Price” means, on any day, the average of the fixing price per metric ton of Zinc, quoted as the Zinc Settlement Price as published in the London Metal Bulletin averaged over the previous month. Unless specifically otherwise provided, each determination of the dollar value or amount of Zinc under this Agreement shall be made at the Zinc Market Price.

“Zinc Payment Units” means, during the Repayment Period, 25% of any shipment of Zinc.

1.2 Other Usages.

References to **“this Agreement”**, **“the agreement”**, **“hereof”**, **“herein”**, **“hereto”** and like references refer to this Agreement and not to any particular Article, Section, Subsection, paragraph or other subdivision of this Agreement. Any references herein to any agreements or documents shall mean such agreements or documents as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof. Any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time.

1.3 Gender and Number.

Any reference in the Credit Documents to gender includes all genders and words importing the singular number only include the plural and vice versa.

1.4 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement.

1.5 Currency.

All references in the Credit Documents to Dollars, unless otherwise specifically indicated, are expressed in the currency of the United States of America.

1.6 Meaning of Certain Terms.

Any reference in this Agreement to:

(a) a Default being “**continuing**” means that the condition constituting such Default continues to exist and has not been waived or remedied to the satisfaction of the Buyer and an Event of Default being “continuing” means that such Event of Default has not been waived;

(b) unless otherwise indicated, a “**Credit Document**” or any other agreement or instrument is a reference to that Credit Document or other agreement or instrument as amended, modified, novated, supplemented, extended or restated;

(c) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(d) “**knowledge**” of any Person shall be deemed to mean such knowledge after due and diligent inquiry; and

(e) “**repay**” (or any derivative form thereof) shall, subject to any contrary indication, be construed to include “prepay” (and, as the case may be, the corresponding derivative form thereof) and “deliver”, as applicable.

1.7 Certain Phrases, etc.

In any Credit Document (i) (x) the words “including” and “includes” mean “including (or includes) without limitation”, and does not create or denote a limitation, (y) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, and (z) the word “asset” includes present and future properties, revenues and rights of every description, and (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

1.8 Accounting Terms.

All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with IFRS.

1.9 Incorporation of Schedules.

The schedules and exhibits attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

1.10 Conflict.

The provisions of this Agreement prevail in the event of any conflict or inconsistency.

1.11 Conversion of Silver Equivalent Repayment Units.

Any delivery of Silver Equivalent Repayment Units that is not satisfied by delivery of Metal shall be paid in cash to the Buyer (“**Repayment Dollars**”) and for purposes of determining the Pre-Adjusted Silver Equivalent Repayment Units shall be deemed converted to Silver, Zinc, Lead and Gold according to the following formula:

(a) Gold in an amount equal to (i) 15% multiplied by the Repayment Dollars divided by (ii) the Gold Market Price,

(b) Silver in an amount equal to (i) 60% multiplied by the Repayment Dollars divided by (ii) the Silver Market Price,

(c) Lead in an amount equal to (i) 20% multiplied by the Repayment Dollars divided by (ii) the Lead Market Price, and

(d) Zinc in an amount equal to (i) 5% multiplied by the Repayment Dollars divided by (ii) the Zinc Market Price;

and then such Metals shall be adjusted pursuant to the definition of “Silver Equivalent Repayment Units”. Each payment of Repayment Dollars shall be in an amount not less than \$1,000,000 (or such lesser amount as may be agreed to by Buyer).

ARTICLE 2 THE FACILITIES

2.1 The Restated FRSM Metal Prepay Facility.

Prior to the Effective Date, the Buyer made the advances to the Seller under the Original FRSM Metal Prepay Facility in two tranches and the Repayment Units (as defined in the Existing Agreement) have not been delivered. Amounts repaid under the Original FRSM Metal Prepay Facility may not be drawn down again. After giving effect to the Restructuring on the Effective Date, the Advances Outstanding under the Restated FRSM Metal Prepay Facility shall be deemed to be \$20,034,347.

2.2 Short Term Metal Prepay Facility.

(a) Prior to the Effective Date, the Buyer made the advances to the Seller under the Initial Working Capital Prepay Facility and the Silver Equivalent Repayment Units (as defined in the Existing Agreement) have not been delivered.

(b) The Buyer agrees to advance the Tranche 3 Working Capital Prepay Advances subject to the terms and conditions contained herein.

(c) The Initial Parties have agreed to the Restructuring. On the date hereof, after giving effect to the Restructuring, the Short Term Metal Prepay Facility will be deemed to be \$53,194,875.

2.3 Advance Procedure.

The Seller shall request a Tranche 3 Working Capital Prepay Advance by delivering to the Buyer a written Advance Notice signed by the Seller, which shall be delivered to the Buyer by no later than ten (10) days (or such shorter period as may be agreed to by the Buyer) prior to the proposed advance. Each Advance Notice shall be irrevocable and shall specify (a) that such Tranche 3 Working Capital Prepay Advance is requested by the Seller, (b) the date of the requested advance (which shall be a Business Day not earlier than ten (10) days after delivery, or such earlier date as may be agreed by the Buyer), (c) the specific purposes to which the proceeds of the advance shall be applied (as permitted by Section 2.4 below) by reference to specific applicable information and (d) such other information and certifications as set forth in the form of Advance Notice and as the Buyer shall otherwise have reasonably requested. The advances shall be made available by way of wire transfer or other electronic funds transfer to the requested Seller's Account upon satisfaction of the applicable conditions precedent applicable to such advance as provided in Section 6.

2.4 Use of Proceeds.

The Seller shall use the proceeds of each Tranche 3 Working Capital Prepay Advance for such purposes as may be specified by the Seller in the corresponding Advance Notice and approved by the Buyer at its sole discretion.

2.5 Buyer's Facility Records.

The Buyer shall maintain accounts and records evidencing all payments received hereunder, which accounts and records shall constitute, in the absence of manifest error, prima facie evidence thereof.

ARTICLE 3

METAL PREPAY FACILITY REPAYMENTS; INTEREST AND OTHER PAYMENTS

3.1 Restated FRSM Metal Prepay Facility Repayments.

On each Repayment Date, the Seller shall deliver, or cause to be delivered, the Repayment Units Due to the Buyer's Account as follows:

(a) The Seller shall deliver, or shall cause to be delivered, all Repayment Units Due on or before the date when due, whether on a Repayment Date or by prepayment, by the delivery of physical Metal to the Buyer at the Buyer's Account. The Credit Parties represent and warrant, and covenant and agree, that all Metal delivered to the Buyer as payment of any amount due hereunder shall be owned by the Seller, with good and marketable title thereto, free and clear of all Liens and adverse claims of any nature or description, and upon delivery to the Buyer's Account, the Seller shall convey and transfer to the Buyer good and marketable title thereto, free and clear of all Liens and adverse claims of any nature or description. The Seller agrees to

convey and properly transfer all legal and beneficial right, interest and title in all Metal delivered to the Buyer, and upon each delivery of Metal pursuant to this Agreement, all legal and beneficial right, title and interest in and to such Metal will pass irrevocably from the Seller to the Buyer free and clear of any Liens and adverse claims of any nature or description. All costs, charges or expenses associated with the production, transport, refining, conveyance, transfer and delivery of any Metal by the Seller to the Buyer shall be borne and paid by the Seller. Until delivery of Metal has occurred in accordance with the terms hereof, all costs of transport, warehousing (including insurance), storage, customs, export and import licenses and Taxes and any other related costs and expenses shall be borne by the Seller. The Seller will have and bear all risk of loss of, or damage to, any Metal to be delivered by the Seller to the Buyer pursuant hereto until such Metal has been deposited to the Buyer's Account in accordance with the terms hereof, at which time the risk of loss or damage thereto shall transfer to the Buyer. The Buyer shall have the right to reject any metal that does not conform to the definition of the applicable Metal, as defined herein. Any such rejected metal shall not be considered delivered by the Seller and the payment amount associated therewith shall not be considered paid by the Seller. Each Offtake Agreement shall include a provision which enables the Seller, upon the written direction of the Buyer, to direct the purchaser of the Metal to pay directly to the Buyer at the Buyer's Account from the first provisional payment as specified in the Offtake Agreement an amount equal to the value of the Repayment Units Due to the Buyer in lieu of delivery of physical metal to the Buyer at the Buyer's Account.

(b) All Repayment Units which are delivered to satisfy the amounts on Schedule 1.1(a) (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2, and, for greater certainty, excluding any prepayments as specified in Section 4.1 or Section 4.2) shall be the first Metal produced from the Mineral Properties each month. Unless and until all Repayment Units Due in a given month are delivered to the Buyer, all Metal deliveries from the Mineral Properties will be for the benefit of the Buyer.

3.2 Cash Interest.

Beginning July 1, 2015, on each Interest Payment Date other than the Maturity Date, the Seller shall pay the Buyer the Interest Payment Amount relating to the calendar month immediately preceding such Interest Payment Date. On the Maturity Date, the Seller shall pay the Buyer the Interest Payment Amount accrued and unpaid as at the Maturity Date. All calculations of the Interest Payment Amount made by the Buyer will be conclusive and binding for all purposes.

3.3 Other Payments.

In addition to the payment of Repayment Units Due pursuant to clause 3.1 and cash interest pursuant to Section 3.2, beginning July 1, 2015, the Seller shall also pay or cause to be paid to the Buyer until such time as the Advances Outstanding have been reduced to zero the following:

(a) **Concentrates Payments.** The Seller shall pay to the Buyer an amount equal to \$[number redacted] per metric ton (as determined by the purchaser of Material under the applicable Offtake Agreement) of each shipment by the Seller of Materials containing primarily (by assay percentage) Lead and Zinc, payable directly to Buyer from the purchaser of Material pursuant to the terms of each Offtake Agreement.

(b) **Additional Offtake Payment.** The Seller shall pay to the Buyer a payment with respect to each ounce of Gold and Silver sold to the purchaser of Metal under an Offtake Agreement that do not constitute Gold or Silver Repayment Units. Such payment shall equal \$[number redacted] for each ounce of Silver and \$[number redacted] for each ounce of Gold, payable directly to Buyer from the purchaser of Metal against the first provisional invoice, as defined in and pursuant to the terms of the Offtake Agreement.

3.4 Short Term Metal Prepay Facility Repayment.

(a) The Seller shall deliver to the Buyer, from time to time, Silver Equivalent Repayment Units. On or prior to March 31, 2016, the Seller shall deliver to the Buyer a cumulative volume of Silver Equivalent Repayment Units equal to the obligations under the Short Term Metal Prepay Facility. For any such delivery of Silver Equivalent Repayment Units, upon the written direction of the Buyer, the direct purchaser of Metal pursuant to Offtake Agreements, or another party, may deliver to the Buyer an amount equal to the value of the Silver Equivalent Repayment Units in lieu of delivery of physical metal to the Buyer at the Buyer's Account.

(b) Notwithstanding the foregoing, if by any date set forth below the Seller has delivered (i) Silver Equivalent Repayment Units (without giving effect to any Short Term Accrued Ounces) in an aggregate amount equal to the amount set forth across from such date (to be reduced pro rata in the event that the Tranche 3 Working Capital Advance is not drawn in full on such date) plus (ii) all cumulative Short Term Accrued Ounces outstanding on and as of such date, the Short Term Metal Prepayment Facility shall be deemed to be paid in full and the commitment terminated:

Date	Silver Equivalent Repayment Units
April 30, 2015	2,264,040
May 31, 2015	2,334,062
June 30, 2015	2,406,250
July 31, 2015	2,480,670
August 30, 2015	2,557,392
September 30, 2015	2,635,486
October 31, 2015	2,718,027
November 30, 2015	2,802,090
December 31, 2015	2,888,752
January 31, 2016	2,978,095
February 29, 2016	3,070,201

ARTICLE 4 PREPAYMENTS AND LATE REPAYMENTS

4.1 Mandatory Metals Facility Prepayments.

The Seller shall deliver, or shall cause to be delivered, the following amounts (each, a “**Mandatory Prepayment Amount**”) and at the following times:

(a) **Excess Monthly Production for Repayment Units.** After the Short Term Metal Prepay Facility is satisfied in full, if production of Metal in any given month is greater than the Monthly Budget (the “Excess Monthly Production”), the Seller shall deliver, or shall cause to be delivered immediately to the Buyer’s Account, a volume of Repayment Units equal to not less than (i) 20% of such Excess Monthly Production in Silver, and (ii) 50% of such Excess Production of Gold, Lead and Zinc; and

(b) **Change of Control for Repayment Units.** If a Change of Control shall occur, the Seller shall deliver, or cause to be delivered, directly and immediately to the Buyer’s Account, a volume of Repayment Units equal to the Full Prepayment Amount; provided that the Seller may direct the purchaser of the Metal to pay directly to the Buyer an amount equal to the value of such Repayment Units on the same basis as set forth in Section 3.1(a);

and together with any of the foregoing prepayments of the Restated FRSM Metal Prepay Facility under (a) or (b) above, the Seller shall simultaneously pay the Buyer any accrued and unpaid interest on any part of the Restated FRSM Metal Prepay Facility so prepaid, together with all other payments, charges and costs and other amounts payable hereunder. On the day any such prepayment is made, the Restated FRSM Metal Prepay Facility shall be deemed repaid in an amount equal to the Mandatory Prepayment Amount and, the remaining Repayment Units Due shall be reduced in the inverse order as set forth in Schedule 1.1(a) and otherwise in a manner determined by the Buyer, acting reasonably and in its sole discretion. Promptly (and in any event within five (5) Business Days) after such prepayment the Seller shall deliver to the Buyer a revised Schedule 1.1(a), showing the adjusted Repayment Units Due, all in form and substance satisfactory to the Buyer.

4.2 Mandatory Short Term Metal Prepay Facility Prepayment.

(a) **Excess Monthly Production for Short Term Metal Prepayment.** Until the Short Term Metal Prepay Facility is satisfied in full, if production of Metal in any given month is greater than the Monthly Budget (the “Excess Monthly Production”), the Seller shall deliver, or shall cause to be delivered immediately to the Buyer’s Account, a volume of Silver Equivalent Repayment Units equal to not less than 100% of such Excess Monthly Production of Silver, Gold, Lead and Zinc; and

(b) **Change of Control for Short Term Metal Repayment.** If a Change of Control shall occur, the Seller shall deliver, or cause to be delivered, directly and immediately to the Buyer’s Account, a volume of Silver Equivalent Repayment Units equal to the obligations under the Short Term Metal Prepay Facility;

and together with any delivery of Silver Equivalent Repayment Units under (a) or (b) above, the Seller shall simultaneously deliver to the Buyer any Short Term Accrued Ounces accrued since the last calculation date and not yet added to the obligations under the Short Term Metal Prepay Facility.

4.3 Asset Sale Prepayments, etc. Subject to the terms of the Intecreditor Agreement, until the Short Term Metal Prepay Facility is satisfied, if the Seller, the Guarantor or any Affiliate Guarantor shall consummate any Asset Sale, the Seller shall, no later than the first Business Day following the date of receipt, deliver, or cause to be delivered, to Buyer, an amount equal to 100% of the net proceeds of such Asset Sale. All proceeds of any such Asset Sale or other monetization events by the Seller, the Guarantor, or any Affiliate Guarantor of any of their respective assets or properties shall be applied to immediately prepay the Obligations under the Short Term Metal Prepay Facility until paid in full.

4.4 Voluntary Prepayments.

(a) The Seller may prepay the Metal Prepay Facility (in each case, in whole or in part) by early delivery of Repayment Units or Silver Equivalent Repayment Units, as applicable, without premium or penalty at any time on at least five (5) Business Days prior written notice to the Buyer (each, a “**Prepayment Notice**”).

(b) The Seller shall make such prepayment, together with all other costs, Payments, interest payments or charges then due.

(c) Each Prepayment Notice shall be irrevocable and shall state whether the prepayment contemplated therein is for the entire outstanding amount of the Metal Prepay Facility or for a part of the outstanding amount of the Metal Prepay Facility. In the event such prepayment is a partial prepayment, the Prepayment Notice shall stipulate the amount of such proposed prepayment (the “**Partial Prepayment Amount**”). In any case, such prepayment shall be made as follows:

- (i) if such prepayment is of the entire outstanding amount of the Restated FRSM Metal Prepay Facility, the Seller shall deliver to the Buyer at the Buyer’s Account an amount of Repayment Units equal to the Full Prepayment Amount;
- (ii) if such prepayment is a partial prepayment of the outstanding amount of the Restated FRSM Metal Prepay Facility, the Seller shall deliver to the Buyer at the Buyer’s Account an amount of Repayment Units equal to the Partial Prepayment Amount;
- (iii) if such prepayment is of the entire outstanding amount of the Short Term Metal Prepay Facility, the Seller shall deliver to the Buyer at the Buyer’s Account an amount of Silver Equivalent Repayment Units equal to the total outstanding obligations under the Short Term Metal Prepay Facility; and
- (iv) if such prepayment is a partial prepayment of the outstanding amount of the Short Term Metal Prepay Facility, the Seller shall deliver to the Buyer at the Buyer’s Account an amount of Silver Equivalent Repayment Units equal to the Partial Prepayment Amount;

and together with any of the foregoing prepayments of the Metal Prepay Facility under (c)(i), (ii), (iii) or (iv) above, the Seller shall simultaneously pay the Buyer any accrued and unpaid interest on any part of the Metal Prepay Facility so prepaid together with all other payments, charges and costs and other amounts payable hereunder and on the day any Partial Prepayment Amount is paid to the Buyer, the Metal Prepay Facility shall be deemed to be repaid in an amount of such Partial Prepayment Amount and, for the purpose of determining, with respect to the Restated FRSM Metal Prepay Facility, the remaining Repayment Units Due, the remaining Repayment Units Due shall be reduced by an amount equal to the Partial Prepayment Amount by reducing the Repayment Units Due in the inverse order as set forth in Schedule 1.1(a) and otherwise in a manner determined by the Buyer, acting reasonably and in its sole discretion. Promptly and (in any event, within five (5) Business Days) after such partial prepayment, the Seller shall deliver to the Buyer a revised Schedule 1.1(a), showing the adjusted Repayment Units Due, all in form and substance satisfactory to the Buyer.

Notwithstanding the foregoing, the Short Term Metal Prepay Facility must be paid in full prior to any voluntary prepayments of the Restated FRSM Metal Prepay Facility.

4.5 Late Repayment.

In the event that on any Repayment Date, the Repayment Units delivered by the Seller are less than Repayment Units Due set forth in Schedule 1.1(a) (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2) for the relevant month (the difference between Repayment Units Due in such month less the Repayment Units delivered in such month being the “**Shortfall**”), the Seller shall owe to the Buyer, an additional amount of Repayment Units equal to the Shortfall multiplied by 1.25% (rounded up to the nearest ounce or ton, as the case may be) (the “**Shortfall Payment**”). For certainty, the Shortfall Payment shall not reduce the remaining Repayment Units Due but will be an additional amount deliverable to the Buyer. Both the Shortfall and the Shortfall Payment will be added to the Repayment Units Due in the next following month on Schedule 1.1(a) (or any revised Schedule 1.1(a) delivered by the Seller to the Buyer in accordance with Section 4.1 or Section 4.2) and shall be deliverable as part of the next following Repayment Units Due.

4.6 Additional Provisions.

For the avoidance of doubt, no credit against future Shortfall Payments shall be made for any mandatory or voluntary prepayment of Repayment Units. In addition, prepayments of Repayment Units for one Metal does not require that all Metals must also be prepaid, and the Seller may complete the Repayment Units for any one Metal before completing the Repayment Units for the other Metals.

ARTICLE 5 PAYMENTS UNDER THIS AGREEMENT

5.1 Payments.

(a) The Seller shall make any Payment required to be made by it to the Buyer without set-off, deduction, withholding, or counterclaim or cross-claim, as applicable, by: (i) delivering the amount of Metal that is then due to the Buyer's Account, (ii) depositing Repayment Dollars then due with Buyer or (iii) depositing the amount of cash then due with respect to each Interest Payment Amount with the Buyer, in each case by not later than 3:00 p.m. (New York time) on the date the Payment is due, to Buyer's Account .

(b) Unless otherwise expressly provided in this Agreement, the Buyer shall make advances to the Seller under this Agreement by crediting the account number of the Seller set forth in the Advance Notice not later than 3:00 p.m. (New York time) on the date the advances are to be made.

(c) The Buyer and the Credit Parties acknowledge and agree that the payment and delivery of all amounts and costs payable hereunder and any further consideration to the Buyer is a fair payment based on the business terms of this transaction. Notwithstanding the foregoing, if any provision of this Agreement or any agreement related hereto (including any other Credit Document) would obligate any Credit Party to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate which would be illegal under Applicable Laws then, notwithstanding such provision, such amount or rate shall be adjusted to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Laws.

(d) Whenever any payment or delivery to be made hereunder shall be stated to be due on a day that is not a Business Day, the payment shall be made on the next succeeding Business Day.

5.2 Default Rate.

Except as may be expressly provided otherwise in this Agreement, including without limitation Section 4.3, all Payments and other amounts owed by the Credit Parties to the Buyer (including interest) under the Metal Prepay Facility, which are not paid or delivered when due (whether at stated maturity, on demand, by acceleration or otherwise) shall bear interest (both before and after default and judgment), from the date on which such amount is due to be paid or delivered, as applicable, until such amount is paid or delivered, as applicable, in full, payable or deliverable on demand, at a rate per annum equal at all times to Default Rate.

ARTICLE 6 CONDITIONS OF LENDING

6.1 Conditions Precedent to the Effectiveness of this Agreement

This Agreement shall become effective on the date the following conditions precedent have been satisfied to the satisfaction of the Buyer:

(a) **Credit Documents.** This Agreement and each of the other Credit Documents shall have been duly executed and delivered by each party hereto and thereto and be in full force and effect.

(b) **Affiliate Guaranty.** The Buyer shall have received an Affiliate Guaranty executed by each Subsidiary (other than an Excluded Subsidiary) of the Guarantor.

(c) **Intercreditor Agreement.** The Buyer shall have received counterparts of the Fortune Intercreditor Agreement.

(d) **Security Documentation; Perfection of Liens; Releases.** The Buyer shall have received:

- (i) Counterparts of each Affiliate Guarantor Security Agreement;
- (ii) evidence satisfactory to the Buyer confirming the validity and perfection of the Liens granted by the Security Documents with the Agreed Priority;
- (iii) evidence satisfactory to the Buyer that (A) the Seller has received binders on insurance policies in respect of the Mineral Properties of the Seller, (B) the Buyer is first loss payee and additional insured under all such insurance policies and (C) such insurance policies are in compliance with Section 8.1(p);
- (iv) any filings or other Instruments for filing or registration or notarization thereof, notices with respect thereto or other Instruments determined by the Buyer to be necessary or desirable to establish and perfect the Liens established pursuant to the Security Documents with the Agreed Priority;
- (v) satisfactory searches of all mineral rights and other interests in respect of the Mineral Properties;
- (vi) releases and discharges and postponements covering Liens affecting any of the Collateral which are not Permitted Liens, if any; and
- (vii) evidence that all Liens created pursuant to the Security Documents have been duly perfected and registered in all Relevant Jurisdictions and other relevant jurisdictions as required by the Buyer and the Buyer's Counsel.

(e) **Due Diligence.** The Buyer shall have received all data, reports, maps, surveys, financial statements, Instruments, feasibility studies, and other information requested by the Buyer for its due diligence, including searches of all Lien filings, registrations and records deemed necessary by the Buyer, and copies of any documents, filings and Instruments on file in such jurisdictions, shall have been provided, and the Buyer shall have completed its technical, legal, financial, business, permitting, environmental, tax, technical and other due diligence investigation of the Credit Parties and the Mineral Properties in scope, and with results, satisfactory to the Buyer.

(f) **Authorizations and Regulatory Approvals.** Delivery of a certificate of an officer of the Guarantor certifying that all necessary Authorizations relating to the development and operation of the Mineral Properties (other than those to be delivered post-closing as set forth in Schedule 8.1(b)) have been obtained and none has been rescinded, cancelled or otherwise terminated in any respect and all regulatory approvals required or advisable in order for the Transactions to occur shall have been received.

(g) **Authorizations.** Any and all Authorizations of all Governmental Entities, the shareholders of the Guarantor and/or other Persons required in connection with this Agreement and the Transactions shall have been obtained and remain in effect.

6.2 Conditions Precedent to each Tranche 3 Working Capital Advance.

The obligation of the Buyer under this Agreement to make any advance hereunder is subject to each of the following conditions precedent being satisfied as of the date of such advance:

(a) **Representations.** The representations and warranties of the Seller and each other Credit Party set forth in the Credit Documents shall be true and correct in all material respects except to the extent that any such representation or warranty specifically refers to an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date; provided that such materiality qualifier above shall not be applicable to any portion of any representation and warranty that is already qualified or modified by materiality in the text thereof;

(b) **No Default.** No Default or Event of Default shall have occurred and be continuing or arise immediately after giving effect to or as a result of a Tranche 3 Working Capital Prepay Advance and the Buyer has received a certificate of a senior financial officer of the Seller so certifying to the Buyer;

(c) **Litigation.** There shall not exist any litigation, investigation, bankruptcy or insolvency, injunction, order or claim affecting or relating to any Credit Party or any of its Subsidiaries, or any Mineral Property, which has had or could reasonably be expected to have, a Material Adverse Effect, or which could reasonably be expected to affect the legality, validity or enforceability of this Agreement or any other Credit Document.

(d) **Material Adverse Effect.** Except as disclosed to the Buyer prior to the Effective Date, since December 31, 2013, there has been no change, event or occurrence that has, had, or could reasonably be expected to have, a Material Adverse Effect.

(e) **Use of Proceeds.** The Buyer shall have reviewed and approved the Use of Proceeds from each Tranche 3 Working Capital Prepay Advance, as such Use of Proceeds has been specified by the Seller in the Advance Notice.

(f) **Costs and Expenses.** All costs, expenses and fees required to be paid by the Credit Parties under any of the Credit Documents have been paid in full.

(g) **Other Conditions.** All conditions set forth in Section 2.3, Section 2.4 and this Section 6.2 shall have been, and shall remain, satisfied to the satisfaction of the Buyer in its sole

discretion and the Seller's delivery of an Advance Notice shall constitute the Seller's representation and warranty that all such conditions precedent have been, and remain, satisfied).

(h) **Advance Notice.** Receipt by the Buyer of an Advance Notice duly executed by the Seller.

(i) **Other Documentation.** Receipt by the Buyer such other documents, certificates, and agreements which the Buyer may reasonably request.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties.

Each of the Credit Parties hereby represents and warrants to the Buyer that:

(a) **Qualification and Organization.** It has all requisite corporate power and authority to enter into this Agreement and the other Credit Documents to which it is a party and to carry out the Transactions. It is otherwise duly qualified to do business in each jurisdiction where the nature of its business or properties requires such qualification. It is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

(b) **Subsidiaries.** Except as disclosed in Schedule 7.1(b), No Credit Party has any direct or indirect Subsidiaries.

(c) **Authorization; No Conflict.** The execution, delivery and performance by it of this Agreement and of the other Credit Documents to which it is a party have been duly authorized by all necessary shareholder and corporate action on the part of such Credit Party and do not and will not (i) contravene such Credit Party's articles of incorporation, charter or by-laws, or similar constituent documents; (ii) violate any provision of any Applicable Law, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to such Credit Party; (iii) result in a breach of or constitute a default under or (other than consents required (x) to effect transfer of Capital and Operating Leases as set forth in Schedule 1.1(d) hereto, and the transfer or issuance of Project Permits as set forth in Schedule 7.1 (q) hereto and (y) under Section 8.1(kk)) require the consent of any Person pursuant to, any indenture or Metal Prepay Facility or credit agreement or any other agreement, lease or Instrument to which any Credit Party is a party or by which it or any such Credit Party or its or any such Credit Party's properties may be bound or affected; or (iv) result in, or require, the creation or imposition of any Lien (other than Permitted Liens or Liens arising under the Security Documents) upon or with respect to any of the properties now owned by any Credit Party and, no Credit Party is in default in any respect under any such Applicable Law, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument which could reasonably be expected to have a Material Adverse Effect.

(d) **Governmental and Other Consents and Approvals.** Other than consents required to effect the transfer or issuance of Project Permits as set forth in Schedule 7.1(q) hereto, no authorization or approval or other action by or consent of, and no notice to or filing or

registration with, any Governmental Entity is required (i) for the due execution and delivery of, and the due performance of, the financial obligations of the Credit Parties under this Agreement or any other Credit Document, or (ii) for the due performance of all other Obligations of the Credit Parties under this Agreement or any other Credit Document (other than registrations or filings to perfect the Liens created by the Security Documents).

(e) **Binding Obligations.** This Agreement and each of the other Credit Documents constitutes a legal, valid and binding obligation of each Credit Party that is party thereto, enforceable against such Credit Party in accordance with its respective terms (except as limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws or equitable principles affecting enforcement of creditors' rights generally at the time in effect).

(f) **Litigation.** There is no claim, action, lawsuit, proceeding, arbitration or investigation pending or threatened in writing against or involving any Credit Party or any Mineral Properties, which (i) alleges the violation of any Applicable Law, (ii) questions the validity of this Agreement or any of the other Credit Documents or any action taken or to be taken pursuant to this Agreement or any of the Credit Documents, (iii) involves any Material Contract, or (iv) could reasonably be expected to result, either in any case or in the aggregate, in a Material Adverse Effect.

(g) **Financial Statements; No Material Adverse Change.** The consolidated audited financial statements of Guarantor and Seller as of December 31, 2013, and the related consolidated unaudited financial statements of Guarantor and Seller for the quarter ended September 30, 2014, fairly present the financial condition of Guarantor and Seller, as applicable, as at such date, and are in accordance with IFRS consistently applied. No Credit Party has any Contingent Liability or liability for Taxes, long-term leases or unusual forward or long-term commitments which are not reflected in such financial statements. Since December 31, 2013, except as disclosed to the Buyer prior to the Effective Date, neither the business, operations or prospects of any Credit Party, nor any of its properties or assets, have been affected by any occurrence or development (whether or not insured against) which could reasonably be expected to result, either in any case or in the aggregate, in a Material Adverse Effect.

(h) **Information Accurate.** None of the written information prepared by or on behalf of any Credit Party and delivered to Buyer by any Credit Party in connection with this Agreement or the transactions contemplated hereby contains any material misstatement of fact or omits to state a material fact; provided that, with respect to any financial projections and forecasts which have been furnished to Buyer, such financial projections and forecasts were prepared in good faith on the basis of assumptions which were, in the opinion of the management of the Seller, reasonable at the time made; and at the time of delivery, the management of the Seller believed, in good faith, that the assumptions used in preparation of the financial projections and forecasts remain reasonable (it being understood that such financial projections and forecasts are subject to uncertainties and contingencies, many of which are beyond the control of any Credit Party, and no assurances can be given that such financial projections and forecasts will be realized).

(i) **Title; Liens.**

- (i) Schedule 7.1(i) accurately and completely sets forth and describes all real property that will be owned, leased, held or controlled by any Credit Party, including all fees interests, mineral dispositions, mining claims (patented if applicable), leases and other real property interests (the “**Real Property Interests**”);
- (ii) each applicable Credit Party (A) will be the legal and beneficial owner of all its respective Real Property Interests and (B) will be in exclusive possession thereof; free and clear of all Liens, claims, encumbrances, or other burdens on production, except for Permitted Liens;
- (iii) Each Credit Party will be the legal and beneficial owner of its owned real property and will have valid and effective rights to its leased property, free and clear of Liens, except for Permitted Liens;
- (iv) all taxes, charges, rates, levies and assessments that, if unpaid, would create a Lien or charge on any Mineral Properties or any portion thereof, will have been paid in full;
- (v) all contractors, subcontractors, agents and other Persons engaged by the Credit Parties providing services, materials or labor on or for the benefit of any Mineral Properties will have been paid in a timely manner for all work performed or services, goods or labor provided, on or with respect thereto; and
- (vi) the Security Documents create, or upon their execution and delivery, will create, valid and effective Liens in and on the Collateral purported to be covered thereby, with the Agreed Priority.

(j) **Validity of Real Property Interests.** With respect to all Real Property Interests, to the best of the knowledge of the Credit Parties: (A) all claims, permits, and leases forming part of the Real Property Interests were located, staked, filed and recorded in compliance with all Applicable Laws and regulations; and (B) there are no actions or administrative or other proceedings pending or to the best of each of the Credit Parties’ knowledge threatened against or affecting any of the Real Property Interests.

(k) **Technical Information.** The information, including the mineral resource information, set forth in the technical reports supplied to satisfy the conditions precedent in Section 6, has been prepared in accordance with Prudent Mining Industry Standards, and the method of estimating the Project Technical Characteristics has been verified by the Credit Parties to Prudent Mining Industry Standards and the information upon which the estimates of Project Technical Characteristics were based, was, at the time of delivery thereof, complete and accurate in all respects and there have been no material changes to such information since the date of delivery or preparation thereof.

(l) **Material Contracts; Absence of Default.** The Material Contracts identified in Schedule 1.1(b) hereto include all of the contracts, indenture, Metal Prepay Facility, credit agreement, agreements, leases, Instruments and other binding commitments and undertakings of

each Credit Party, the performance or breach of which could reasonably be expected to have a Material Adverse Effect, and the Seller has provided the Buyer with copies of each such Material Contract. No Credit Party is in default in any material respect under any of the Material Contracts, none of them has received any notice of an asserted default thereunder from any other Person, and none of them has knowledge of a breach by any counterparty thereto or the inability of any counterparty thereto to perform its obligations thereunder.

(m) **Taxes and Other Payments.** Each Credit Party has filed all Tax returns and reports required by Applicable Law to have been filed by it and has paid all Taxes and governmental charges thereby owing or shown to be owing except Taxes (i) which the failure to pay could not reasonably be expected to cause a Material Adverse Effect, or (ii) which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with IFRS have been set aside on the books of such Credit Party.

(n) **Environmental Laws.** Except as set forth in Schedule 7.1(n) hereto:

- (i) the Mineral Properties have been owned, developed, operated, leased, reclaimed and utilized in compliance in all material respects with all Applicable Laws, including Environmental Laws;
- (ii) there are no outstanding or pending consent decrees, clean-up orders, mitigation orders, compliance orders, remediation orders or other orders, decrees, judgments or other administrative or judicial requirements outstanding under any Environmental Law with respect to any Mineral Properties;
- (iii) no Credit Party has received any written or actual notice of any material violation, alleged violation, non-compliance, investigation, liability or potential liability, or request for information, with respect to Environmental Laws, Hazardous Materials or other environmental matters with regard to any Mineral Properties that remains unresolved, nor does any Credit Party have knowledge or reason to believe that any such notice will be received or is being threatened; and
- (iv) with respect to the Mineral Properties, there are no pending or, to the knowledge of each Credit Party, threatened, lawsuits, claims, complaints, injunctions, or any other governmental or judicial actions or proceedings with respect to any alleged violation of any Applicable Laws, including Environmental Laws, or any Release or alleged Release of Hazardous Materials.

(o) **Compliance with Laws, Etc.** Except violations that may have occurred as a result of orders issued by the Mine Safety and Health Administration and disclosed to the Buyer prior to the Effective Date, each Credit Party has at all times been and is now in compliance in all material respects with all Applicable Laws applicable to each of them and applicable to each of the Mineral Properties.

(p) **Operation of Mineral Properties.** The Credit Parties have heretofore made available to the Buyer all studies with respect to the Project supported by relevant geological, reserve, resource, metallurgical, engineering and financial data and evaluations of the Project prepared by or for the benefit of any Credit Party or otherwise in the possession of or available to any Credit Party. The Credit Parties are not aware of any material inaccuracy or omission in such information.

(q) **Project Permits.** All material permits, claims, licenses, approvals, authorizations, certifications, registrations and consents of Governmental Authorities which are necessary to undertake and conduct the business of the Credit Parties as it is proposed to be conducted are identified in Schedule 7.1(q) hereto (collectively, the “**Project Permits**”). Except as identified in Schedule 7.1(q) hereto, the Credit Parties will have obtained all Project Permits necessary to conduct mining operations at the Mineral Properties and all such Project Permits will be in full force and effect in accordance with their terms, free of defaults, and no written notice alleging a breach or default under any of the Project Permits or challenging or questioning the validity of any such Project Permit has been delivered.

(r) **Mining Rights.** The Seller has acquired all property and assets including Mining Rights and have obtained such other surface and other rights as are necessary for access rights, water rights, plant sites, tailings disposal, waste dumps, ore dumps, abandoned heaps or ancillary facilities which are required in order to operate the Project in accordance with the Monthly Budget; provided that in the future the Seller will require additional land for the purposes of tailings disposal. Except for the land required for tailings disposal, all property and assets including Mining Rights are sufficient in scope and substance for the development and operation of the Project as contemplated by the Monthly Budget.

(s) **Compliance with Securities Legislation.** Each Credit Party has complied, and will comply, in all material respects with all Applicable Securities Legislation in the course of its affairs, including, but not limited to:

- (i) Guarantor is a reporting issuer under Applicable Securities Legislation in at least one of the Reporting Jurisdictions and its common shares are listed for trading on the TSX;
- (ii) Guarantor is not in default in any material respect of any Applicable Securities Legislation or the TSX rules or policies nor is it included in a list of defaulting reporting issuers maintained by any securities commissions where the Seller is a reporting issuer or other securities regulatory authorities in the provinces and territories of Canada;
- (iii) no order ceasing, halting or suspending trading or prohibiting the sale of common shares has been issued to and is outstanding against Guarantor or its directors, officers or promoters and, to the best of the Guarantor’s knowledge, no investigation or proceedings for such purposes are pending or threatened; and

- (iv) each applicable Credit Party has complied in all material respects with all the requirements of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, including, without limitation, with respect to the preparation and filing of any technical reports.

(t) **Counter-Terrorism Regulations and Anti-Money Laundering.** Each of the Credit Parties is and, with respect to the transactions contemplated by this agreement, shall remain in compliance with all applicable Sanctions and all applicable anti-money laundering and counter-terrorism financing laws, including the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the *Criminal Code*, the *United Nations Act*, the *Trading with the Enemy Act*, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B Chapter V, as amended) and any other enabling legislation or executive order relating thereto, the *Patriot Act* (United States) and other Applicable Laws relating to “know your customer” and anti-money laundering rules and regulation which apply to it. No part of the proceeds from the Metal Prepay Facility will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Applicable Law.

(u) **Use of Proceeds.** No part of any proceeds received under this Agreement will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board of Governors of the Federal Reserve System of the United States of America, including Regulations T, U and X.

(v) **Equity Interests.** Other than as set out in Schedule 7.1(b) the Credit Parties will not own any Equity Interests other than the Equity Interest in the Seller and the Affiliate Guarantors owned by Guarantor and other marketable securities held by Guarantor.

(w) **ERISA Compliance.** No ERISA Event has occurred or is reasonably expected to occur. Schedule 7.1(w) sets forth a list of all Pension Plans and all Multiemployer Plans to which any ERISA Affiliate has any obligation to contribute or has any obligation or liability, contingent or otherwise. Each Pension Plan, and each trust thereunder, intended to qualify for tax exempt status under Section 401 or 501 of the Code so qualifies. Each Pension Plan is in compliance in all material respects with applicable provisions of ERISA, the Code and other Applicable Law, and there are no existing or pending (or to the knowledge of any Credit Party, threatened) claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits or other proceedings or investigation involving any Pension Plan.

(x) **Defined Benefit Plan.** Neither the Seller nor any of the other Credit Parties has established or acquired a “registered pension plan” that contains a “defined benefit provision” as such terms are defined in the ITA.

(y) **Hazardous Materials.** To Credit Parties’ knowledge after due inquiry, the Materials produced from the Mineral Properties do not contain any Hazardous Materials which (i) do not conform to Applicable Law, (ii) would render the Metals or intermediate products produced from the Mineral Properties unacceptable for smelting and/or refining processes, as

applicable, or (iii) would otherwise render the Metals or intermediate products produced from the Mineral Properties unsaleable.

(z) **Sanctions.** No Credit Party, nor any Subsidiary, nor, to the knowledge of the Credit Parties, any director, officer, employee, agent, affiliate or representative thereof, is, or is owned or controlled by any individual or entity that is a Restricted Party.

ARTICLE 8

COVENANTS OF THE CREDIT PARTIES

8.1 Affirmative Covenants.

Until the full and final payment and performance of the Obligations and the termination of this Agreement, each Credit Party shall (and the Guarantor and the Seller shall cause each of its Subsidiaries to), perform all covenants in this Section 8.1:

(a) **Financial Statements, Reports and Other Information.** Each Credit Party shall deliver to Buyer, or cause to be delivered to Buyer, all financial and other information (in form and within time periods as required by Applicable Securities Legislation and in each case as soon as practicable) delivered or required to be delivered by the law or contract to regulators in Reporting Jurisdictions, any Governmental Entity, or to such Credit Party's shareholders, debt holders or any other credit counterparty and the Seller shall deliver to the Buyer, or cause to be delivered to the Buyer, each of the following:

- (i) as soon as practicable and in any event within forty-five (45) days after the end of each Financial Quarter of each Financial Year, (A) the Seller's unaudited quarterly financial statements for such Financial Quarter, prepared in accordance with IFRS and Applicable Securities Legislation and (B) together with each such delivery of financial statements pursuant to this paragraph, a duly completed and executed Compliance Certificate relating thereto;
- (ii) if either (x) the Seller is directly audited other than in conjunction with the audit of the Guarantor, (y) the Guarantor has another Subsidiary that raises the materially threshold at the Seller level for the audit of the Guarantor above the materially threshold for the audit of the Guarantor to be performed for the year ended December 31, 2014, or if (z) the Guarantor is no longer audited by a "Big 4" public accounting firm, then as soon as practicable and in any event within one hundred and twenty (120) days after the end of each Financial Year, (A) the annual audited financial statements of the Seller for such Financial Year prepared in accordance with IFRS and Applicable Securities Legislation and (B) together with each such delivery of financial statements pursuant to this paragraph, a duly completed and executed Compliance Certificate relating thereto;
- (iii) as soon as practicable but no later than fifteen (15) days after the end of each calendar month, the Seller shall submit to the Buyer a written report concerning its business and activities and its performance versus the

Monthly Budget, during the preceding calendar month and shall include a summary description of actions taken with respect to the Project a description of actual expenditures (as compared to the budgeted expenditures) and such other data and information as may be reasonably requested by the Buyer, with such monthly report to be delivered in form and substance acceptable to the Buyer.

- (iv) to the extent any Credit Party incurs additional Indebtedness after the date hereof (including any Indebtedness permitted pursuant to Section 8.2) written notice to Buyer of the amount of such Indebtedness incurred and the documentation relating thereto; and
- (v) as soon as practicable after receiving a request from Buyer, such other certificates, reports, status updates, data and information respecting the condition or operations, financial or otherwise, of any Credit Party as Buyer may from time to time reasonably request, with the same to be delivered in form and substance reasonably acceptable to Buyer.

All such reports, descriptions, data and other information provided by the Credit Parties (i) shall be true, complete and accurate in all material respects and (ii) shall not contain any material misstatement of fact or omit to state a material fact, and all projections contained in any such reports, certificates, status updates and otherwise shall be based on information which, when delivered, was true, correct and complete in all material respects and shall fairly present such Credit Party's then current estimate of its future business, operations and affairs; the Credit Parties shall provide the foregoing certification in writing upon delivery of any report, certificate, status update or other information and shall be deemed to have done so to the extent that any Credit Party fails to provide written certification thereof;

(b) **Notice of Default.** Each Credit Party shall provide to Buyer as soon as possible and in any event within three (3) Business Days after any officer of any Credit Party has or should reasonably have knowledge of the occurrence of each Event of Default or Default continuing on the date of such statement, a statement of the president or chief financial officer of the Seller, setting forth the details of such Event of Default or Default, and the action which the Seller proposes to take with respect thereto.

(c) **Corporate Existence.** Each Credit Party shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation or formation; and, each Credit Party shall qualify and remain qualified to engage in business and conduct business activities in each jurisdiction in which such qualification is necessary or desirable in view of its business and operations or the ownership of its properties. Each Credit Party will (x) comply in all material respects with all requirements of Applicable Laws and all rules, regulations and requirements of stock exchanges on which its capital stock is traded, if any, concerning disclosure of matters relevant to such Credit Party and its properties; and, (y) timely file full and complete reports concerning its business and operations as required by such Applicable Laws and stock exchange, rules, regulations and requirements, except, with respect to this clause (y), as would not reasonably be expected to result in a Material Adverse Effect.

(d) **Payment of Taxes and Claims.** Each Credit Party shall pay, or cause to be paid when due, (i) all Taxes, assessments and governmental charges or levies imposed upon it, and (ii) all claims which, if unpaid, might by Applicable Law become a Lien upon any of the Collateral except any such Tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings and in respect of which any of the Credit Parties have established adequate reserves in accordance with IFRS.

(e) **Keeping of Books.** Each Credit Party shall keep proper books of record and account, in which full and correct entries (in all material respects) shall be made in respect of its business and shall promptly notify Buyer of any change in accounting practices or procedures implemented by a Credit Party relative to such practices and procedures of such Credit Party as of the Effective Date.

(f) **Material Adverse Effect.** Each Credit Party shall immediately notify Buyer of any event or circumstance that would reasonably be expected to result in a Material Adverse Effect.

(g) **Reporting Issuer Status.** Guarantor shall maintain (i) the listing of its common shares on the TSX; and (ii) its status as a reporting issuer under Applicable Securities Legislation in all of the Reporting Jurisdictions.

(h) **Notice of Litigation.** Each Credit Party shall give notice to the Buyer as soon as it becomes aware of the commencement of any action, litigation, proceeding, arbitration, investigation, grievance or dispute affecting any Credit Party, the Project, any Material Contract or any Affairs of any Credit Party, together with copies of the court filings or other documents associated therewith.

(i) **Notice of Environmental Matters.** Each Credit Party shall provide to Buyer, promptly after the filing or receipt thereof, copies of (i) all new Project Permits, together with a description thereof and (ii) all notices with or from any Governmental Entity or any other Person alleging any material noncompliance with or violation of any Environmental Law relating to the Project or Project Permit and any correspondence in response thereto.

(j) **Notices re: Agreements.** Each Credit Party shall provide to the Buyer any relevant or material information that becomes available to the relevant Credit Party under any of the Offtake Agreements, including, without limitation, with respect to any shipments, delivery or refining product or Concentrate, or any other notification as required under such agreements.

(k) **Comply with Environmental Laws.** Each Credit Party shall own, operate and manage its business and the Mineral Properties in compliance in all material respects with all Applicable Laws, including Environmental Laws, and each Credit Party shall, and shall cause its agents and third party contractors to, in all material respects (i) manage and operate the Mineral Properties and the Project in compliance with all Environmental Laws, (ii) maintain all Authorizations and make all registrations required under all Environmental Laws in relation to the Mineral Properties and the Project and remain in compliance therewith, (iii) store, treat, transport, generate, otherwise handle and dispose of all Hazardous Materials and Waste owned,

managed or controlled by any of the Credit Parties in compliance with all Environmental Laws and (iv) comply with all recommendations contained in any environmental impact assessment.

(l) **Conduct of Operations and Maintenance of Properties.** Except as otherwise expressly permitted hereunder, each Credit Party shall engage solely in the business of developing and operating the Mineral Properties, and other prospective mining projects, and in activities incidental thereto, in accordance with Prudent Mining Industry Practices. Each Credit Party shall explore, investigate, develop, mine, operate and use each Mineral Property in accordance with Prudent Mining Industry Practices. Each Credit Party shall diligently and continuously work to develop and operate the Project. Each Credit Party shall, from time to time, make and cause to be made all repairs, renewals, replacements, additions and improvements to the Mineral Properties and its other properties and assets, such that such Credit Party may properly and advantageously operate the Project at all times in accordance with Prudent Mining Industry Practices.

(m) **Maintain the Mining Claims, Mining Rights and Project Permits in Good Standing.** Each Credit Party shall make any and all payments and incur any and all expenses required in relation to all mining claims relating to any of the Mineral Properties and use commercially reasonable efforts to ensure they are kept in good standing and remain in full force and effect.

(n) **Updated Banking Information.** Each Credit Party shall promptly notify the Buyer of any change in bank location or accounts.

(o) **Rights of Inspection.** At any reasonable time during normal business hours and from time to time, each Credit Party shall permit the Buyer and its Representatives to examine the records and books of account of, and to visit the properties of, the Credit Parties (including the Mineral Properties) and to discuss the affairs, finances and accounts of the Credit Party with any Representative of any Credit Party. The Seller shall pay all costs of the activities described in this clause (o).

(p) **Maintenance of Insurance.** Each Credit Party shall maintain with financially sound and reputable insurance companies (i) insurance on all its property and assets insuring against at least such risks as are usually insured against in the same or a similar business and as required by Applicable Laws and (ii) liability insurance covering at least such risks as are usually insured against in the same or a similar business and as required by Applicable Laws; and furnish to the Buyer, upon request, full information as to the insurance carried. The insurance coverage of each Credit Party as of the Effective Date is outlined as to carrier, policy number, expiration date, type and amount on Schedule 8.1(p). Upon the request of the Buyer from time to time, Seller shall deliver to the Buyer evidence of the insurance then in effect, including a detailed list of such insurance containing the information set forth on Schedule 8.1(p). The insurance policies with respect to the Mineral Properties owned by the Seller shall name the Buyer as first loss payee and/or additional insured, as appropriate, and shall contain an endorsement providing that such insurance cannot be terminated or amended without at least thirty (30) days prior notice to the Buyer.

(q) **Insurance Proceeds.** Each Credit Party shall notify the Buyer promptly of (and in any case not less than one Business Day after) receipt by or on behalf of such Credit Party of any Insurance Proceeds. At the Buyer's discretion, all such Insurance Proceeds shall be (i) applied to prepay the Short Term Metal Prepay Facility or (ii) reinvested in replacement assets or otherwise be applied to the operation and development of the Project. In the case where a Credit Party reinvests the Insurance Proceeds in replacement assets, such Credit Party shall ensure that such assets are subject to perfected liens with the Agreed Priority.

(r) **Authorizations.** Each Credit Party shall maintain in full force all Authorizations it possesses as of the Effective Date to the extent they are necessary for the exploration, development and production of Metal at the Mineral Properties and the performance of each applicable Credit Party's obligations thereunder and each Credit Party shall perform and observe in all material respects all covenants, conditions and restrictions contained in, or imposed on it by, any Authorization and/or Material Contract.

(s) **Deliver Additional Material Contracts; Direct Agreements.** Each Credit Party shall notify the Buyer within five (5) Business Days upon the entering into of any new Material Contract. If requested by the Buyer acting reasonably each Credit Party shall deliver (i) an executed copy of each new Material Contract to the Buyer within five (5) Business Days of such request and (ii) a Direct Agreement executed by each of the parties to any Material Contract within ten (10) Business Days of a request therefore.

(t) **Perfection and Protection of Security.** Each Credit Party shall, and shall cause any applicable Subsidiary to, perform, execute and deliver all acts, agreements and other documents as may be requested by the Buyer at any time to register, file, signify, publish, perfect, maintain, protect, and enforce priority of the security interests in the Collateral including, without limitation, (i) executing, recording and filing of the Security Documents, the Offtake Agreement and financing, change or continuation statements in connection therewith, as necessary and appropriate, in form and substance satisfactory to the Buyer, (ii) delivering to the Buyer the originals of all instruments, documents and chattel paper and all other Collateral of which the Buyer determines it should have physical possession in order to perfect and protect its priority position in the Collateral, duly endorsed or assigned to the Buyer, (iii) delivering to the Buyer warehouse receipts covering any portion of the Collateral located in warehouses and for which warehouse receipts are listed, (iv) placing notations on its books of account to disclose the Collateral, (v) delivering to the Buyer all letters of credit on which the Credit Party is named beneficiary and (vi) taking such other steps as are deemed necessary by the Buyer to maintain its priority position in the Collateral.

(u) **Accounts.** Each Credit Party shall establish and maintain its primary operating accounts at the locations and with the banks or financial institutions described on Schedule 8.1(u) and shall not change such accounts without the Buyer's prior written consent. Seller shall ensure that each Credit Party's Account remain subject at all times to a Lien in favor of the Buyer as established by the applicable Security Documents and with the Agreed Priority. The Chief Operating Officer (Mike Romaniuk, or his replacement appointed in the manner prescribed in clause (d) of the definition of Change of Control) shall have unrestricted access to and authority to make payments from Seller's Accounts, which shall be the sole repository for all funds received by or related to operations of the Seller.

(v) **Additional Guarantors.** The Guarantor and the Seller shall ensure that on or prior to any Person becoming a Subsidiary of the Seller or the Guarantor:

- (i) such Person shall execute and deliver in favor of the Buyer an Affiliate Guarantee and shall execute such other Security Documents as required by the Buyer in order to (a) become an “Affiliate Guarantor” hereunder and (b) in the case of Subsidiaries of the Seller, pledge all of its real and personal assets to secure the Obligations;
- (ii) all shares in the capital of such Person are pledged to the Buyer (and all original share certificates are delivered to the Buyer, duly endorsed in blank or accompanied by a duly executed stock power transfer form), and the Buyer has received evidence of registration or other perfection of such and/or pledge in such jurisdictions as the Buyer may require;
- (iii) the Buyer has received opinions of the counsel to such Person relating to, among other things, its organization and good standing, the due authorization, execution, delivery and enforceability of the Credit Documents to which such Person is a party and the creation, perfection and priority of the Liens granted by such Person under the Security Documents;
- (iv) the Buyer has received all discharges, subordination agreements, waivers and confirmations as the Buyer may require to ensure that all obligations under the Credit Documents are secured by first priority Liens on the property and assets of such Person; and
- (v) the Buyer has received such other evidence, certificates and documentation as the Buyer may request;

in each case, in form and substance satisfactory to the Buyer.

(w) **Defense of Title and Rights.** Each Credit Party shall preserve and defend its ownership of and all right, title and interest in its assets, properties and rights, including each Mineral Property, as such title is represented in Section 7.1(i). Each Credit Party shall defend the Liens in favor of the Buyer under the Security Documents, and the Credit Parties shall maintain and preserve such Liens as perfected Liens with their Agreed Priority. Each Credit Party shall ensure that the Security Documents shall at all times cover and extend to all assets, properties, rights and interests of each Credit Party or Subsidiary.

(x) **Material Contracts.** Each Credit Party shall comply in all material respects with the terms and conditions of each of the Material Contracts to which it is a party.

(y) **ERISA Notices.** Each Credit Party shall (i) notify Buyer within ten (10) days after any Credit Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, provide Buyer with a statement describing such ERISA Event and the action, if any, that any ERISA Affiliate has taken and proposes to take with respect thereto, and provide Buyer with copies of any material documentation provided or received in connection

therewith; and (ii) promptly upon Buyer's request, make a request to any Multiemployer Plan for, and provide to Buyer, within ten (10) Business Days after receipt thereof by any ERISA Affiliate, copies of any documents described in Section 101(k) of ERISA or Section 101(l) of ERISA.

(z) **Further Assurances.** Each Credit Party shall execute, acknowledge and deliver to the Buyer such other and further documents and Instruments and do or cause to be done such other acts as the Buyer reasonably determines to be necessary or desirable to effect the intent of the parties to this Agreement or otherwise to ensure that the Obligations are secured by substantially all of the assets of the Credit Parties (subject to 8.1(ll)) and guaranteed by all Subsidiaries of the Guarantor (excluding, any Excluded Subsidiary so long as such Excluded Subsidiary (i) is not engaged in any business, (ii) has consolidated total assets with a fair market value not exceeding 0.05% of the Guarantor's consolidated total assets (based upon and as of the date of filing of the most recent consolidated financial statements of the Guarantor), and (ii) had total revenues not exceeding 0.05% of the Guarantor's consolidated total revenues (based upon and as of the date of filing of the most recent consolidated financial statements of the Guarantor), including, upon request of the Buyer, the execution and delivery of any and all documents and Instruments which are necessary or advisable to ensure the Liens on all Collateral of the Credit Parties are duly perfected in accordance with all Applicable Laws and with the Agreed Priority.

(aa) **Additional Covenants.** The Seller shall use commercially reasonable efforts to complete each task identified on Schedule 8.1(aa) by the completion date on Schedule 8.1(aa).

(bb) **Post-Closing Matters.** The Seller shall complete each task identified on Schedule 8.1(bb) by the completion date on Schedule 8.1(bb).

(cc) **Capital Support.**

- (i) No later than May 1, 2015, the Guarantor shall raise no less than \$4,000,000, and shall invest 100% of such capital raise in accordance with clause (ii) below.
- (ii) The Guarantor shall apply the proceeds of the first \$10,000,000 from any capital raises (after deduction of any agent's or underwriter's commission) as follows: (x) the first \$5,000,000 shall be invested in the Seller for purposes of funding the Project, (y) additional proceeds will be invested in the Seller for purposes of repaying the Short Term Metal Prepay Facility (in accordance with Section 1.11) until paid in full and (z) after the Short Term Metal Prepay Facility is paid in full, the Guarantor may retain \$1,000,000 in proceeds to be used for general corporate purposes.
- (iii) Amounts raised in excess of \$10,000,000 will be applied in accordance with this Agreement for further repayment of the Short Term Metal Prepay Facility until paid in full, and then at the discretion of the Guarantor.

(dd) **Minimum Net Working Capital.** Beginning July 1, 2015, the Seller shall at all times maintain Highly Liquid Securities and cash in an aggregate amount of not less than \$2,000,000.

(ee) **Copper Payment.** The Seller shall pay to the Buyer the Copper Payment, payable directly to the Buyer from the purchaser of Metal against the first provisional invoice, as defined in and pursuant to the terms of the Offtake Agreements.

(ff) **NSR.** The Seller shall pay to the Buyer the NSR in accordance with the terms of each NSR Royalty Agreement.

(gg) **Independent Director.** Upon request by the Buyer, the Guarantor shall immediately execute any consent reasonably necessary to result in the appointment of one independent director designated by the Buyer to the board of each of the Seller and each Affiliate Guarantor of which the Guarantor is a shareholder.

(hh) **Zinc Payment.** The Seller shall pay to the Buyer the Zinc Payment Units, payable directly to the Buyer from the purchaser of Metal against the first provisional invoice, as defined in and pursuant to the terms of the Offtake Agreements.

(ii) **Asset Monetization Program.** On or before April 15, 2015, the Credit Parties will use their respective best efforts to implement and maintain at all times thereafter the Asset Monetization Program.

(jj) **Chief Restructuring Officer.** On or before April 15, 2015, the Seller and the Guarantor shall have retained a chief restructuring officer approved by the Buyer in its sole discretion (on terms acceptable to the Seller), which chief restructuring officer will be paid by the Buyer. The Seller and the Guarantor will cause the chief restructuring officer to have responsibilities including, without limitation, visibility to and authority with respect to the Asset Monetization Program and who shall report directly to the Guarantor's board of directors.

(kk) **Joint Venture Covenants.**

- (i) [provisions related to Joint Venture Agreement redacted]; and
- (ii) For the avoidance of doubt, any proceeds received as a result of a settlement, sale, assignment or other disposition of Fortune Coal Limited's interest in the Arctos Anthracite Joint Venture or the underlying property shall be considered an Asset Sale and shall be applied as set forth in Section 4.3.

8.2 Negative Covenants.

Without the prior written consent of Buyer, until the irrevocable, full and final payment and performance of the Obligations and the termination of this Agreement, each of the Credit Party agrees that:

(a) **Shipment.** Seller shall not make any shipment, delivery or other transfer to a third party any Metal, Concentrate or any other product other than as governed under an Offtake Agreement.

(b) **Indebtedness.** No Credit Party shall create, incur, assume or suffer to exist any Indebtedness, except:

- (i) Permitted Indebtedness;
- (ii) Indebtedness existing on the date hereof and set forth in Schedule 8.2(b); and
- (iii) any other Indebtedness expressly consented to in writing by Buyer.

(c) **Liens.** No Credit Party shall create, incur, assume or suffer to exist, any Lien upon or with respect to any portion of its interest in any Mineral Properties or any other real or personal property or assets, now owned or hereafter acquired, or assign or otherwise convey any right to receive the production, proceeds or income therefrom, other than Permitted Liens. Notwithstanding the foregoing, if a Credit Party shall grant a Lien on any of its properties or assets in violation of this Section 8.2(c), then it shall be deemed to have simultaneously granted an equal and ratable Lien on any such properties or assets to and in favor of the Buyer, to the extent that such a Lien has not already been granted to the Buyer.

(d) **Mergers, Etc.** No Credit Party shall enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction or convey, lease or Dispose of all or substantially all of its assets without the prior written consent of the Buyer.

(e) **Disposal of Assets Generally.** No Credit Party shall directly or indirectly, sell, transfer, assign, lease, release, abandon, exchange, loan, grant, option or otherwise dispose of any of its assets or properties, including, without limitation, all or any part of any Mineral Property or those assets and properties related to any Mineral Properties, except in the ordinary course of business or where such transaction would not cause a Material Adverse Effect; provided, however, that the Guarantor may, without the prior approval of the Buyer, so dispose of any of its assets or properties (other than the shares of the Seller) so long as all or part of the proceeds are used immediately to repay in full the portion of the Short Term Metal Prepay Facility that then remains unpaid, and provided further, that the Guarantor may, with the prior approval of the Buyer at its sole discretion, so dispose of any of its assets or properties (other than the shares of the Seller) so long as all of the proceeds of such disposition are used immediately to repay the Short Term Metal Prepay Facility.

(f) **Joint Venture Agreements, Etc.** No Credit Party shall not enter into any option, joint venture, royalty or other similar agreement with respect to any of the Mineral Properties, without the prior written consent of the Buyer.

(g) **Transactions With Affiliates.** No Credit Party shall enter into or be a party to any transaction with any Affiliate unless such transaction is on fair and reasonable terms no less favorable to such Credit Party, as the case may be, than those that could have been obtained in a comparable transaction on an arm's length basis from an unrelated Person.

(h) **Change in Business.** No Credit Party shall directly or indirectly, engage in any business activities or operations different from their current business of exploring for and developing, operating and mining properties and activities and operations reasonably related thereto.

(i) **Restricted Payments.** Until such time that the Short Term Metal Prepay Facility is repaid in full, the no Credit Party shall pay any dividend on, or make any payment on account of, its Equity Interests or make any payment with respect to the Intercompany Loan unless (i) no Default or Event of Default shall have occurred and be continuing, (ii) after the making of such payment the Seller would have not less than \$4,000,000 in cash, Highly Liquid Securities, or amounts payable to Seller due within ninety (90) days under Offtake Agreements in excess of amounts required to meet cash payments due within ninety (90) days as they come due, (iii) the Seller has made, and after the making of such payment the Seller would have working capital sufficient to make all capital investments required pursuant to an annual capital budget to be agreed upon by the Seller and the Buyer, and (iv) and, regardless of clauses (i), (ii), and (iii) above in no case shall such payment be made before January 1, 2016. Notwithstanding the forgoing any Subsidiary of Fortune Revenue shall be permitted to make dividend payments to Fortune Revenue. Notwithstanding any of the foregoing, any intercompany payments from the Seller to the Guarantor for accounts payable shall be limited to direct employee costs, and such payments must be preapproved in writing (which may be in the form of email) in advance by the Buyer.

(j) **Acquisitions.** No Credit Party shall directly or indirectly, purchase any shares, stocks, bonds, notes, debentures, securities or other Equity Interests of any Person or acquire the undertaking of, or all or substantially all the assets of, any other Person other than pursuant to the Asset Purchase Agreement or with the consent of the Buyer, not to be unreasonably withheld.

(k) **Hedging.** No Credit Party shall enter into any Hedging Agreement on a margined or collateralized basis or of a speculative nature.

(l) **Organizational Documents.** No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or modify its Organizational Documents (or equivalent charter documents) in any manner adverse to the Buyer.

(m) **Change to Material Contracts.** No Credit Party shall (a) enter into or agree to enter into any Material Contract, or (b) terminate, waive or make any amendment to, or assign any interest, in any Material Contract, except with the prior written consent of the Buyer, not to be unreasonably withheld.

(n) **Burdens on Production.** No Credit Party shall, permit, grant, sell, transfer, assign or convey, directly or indirectly, to any Person any royalty (of any kind or nature whatsoever, howsoever designated), production payment or other interest in any Mineral Property, other than to the Buyer.

(o) **Limitation on the Issuance of Shares.** No Credit Party (other than the Guarantor) shall sell, transfer or issue any Equity Interest other than to the Guarantor, the Seller or an Affiliate Guarantor.

(p) **Payment of Indebtedness.** No Credit Party shall, directly or indirectly, voluntarily or involuntarily, purchase, redeem, defease or pay, repay or prepay any principal, interest or any other amount in relation to any Indebtedness, other than Permitted Indebtedness.

(q) **Restrictive and Inconsistent Agreements.** No Credit Party shall enter into any agreement or undertaking or incur or suffer any obligation prohibiting or inconsistent with the performance by any Credit Party of its Obligations under the Credit Documents or any Material Contract.

(r) **Bankruptcy; Insolvency.** No Credit Party shall, directly or indirectly, take or refrain from taking, or permit its officers directors or employees to take or refrain from taking, any action that would, constitute a Default or Event of Default under Section 9.1(f).

ARTICLE 9 EVENTS OF DEFAULT

9.1 Events of Default.

The occurrence of any of the following events shall constitute an “Event of Default” under this Agreement:

(a) **Non-payment/Non-Delivery.** The Seller (i) shall fail to repay the Metal Prepay Facility as and when due hereunder (whether at stated maturity, by prepayment, on demand or otherwise), or shall fail to deliver any Repayment Units Due as set forth in this Agreement including any additional Repayment Units Due under Section 4.3 for two (2) consecutive months, or shall fail to deliver any Silver Equivalent Repayment Units when due, (ii) shall fail to pay interest hereunder when due (whether on a payment date, by prepayment, on demand or otherwise), or (iii) any other Credit Party shall fail to pay any other amount due hereunder when due and, with respect to clauses (ii) and (iii), such failure continues for five (5) Business Days following the due date thereof.

(b) **Specific Defaults.** Any Credit Party shall fail to observe or perform any of its covenants contained in Article 8 of this Agreement or comply with the Use of Proceeds set forth in the applicable Advance Notice.

(c) **Other Defaults.** Any Credit Party shall fail to observe or perform any of its covenants contained in this Agreement or any other Credit Document, other than the covenants referred to in clauses (a) and (b) above, and, provided such default is capable of being cured but such Credit Party has not remedied such default within thirty (30) days after an officer of any such Credit Party becomes aware, or reasonably should have become aware thereof, whether by notice thereof by Buyer or otherwise.

(d) **Misrepresentation.** Any representation or warranty made by any Credit Party under or in connection with this Agreement or any of the other Credit Documents proves to have been incorrect, incomplete or misleading in any material respect; provided that such materiality qualifier above shall not be applicable to any portion of any representation and warranty that is already qualified or modified by materiality in the text thereof.

(e) **Cross-Default.** (i) Any Credit Party shall fail to pay any indebtedness, Instrument or any guaranty of indebtedness or Instruments (x) constituting Indebtedness existing on the date of this Agreement or (y) otherwise in excess of \$1,000,000 (or the equivalent thereof in any other currencies) in principal amount (but excluding indebtedness included in the Obligations), or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); or (ii) any other default (howsoever described) under any agreement or Instrument relating to any such indebtedness (or any guaranty thereof) or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or Instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such indebtedness or Instrument; or (iii) any such indebtedness or Instrument shall be declared (or is permitted to be declared) to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof.

(f) **Bankruptcy; Insolvency.** (i) Any Credit Party shall initiate or commence any case, proceeding or other action (A) under any existing or future Bankruptcy Law, or otherwise seeking to have it judged bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief (including any proceeding under corporate law involving or affecting its creditors) with respect to it or its debts, or (B) seeking the appointment of a receiver, trustee, receiver manager, liquidator, assignee, monitor, custodian, administrator, conservator or other similar official for it or for all or any substantial part of its assets, or any Credit Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Credit Party any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of thirty (30) days; or (iii) there shall be commenced against any Credit Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of their assets which results in the entry of an order for any such relief which shall not have been vacated, discharged or stayed pending appeal within thirty (30) from the entry thereof; or (iv) any Credit Party shall take any action in furtherance of, or indicating its consent to, approval of, authorization of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Credit Party generally shall not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

(g) **Judgments.** A final judgment or order for the payment of money in excess of \$1,000,000 (or the equivalent thereof in any other currencies) (to the extent not covered by independent third party insurance as to which the insurer does not dispute coverage) shall be rendered against any Credit Party and either: (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order; or (ii) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect for any period.

(h) **ERISA.** One or more ERISA Events shall have occurred which, when taken together with other ERISA Events that have occurred, has resulted or would reasonably be expected to result in liability to any Credit Party in an aggregate amount exceeding \$1,000,000.

(i) **Security Interest.** Any Security Document shall, for any reason, cease to create a valid Lien having the Agreed Priority with respect to any of the Collateral purported to be covered thereby, or a Credit Party (or any Person by, through or on behalf of such Credit Party) shall so state or claim.

(j) **Expropriation/Condemnation.** An Expropriation Event shall have occurred.

(k) **Regulatory Action.** Any Governmental Entity shall take any action with respect to any Credit Party, the Mineral Properties or the Collateral, which has, had or could reasonably be expected to have a Material Adverse Effect unless such action is set aside, dismissed or withdrawn within five (5) days of its institution or such action is being contested in good faith, its effect is stayed during such contest and the Credit Parties are allowed to continue development and operation of the Mineral Properties during such period.

(l) **Material Adverse Change.** A Material Adverse Effect shall have occurred.

(m) **Material Contract.** Any material default shall have occurred under any Material Contract and shall not have been remedied within thirty (30) days.

(n) **Cessation of Operations.** Any Credit Party ceases to conduct work for a period of ten (10) Business Days and has taken actions to move either its employees or equipment off any of the Mineral Properties.

(o) **Chief Restructuring Officer.** The Person appointed as a chief restructuring officer pursuant to the terms hereof shall cease to serve as the chief restructuring officer of the Guarantor and each of its Subsidiaries and is not replaced within fourteen (14) days by a Person acceptable to the Buyer.

(p) **Compliance with Production.** The Seller shall fail to meet the operating targets as specified in Schedule 9.1(p).

9.2 Acceleration.

Upon the occurrence of an Event of Default, Buyer may (a) declare its commitment to advance the New Working Capital Prepay Facility hereunder to be terminated, whereupon the same shall terminate, and (b) declare all amounts and deliveries owing hereunder to be immediately due and payable and all such amounts and deliveries shall become and be due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Seller. Upon the occurrence of an Event of Default pursuant to Section 9.1(f), Buyer's commitment hereunder shall automatically be terminated, and all amounts owing hereunder shall automatically become due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Seller.

9.3 Remedies.

(a) Upon the occurrence of an Event of Default, all of the rights and remedies provided to Buyer in this Agreement and each other Credit Document shall immediately become available to Buyer, and Buyer shall have all other rights and remedies available at law or in

equity.

(b) All rights and remedies of Buyer set out in this Agreement and the other Credit Documents are cumulative, and no right or remedy contained herein or therein is intended to be exclusive; each such right or remedy is in addition to every other right and remedy contained in this Agreement and the other Credit Documents, or in any existing or future agreement, or now or in the future existing at law, in equity, by statute or otherwise.

(c) Except as expressly provided above in this Section 9.3, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

ARTICLE 10 GUARANTEE

10.1 Guarantee.

The Guarantor hereby absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all Obligations (the “**Guaranteed Obligations**”); provided that the liability of the Guarantor individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law or other Applicable Law. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations (except for the payment in part or full of the Obligations, to the extent of such payment) which might otherwise constitute a defense to the obligations of the Guarantors, or any of them, under this Guaranty, and the Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

10.2 Rights of the Buyer.

The Guarantor consents and agrees that the Buyer may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as the Buyer in its sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, the Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of the Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of the Guarantor.

10.3 Certain Waivers.

The Guarantor waives (a) any defense arising by reason of any disability or other defense of the Seller or any other guarantor (except for the payment in part or in full of the Obligations, to the extent of such payment), or the cessation from any cause whatsoever (including any act or omission of the Buyer; provided that the Guarantor shall not be liable for any obligation under Section 11.5 for which the Seller is not liable for as a result of the gross negligence or wilful misconduct of the Buyer) of the liability of the Seller or any other Credit Party; (b) any defense based on any claim that the Guarantor's obligations exceed or are more burdensome than those of the Seller or any other Credit Party; (c) the benefit of any statute of limitations affecting any Guarantor's liability hereunder; (d) any right to proceed against the Seller or any other Credit Party, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of the Buyer whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by the Buyer; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by Applicable Law limiting the liability of or exonerating guarantors or sureties. The Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations.

10.4 Obligations Independent.

The obligations of the Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor, and a separate action may be brought against the Guarantor to enforce this Guaranty whether or not the Seller or any other person or entity is joined as a party.

10.5 Subrogation.

No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full and the commitments are terminated. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Buyer and shall forthwith be paid to the Buyer to reduce the amount of the Obligations, whether matured or unmatured.

10.6 Termination; Reinstatement.

This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until the indefeasible repayment in full of the Obligations. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Seller or a Guarantor is made, or the Buyer exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Applicable Law or otherwise, all as if such

payment had not been made or such setoff had not occurred and whether or not the Buyer is in possession of or has released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of the Guarantor under this paragraph shall survive termination of this Guaranty.

10.7 Stay of Acceleration.

If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against a Guarantor or the Seller under any Applicable Law, or otherwise, all such amounts shall nonetheless be payable by the Guarantor, jointly and severally, immediately upon demand by the Buyer.

10.8 Condition of Seller.

The Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Seller and any other guarantor such information concerning the financial condition, business and operations of the Seller and any such other guarantor as the Guarantor requires, and that the Buyer has no duty, and the Guarantor is not relying on the Buyer at any time, to disclose to it any information relating to the business, operations or financial condition of the Seller or any other guarantor (the Guarantor waiving any duty on the part of the Buyer to disclose such information and any defense relating to the failure to provide the same).

ARTICLE 11 MISCELLANEOUS

11.1 Amendments, etc.

No amendment of any of the Credit Documents is effective unless in writing and approved by Buyer and the relevant Credit Party. No waiver of any provision of any of the Credit Documents, nor consent to any departure by any Credit Party or any other Person from such provisions, is effective unless in writing and approved by Buyer. Any amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it was given.

11.2 Waiver.

(a) No failure on the part of Buyer to exercise, and no delay in exercising, any right under any of the Credit Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Credit Documents preclude any other or further exercise of such right or the exercise of any other right.

(b) Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the making of the Metal Prepay Facility and, notwithstanding any such advance or any investigation made by or on behalf of any party, shall continue in full force and effect.

11.3 Notices, etc.

Any notice, direction or other communication to be given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it or sending it by electronic mail or similar means of recorded communication addressed:

(a) to any Credit Party at:

Fortune Minerals Limited
148 Fullarton Street, Suite 1600
London, Ontario N6A 5P3
Attention: Robin Goad, President
Facsimile: (519) 858-8155
E-Mail: rgoad@fortuneminerals.com

(b) to the Buyer at:

c/o Lascaux Resource Capital Partners, LLC
777 Third Avenue, 25th Floor
New York, New York 10017
Attention: Elliot Rothstein and David Kaplan
Facsimile: (212) 508-2222
E-Mail: elliot.rothstein@lascauxrc.com
david.kaplan@lascauxrc.com

Any such communication shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (New York, New York time), otherwise on the next Business Day, (ii) transmitted by electronic mail or similar means of recorded communication on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

11.4 Costs, Expenses General Indemnity and Environmental Indemnity.

(a) Each Credit Party shall, whether or not the transactions contemplated in this Agreement are completed, indemnify and defend and hold Buyer and each of Buyer's Related Parties (each an "**Indemnified Person**") harmless from, and shall pay to such Indemnified Person promptly (and in any event within five (5) Business Days of demand) all amounts required to compensate the Indemnified Person for, any cost, expense, liability, obligation, loss, damage, penalty, action, judgment, fine, suit, charge, claim, taxes, payments or disbursements of any kind or nature whatsoever, including attorneys payments and expenses imposed on, incurred by, suffered by or asserted against, the Indemnified Person as a result of, connected with or arising out of (i) the preparation, execution and delivery of, preservation of rights under, enforcement of, or refinancing, renegotiation or restructuring of, any present or future Credit Document and any related amendment, waiver or consent, as well as the consummation of the transactions contemplated thereby; provided that, with respect to such costs and expenses reimbursed pursuant to this clause (i), such costs and expenses shall be reasonable and documented out of pocket costs and expenses, (ii) any advice of counsel as to the rights and

duties of Buyer with respect to the administration of the Credit Documents or any transaction contemplated under the Credit Documents; provided that, with respect to such costs and expenses reimbursed pursuant to this clause (ii), such costs and expenses shall be reasonable and documented out of pocket costs and expenses, (iii) any default (whether or not constituting a Default or an Event of Default) by a Credit Party, and (iv) any proceedings brought by or against the Indemnified Person, or in which the Indemnified Person otherwise participates, due to its entering into or being a party to any of the Credit Documents (provided that, with respect to such costs and expenses reimbursed pursuant to this clause (iv) for entering into or being a party to such Credit Documents, such costs and expenses shall be reasonable and documented out of pocket costs and expenses), or by reason of its exercising or performing, or causing the exercise or performance of, any right, power or obligation under any of the Credit Documents or otherwise in connection with its interest in any Collateral, whether or not such proceedings are directly related to the enforcement of any Credit Document, except in each case to the extent directly caused by the gross negligence or wilful misconduct of the Indemnified Person.

(b) Each Credit Party shall, whether or not the transactions contemplated in this Agreement are completed, indemnify and hold harmless and agrees to defend the Indemnified Persons against any cost, expense, liability, obligation, loss, damage, penalty, action, judgment, fine, suit, charge, claim, taxes, payments or disbursements of any kind or nature whatsoever (including strict liability and including costs and expenses of investigation, abatement and remediation and monitoring of spills or Releases or threatened Releases of Hazardous Materials or other Contaminants, and including liabilities of the Indemnified Persons to third parties (including Governmental Entities) in respect of bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage and including liabilities of the Indemnified Persons to third parties for the third parties' foreseeable and unforeseeable consequential damages) incurred as a result of or in connection with the administration or enforcement of this Agreement or any other Credit Document, including the exercise by Buyer of any rights hereunder or under any of the other Credit Documents, which result from or relate, directly or indirectly, to:

- (i) the presence, Release or threatened Release of any Hazardous Material or other Contaminants, by any means or for any reason, whether or not such presence, Release or threatened Release of Hazardous Materials or other Contaminants was under the control, care or management of a Credit Party or of a previous owner, operator, tenant or other Person;
- (ii) any Release, presence, use, creation, transportation, storage or disposal of any Hazardous Material or Contaminant on or with respect to the property or the business, operations or activities of any Credit Party;
- (iii) any claim or order for any clean-up, restoration, detoxification, reclamation, repair or other securing or remedial action which relates to any property or the business, operations or activities of any Credit Party;
- (iv) any Environmental Claim with respect to any property of any Credit Party or any Credit Party; or

- (v) the breach or violation or alleged breach or violation of any Environmental Laws by a Credit Party.

except in each case, as determined by a court of competent jurisdiction by final and non-appealable judgment, to have resulted from the gross negligence or wilful misconduct of the Indemnified Person.

For purposes of this Section 11.5(b), “**liability**” shall include (a) liability of an Indemnified Person for costs and expenses of abatement and remediation of spills and releases of Contaminants where such abatement and remediation is prudent for the continued operation of the business of such Person or required by Environmental Laws and to the extent required to maintain the value and use of the Collateral, (b) liability of an Indemnified Person to a third party to reimburse the third party for bodily injuries, property damages and other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnified Person is liable therefor) foreseeable and unforeseeable consequential damages suffered by the third party, (c) liability of the Indemnified Person for damage suffered by the third party, (d) liability of an Indemnified Person for damage to or impairment of the environment and (e) liability of an Indemnified Person for court costs, expenses of alternative dispute resolution proceedings, and payments and disbursements of expert consultants and legal counsel on a solicitor and own client basis.

(c) The provisions of this Section 11.4 shall survive the termination of this Agreement and the repayment of all Obligations. Each Credit Party acknowledges that neither its obligation to indemnify nor any actual indemnification by it of Buyer or any other Indemnified Person in respect of such Person’s losses for the legal payments and expenses shall in any way affect the confidentiality or privilege relating to any information (other than as necessary to invoice any amount of legal payments and expenses) communicated by such Person to its counsel.

11.5 Increased Costs.

- (a) If any Change in Law shall:
 - (i) impose, modify or deem applicable any reserve, special deposit, compulsory Metal Prepay Facility, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Buyer;
 - (ii) subject Buyer to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its Metal Prepay Facility, Metal Prepay Facility principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

- (iii) impose on Buyer any other condition, cost or expense (other than Taxes) affecting this Agreement or Metal Prepay Facility made hereunder or participation therein;

and the result of any of the foregoing shall be to increase the cost to Buyer of making, continuing or maintaining any Metal Prepay Facility or of maintaining its obligation to make any such Metal Prepay Facility, or to increase the cost to, or to reduce the amount of any sum received or receivable by Buyer hereunder (whether of principal, interest or any other amount) then, upon request of Buyer, the Seller will pay to such Buyer such additional amount or amounts as will compensate Buyer for such additional costs incurred or reduction suffered.

(b) If Buyer determines that any Change in Law affecting Buyer regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on Buyer's capital as a consequence of this Agreement, the commitments of Buyer or the Metal Prepay Facility made by Buyer to a level below that which Buyer could have achieved but for such Change in Law (taking into consideration Buyer's policies with respect to capital adequacy), then from time to time the Seller will pay to Buyer such additional amount or amounts as will compensate Buyer for any such reduction suffered.

(c) A certificate of Buyer setting forth the amount or amounts necessary to compensate Buyer as specified in paragraph (a) or (b) of this Section and delivered to the Seller, shall be conclusive absent manifest error. The Seller shall pay Buyer the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of Buyer to demand compensation pursuant to this Section shall not constitute a waiver of Buyer's right to demand such compensation; provided that the Seller shall not be required to compensate Buyer pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that Buyer notifies the Seller of the Change in Law giving rise to such increased costs or reductions, and of Buyer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

11.6 Taxes.

(a) For purposes of this Section 11.6, the term "Applicable Law" includes FATCA.

(b) Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made free and clear and without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of the applicable Credit Party) requires the deduction or withholding of any Tax from any such payment by the applicable Credit Party to Buyer, then the applicable Credit Party shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Entity in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made

(including such deductions and withholdings applicable to additional sums payable under this Section) Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) The Credit Parties shall timely pay to the relevant Governmental Entity in accordance with Applicable Law, or at the option of Buyer timely reimburse it for the payment of, any Other Taxes.

(d) The Credit Parties shall jointly and severally indemnify Buyer for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Buyer or required to be withheld or deducted from a payment to Buyer and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Entity. The applicable Credit Party shall make payment within ten (10) days after written demand for any amount payable under this Section 11.6. A certificate as to the amount of such payment or liability delivered to the Seller by Buyer shall be conclusive absent manifest error.

(e) As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Entity pursuant to this Section 11.6, such Credit Party shall deliver to Buyer the original or a certified copy of a receipt issued by such Governmental Entity evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Buyer.

(f) (i) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document, it shall deliver to the Seller, at the time or times reasonably requested by the Seller, such properly completed and executed documentation reasonably requested by the Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Buyer, if reasonably requested by the Seller, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Seller as will enable the Seller to determine whether or not Buyer is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in Buyer's reasonable judgment such completion, execution or submission would subject Buyer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Buyer.

(ii) If any form or certification previously delivered by Buyer pursuant to this Section 11.6(f) expires or becomes obsolete or inaccurate in any respect, Buyer shall promptly update the form or certification or notify the Seller in writing of its inability to do so.

(g) If Buyer determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 11.6, or with respect to which a Credit Party has paid additional amounts pursuant to this Section 11.6, it shall pay to the applicable Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section with respect to the

Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by Buyer and without interest (other than any interest paid by the relevant Governmental Entity with respect to such refund). The Credit Party, upon the request of Buyer, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Entity) in the event that Buyer is required to repay such refund to such Governmental Entity. Notwithstanding anything to the contrary in this paragraph (g), in no event will Buyer be required to pay any amount to a Credit Party pursuant to this paragraph (g) the payment of which would place Buyer in a less favorable net after-Tax position than Buyer would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require Buyer to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Credit Party or any other Person.

(h) Each party's obligations under this Section 11.6 shall survive the resignation or replacement of Buyer or any assignment of rights by Buyer, the termination of the commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

11.7 Successors and Assigns.

(a) None of the Credit Parties shall have the right to assign or transfer any of its rights or obligations under this Agreement or any interest in this Agreement without the prior written consent of Buyer in its sole discretion.

(b) Buyer may assign or transfer any of its rights, interests or obligations (in whole or in part) under this Agreement and any other Credit Document (i) to any Affiliate of Buyer without the consent of any Credit Party or (ii) to any other Person with the consent of the Seller (which consent shall not be unreasonably withheld or delayed). If any consent is requested and no response is received by Buyer within five (5) Business Days of such request, the Seller shall be deemed to have given its consent. In the case of any such assignment or transfer authorized under this Section 11.7, the assignee or transferee (as the case may be) shall have, to the extent of such assignment or transfer, the same rights, benefits and obligations as it would if it were Buyer hereunder and Buyer shall be relieved of its obligations hereunder with respect to the commitments assigned or transferred; provided that an assignee or transferee (as the case may be) shall not be entitled to receive any greater payment under any provision of any Credit Document than Buyer would have been entitled to receive. Each of the Credit Parties hereby acknowledges and agrees that any assignment or transfer will give rise to a direct obligation of the Credit Parties to such assignee or transferee (as the case may be) and that such assignee or transferee (as the case may be) shall be considered to be "Buyer" hereunder. Buyer may furnish any information concerning the Credit Parties in its possession from time to time to assignees and transferees provided that any such assignee or transferee agrees to maintain the confidentiality of such information.

(c) The Credit Parties shall provide such certificates, acknowledgments and further assurances in respect of this Agreement and the Credit Documents as Buyer may reasonably require in connection with any assignment pursuant to this Section 11.7.

11.8 Right of Set-off.

Upon the occurrence and during the continuance of any Event of Default, Buyer is authorized at any time and from time to time, to the fullest extent permitted by law (including general principles of common-law), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by it to or for the credit or the account of any Credit Party against any and all of the obligations of any Credit Party under any of the Credit Documents, irrespective of whether or not Buyer has made demand under any of the Credit Documents and although such obligations may be unmatured or contingent. If an obligation is unascertained, Buyer may, in good faith, estimate the obligation and exercise its right of set-off in respect of the estimate, subject to providing the applicable Credit Party with an accounting when the obligation is finally determined. Buyer shall promptly notify the applicable Credit Party after any set off and application is made by it, provided that the failure to give notice shall not affect the validity of the set off and application. The rights of Buyer under this Section 11.8 are in addition to any other rights and remedies (including all other rights of set-off) which Buyer may have.

11.9 Judgment Currency.

(a) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to Buyer in any currency (the “**Original Currency**”) into another currency (the “**Other Currency**”), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, Buyer could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.

(b) The obligations of the Credit Parties in respect of any sum due in the Original Currency from it to Buyer under any of the Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by Buyer of any sum adjudged to be so due in the Other Currency, Buyer may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to Buyer in the Original Currency, the Credit Parties agree, as a separate obligation and notwithstanding the judgment, to indemnify Buyer, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to Buyer in the Original Currency, Buyer shall remit such excess to the applicable Credit Parties.

11.10 Collateral Release. The Buyer hereby agrees to execute any documents or instruments necessary in connection with a sale or disposition of assets permitted under this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which the Buyer has otherwise consented.

11.11 Governing Law, Jurisdiction, Waiver of Jury Trial, Etc.

(a) This Agreement and the other Credit Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or

relating to this Agreement or any other Credit Document (except, as to any other Credit Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Each Credit Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against Buyer or any Related Party of the foregoing in any way relating to this Agreement or any other Credit Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that Buyer may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against the Seller or any other Credit Party or its properties in the courts of any jurisdiction.

(c) The Seller and each other Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.3. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(e) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.12 Counterparts.

This Agreement and any amendments, waivers, consents, or supplements may be executed in any number of counterparts in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties. This Agreement may be validly executed and delivered by facsimile, portable document format (.pdf) or other electronic transmission, and delivery of an executed counterpart of a signature page to this Agreement, any amendment, waiver, consent or supplement, or to any other Credit Document, by facsimile, portable document format (.pdf) or other electronic delivery (including e-mail) shall be as effective and binding as delivery of a manually executed counterpart thereof.

11.13 Severability.

If any provision hereof is determined to be ineffective, invalid, illegal or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect, binding on and enforceable against the parties.

11.14 Entire Agreement; Schedules and Exhibits.

The Schedules to this Agreement and the Exhibits to this Agreement form an integral part of this Agreement and are incorporated herein by reference and expressly made a part hereof. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof, superseding all prior statements, representations, discussions, agreements and understandings, oral or written, relating to such subject matter.

11.15 Further Assurances.

Each Credit Party shall execute, acknowledge and deliver to the Buyer such other and further documents and Instruments and do or cause to be done such other acts as the Buyer reasonably determines to be necessary or desirable to effect the intent of the parties to this Agreement or otherwise to protect and preserve the interests of the Buyer hereunder, promptly upon request of the Buyer, including the execution and delivery of any and all documents and Instruments which are necessary or advisable to create, protect or maintain in favor of the Buyer, Liens (with the Agreed Priority) on all Collateral of the Credit Parties as may be required by this Agreement or any Security Document that are duly perfected in accordance with all Applicable Laws.

11.16 Canadian Provisions.

For the purposes of the Interest Act (Canada) and disclosure thereunder, whenever any interest or any payment to be paid hereunder or in connection herewith by is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

If any provision of this Agreement or of any of the other Credit Documents would obligate any Credit Party that is a Canadian Person to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate which would be prohibited by Applicable Law or would result in a receipt by the Buyer of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by the Buyer of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: firstly, by reducing the amount or rate of interest required to be paid to the Buyer under the applicable Credit Document, and thereafter, by reducing any fee payments, commissions, premiums and other amounts required to be paid to the Buyer which would constitute “interest” for purposes of Section 347 of the Criminal Code (Canada).

[Signatures on following page.]

IN WITNESS WHEREOF the parties have executed this Senior Secured Metals Prepay Agreement.

SELLER:

FORTUNE REVENUE SILVER MINES, INC.

By: “David Knight”
Authorized Signing Officer

GUARANTOR:

FORTUNE MINERALS LIMITED

By: “David Knight”
Authorized Signing Officer

BUYER:

LRC-FRSM LLC

By: “Elliot Rothstein”
Authorized Signing Officer

By: “David Kaplan”
Authorized Signing Officer

EXHIBIT A – ADVANCE NOTICE

ADVANCE NOTICE

TO: **LRC-FRSM LLC (the “Buyer”)**

777 Third Avenue, 25th Floor
New York, New York 10017

Attention: Elliot Rothstein and David Kaplan

DATE: _____, 2015

This notice of borrowing (this “**Advance Notice**”) is delivered pursuant to that certain Amended and Restated Senior Secured Metal Prepayment Agreement dated as of the March 25, 2015 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the “**Agreement**”) among Fortune Revenue Silver Mines, Inc. (the “**Seller**”), the Guarantors from time to time party thereto and the Buyer. Capitalized terms used herein without definition shall have the meaning ascribed to such term in the Agreement.

This Advance Notice is irrevocable and represents the Seller’s request to borrow, and the following information is provided pursuant to Section 2.3 of the Credit Agreement.

1. Date of Requested Borrowing: _____, 2015

2. Amount of Requested Tranche 3 Working
Capital Prepay Advance: \$ _____

3. Advance Details:

The Advance requested hereby may be made for the credit of the Seller by wire transfer of the funds to:

Name of Bank:
Address of Bank:
Account Name:
Account Number:
Transit Number:
ABA Number:
SWIFT Code:

[NTD: Insert details for third-party payments contemplated by Section 2.4 to be made directly to such third parties]

The Seller hereby authorizes the Buyer to withhold and retain from this advance pursuant to Section 6.1 and Section 6.2 of the Agreement \$_____ as repayment for certain costs, expenses and payments incurred by the Buyer in connection with the Metal Prepay Facility.

4. Certifications: The Seller hereby certifies on its own behalf and on behalf of each of the Credit Parties that:

(a) the representations and warranties of the Seller and each other Credit Party set forth in the Credit Documents are true and correct in all material respects as of the date of this Advance Notice except to the extent that any such representation or warranty specifically refers to an earlier date, in which case such representation or warranty is true and correct in all material respects as of such earlier date; provided that such materiality qualifier above shall not be applicable to any portion of any representation and warranty that is already qualified or modified by materiality in the text thereof;

(b) this advance shall be used exclusively for the following purposes:

(c) as of the date of this Advance Notice, no Default shall exist, or would result from such proposed advance or from the application of the proceeds thereof; and

(d) except as disclosed to the Buyer prior to the Effective Date, since December 31, 2013, there has been no change, event or occurrence that has, had, or could reasonably be expected to have, a Material Adverse Effect.

[the following page is the signature page]

IN WITNESS WHEREOF, this Advance Notice has been duly executed and delivered by a duly authorized officer of the undersigned as of the date first above written.

FORTUNE REVENUE SILVER MINES, INC.

By: _____
Name:

EXHIBIT B – COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

TO: LRC-FRSM LLC (the “Buyer”)

777 Third Avenue, 25th Floor
New York, New York 10017

Attention: Elliot Rothstein and David Kaplan

The undersigned refers to that certain Amended and Restated Senior Secured Metal Prepay Agreement dated as of March 25, 2015 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the “**Agreement**”) among Fortune Revenue Silver Mines, Inc. (the “**Seller**”), the Guarantors from time to time party thereto and the Buyer. Capitalized terms used herein without definition are so used as defined in the Credit Agreement.

I, the undersigned, _____ being the _____ of the Seller, certify, without personal liability, to the Buyer, that on this ___ day of _____, 201[] (the “**Determination Date**”):

1. The financial statements attached hereto as Exhibit A represent the consolidated financials of Seller for the Financial [Quarter/Year] ended _____ and such financial statements are complete and correct in all material respects and have been prepared in accordance with IFRS and Applicable Securities Legislation and fairly present the financial position, results of operations and cash flows for such period, subject to normal year-end adjustments and the absence of footnotes.

2. The representations and warranties of the Seller and each other Credit Party set forth in the Credit Documents are true and correct in all material respects except to the extent that any such representation or warranty specifically refers to an earlier date, in which case such representation or warranty is true and correct in all material respects as of such earlier date; provided that such materiality qualifier shall not be applicable to any portion of any representation and warranty that is already qualified or modified by materiality in the text thereof.

3. As of the date of this Compliance Certificate, no Default exists, except for such conditions or events listed on Schedule 1 attached hereto, specifying the nature and period of existence thereof and what action the Credit Parties have taken, or are taking and propose to take, if any, with respect thereto.

DATED this __ day of _____, 201__.

By: _____
Name:
Title:

EXHIBIT C – [RESERVED]

EXHIBIT D – COPY OF SELLER SECURITY AGREEMENT

[exhibit deleted]

EXHIBIT E – COPY OF FORTUNE SECURITY AGREEMENT

[exhibit deleted]

EXHIBIT F – FORM OF MORTGAGE

[exhibit deleted]

EXHIBIT G – AFFILIATE GUARANTEE

[exhibit deleted]

EXHIBIT H – COPY OF FORTUNE ADDITIONAL SECURITY AGREEMENT

[exhibit deleted]

EXHIBIT I – FORM OF FORTUNE INTERCREDITOR AGREEMENT

[exhibit deleted]

SCHEDULE 1.1(a) – REPAYMENT UNITS DUE

	Au Repayment Ounces (Quarterly Minimum)		Ag Repayment Ounces		Pb Repayment Tonnes	
	<u>Units Due</u>	<u>Cum Units</u>	<u>Units Due</u>	<u>Cum Units</u>	<u>Units Due</u>	<u>Cum Units</u>
7/31/2015	100	100	3,000	3,000	25	25
8/31/2015	-	100	3,000	6,000	25	50
9/30/2015	-	100	3,000	9,000	25	75
10/31/2015	100	200	3,000	12,000	25	100
11/30/2015	-	200	3,000	15,000	25	125
12/31/2015	-	200	3,000	18,000	25	150
1/31/2016	200	400	11,000	29,000	50	200
2/29/2016	-	400	11,000	40,000	50	250
3/31/2016	-	400	11,000	51,000	50	300
4/30/2016	200	600	11,000	62,000	50	350
5/31/2016	-	600	11,000	73,000	50	400
6/30/2016	-	600	11,000	84,000	50	450
7/31/2016	200	800	11,000	95,000	50	500
8/31/2016	-	800	11,000	106,000	50	550
9/30/2016	-	800	11,000	117,000	50	600
10/31/2016	200	1,000	11,000	128,000	50	650
11/30/2016	-	1,000	11,000	139,000	50	700
12/31/2016	-	1,000	11,000	150,000	50	750
1/31/2017	200	1,200	12,500	162,500	50	800
2/28/2017	-	1,200	12,500	175,000	50	850
3/31/2017	-	1,200	12,500	187,500	50	900
4/30/2017	200	1,400	12,500	200,000	50	950
5/31/2017	-	1,400	12,500	212,500	50	1,000
6/30/2017	-	1,400	12,500	225,000	50	1,050
7/31/2017	200	1,600	12,500	237,500	50	1,100
8/31/2017	-	1,600	12,500	250,000	50	1,150
9/30/2017	-	1,600	12,500	262,500	50	1,200
10/31/2017	200	1,800	12,500	275,000	50	1,250
11/30/2017	-	1,800	12,500	287,500	50	1,300
12/31/2017	-	1,800	12,500	300,000	50	1,350
1/31/2018	200	2,000	12,500	312,500	50	1,400
2/28/2018	-	2,000	12,500	325,000	50	1,450
3/31/2018	-	2,000	12,500	337,500	50	1,500
4/30/2018	200	2,200	12,500	350,000	50	1,550

	Au Repayment Ounces (Quarterly Minimum)		Ag Repayment Ounces		Pb Repayment Tonnes	
	<u>Units Due</u>	<u>Cum Units</u>	<u>Units Due</u>	<u>Cum Units</u>	<u>Units Due</u>	<u>Cum Units</u>
5/31/2018	-	2,200	12,500	362,500	50	1,600
6/30/2018	-	2,200	12,500	375,000	50	1,650
7/31/2018	200	2,400	12,500	387,500	50	1,700
8/31/2018	-	2,400	12,500	400,000	50	1,750
9/30/2018	-	2,400	12,500	412,500	50	1,800
10/31/2018	200	2,600	12,500	425,000	50	1,850
11/30/2018	-	2,600	12,500	437,500	50	1,900
12/31/2018	-	2,600	12,500	450,000	50	1,950
1/31/2019	200	2,800	15,500	465,500	50	2,000
2/28/2019	-	2,800	15,500	481,000	50	2,050
3/31/2019	-	2,800	15,500	496,500	50	2,100
4/30/2019	200	3,000	15,500	512,000	50	2,150
5/31/2019	-	3,000	15,500	527,500	50	2,200
6/30/2019	-	3,000	15,500	543,000	50	2,250
7/31/2019	200	3,200	15,500	558,500	50	2,300
8/31/2019	-	3,200	15,500	574,000	50	2,350
9/30/2019	-	3,200	15,500	589,500	50	2,400
10/31/2019	200	3,400	15,500	605,000	50	2,450
11/30/2019	-	3,400	15,500	620,500	50	2,500
12/31/2019	-	3,400	15,500	636,000	50	2,550

SCHEDULE 1.1(b) – MATERIAL CONTRACTS

2011 Stock Purchase Agreement (as defined in the Asset Purchase Agreement)

Seller Security Agreement

Installment Sale Contract between Wagner Equipment Co., as seller, and Star Mine Operations, LLC, as buyer, with respect to the equipment described in Schedule 1.1(d)(i)

Installment Sale Contract between Wagner Equipment Co., as seller, and Star Mine Operations, LLC, as buyer, with respect to the equipment described in Schedule 1.1(d)(iii)

Three lease agreements each effective May 15, 2013 between Park Western Leasing, Inc., as lessor, and James W. Williams, Jr. and Southwestern Production Corp., as lessees, with respect to the equipment described in Schedule 1.1(d)(ii)

Lease agreement dated April 22, 2014 between Forest Classics, Ltd. as lessor and Star Mine Operations, LLC, as lessee, with respect to a boom truck

The Exploration, Development And Mine Operating Joint Venture Agreement dated as of July 13, 2011 among Fortune Coal Limited, an Ontario corporation, Fortune Minerals Limited, an Ontario corporation, Posco Klappan Coal Ltd., a British Columbia corporation, and POSCO Canada Ltd., a British Columbia corporation

SCHEDULE 1.1(c)-MINERAL PROPERTIES

PATENTED MINING CLAIMS

Patented Claim Name	Mineral Survey #	Patent Date	Patent Serial #	Mining District	County	Section	Gross Acres
Anglo Saxon Lode	5723	10/29/1896	27539	Mt. Sneffels	Ouray	21	3.89
Atlas Ext. Lode	5684	6/4/1895	25685	Mt. Sneffels	Ouray	20	3.89
Banner Lode	2079	6/3/1887	12114	Mt. Sneffels	Ouray	20	5.11
Bismark Lode	2410	11/19/1889	15359	Mt. Sneffels	Ouray	16, 21	10.33
Black Lode	12290	5/28/1906	43625	Mt. Sneffels	Ouray	20, 29	6.40
Black Hawk Lode	5723	10/29/1896	27539	Mt. Sneffels	Ouray	21	8.93
Blackstone Lode	5019	4/20/1891	17668	Mt. Sneffels	Ouray	21	10.29
Blaine Lode	5772A	6/18/1894	24478	Mt. Sneffels	Ouray	21	9.41
Blank Lode	17500	10/20/1906	44556	Mt. Sneffels	Ouray	21	7.03
Blank Millsite	14495	4/17/1902	35357	Mt. Sneffels	Ouray	22	5.00
Blazer Lode	16494	11/6/1905	41106	Mt. Sneffels	Ouray	21, 22	5.77
Blazer M.S.	14499	4/17/1902	35358	Mt. Sneffels	Ouray	23	0.86
Block Lode	12163	2/1/1899	30502	Upper San Miguel	San Miguel	29	10.33
Boojum Lode	16089	6/8/1907	44192	Mt. Sneffels	Ouray	28, 33	7.76
Caribou Lode	163	1/14/1879	3032	Mt. Sneffels	Ouray	22	9.10
Chip Lode	12163	2/1/1899	30502	Upper San Miguel	San Miguel	29	5.62
Clara Belle Lode	6537	4/23/1892	20807	Mt. Sneffels	Ouray	21, 28	8.27
Col. Porter Lode	5772A	6/18/1894	24478	Mt. Sneffels	Ouray	21	4.29
Cumberland Lode	2077	2/25/1887	11594	Mt. Sneffels	Ouray	20	10.33
Eclipse Millsite	7816B	12/4/1893	23690	Mt. Sneffels	Ouray	16, 21	2.25
Egypt Placer	16053	7/21/1904	39362	Mt. Sneffels	Ouray	21	17.84
Eliza Pinkstone Lode	12799	2/6/1900	32135	Mt. Sneffels	Ouray	21	2.61
Engle Lode	8505	7/5/1894	24552	Upper San Miguel	San Miguel	29	10.31
Grand Trunk Lode	339	3/17/1884	8927	Mt. Sneffels	Ouray	21	7.88

Grant Lode	7284A	12/4/1893	23689	Mt. Sneffels	Ouray	21	7.41
Hard Cash Lode	5394A	7/3/1896	27239	Mt. Sneffels	Ouray	21	7.69
Highland Lassie Lode	162	1/14/1879	3030	Mt. Sneffels	Ouray	21, 22	10.22
Hill Top Lode	13424A	6/2/1904	38905	Mt. Sneffels	Ouray	20	1.97
Hill Top Millsite	13424B	6/2/1904	38905	Mt. Sneffels	Ouray	20	3.77
Last Chance Millsite (Easement Only)	11499B	11/16/1898	30063	Uncompahgre	Ouray	13, 14	0.00
Lincoln Lode	7284A	12/4/1893	23689	Mt. Sneffels	Ouray	21	7.36
Lincoln Millsite	7284B	12/4/1893	23689	Mt. Sneffels	Ouray	16, 21	4.22
Little Chief Lode	840	6/15/1883	7783	Mt. Sneffels	Ouray	21, 22	8.35
Lizard Lode	2655	4/8/1890	15976	Upper San Miguel	San Miguel	29	10.19
Mark Twain Lode	344A	7/30/1881	4870	Mt. Sneffels	Ouray	21, 22	6.83
Mark Twain Millsite	344B	7/30/1881	4870	Mt. Sneffels	Ouray	21, 22	5.00
Mikado Lode	6537	4/23/1892	20807	Mt. Sneffels	Ouray	21, 28	10.20
Moltke Lode	2411	6/19/1889	15052	Mt. Sneffels	Ouray	16, 21	10.30
Monarch Lode	990	5/31/1883	7766	Mt. Sneffels	Ouray	20	10.02
Monetizer Lode	346	7/30/1881	4872	Mt. Sneffels	Ouray	21, 22	10.33
Monongahela Lode	523	5/12/1884	9218	Mt. Sneffels	Ouray	20	10.03
Mountain Top Lode	13425	8/2/1901	34291	Upper San Miguel	San Miguel	29	9.38
Muldoon Lode	14798	7/1/1903	36783	Mt. Sneffels	Ouray	22	9.08
Myrtle Lode	5723	10/29/1896	27539	Mt. Sneffels	Ouray	21	5.26
Nada Lode	2655	4/8/1890	15976	Upper San Miguel	San Miguel	29	10.19
Nashville Lode	2078	2/25/1887	11595	Mt. Sneffels	Ouray	20	10.18
Ottawa Lode	5772A	6/18/1894	24478	Mt. Sneffels	Ouray	21	7.29
Potosi Lode	168	1/14/1879	3037	Mt. Sneffels	Ouray	15, 21, 22	8.93
Protector Lode	16494	11/6/1905	41106	Mt. Sneffels	Ouray	21	5.04

Queenie Lode	1824	8/9/1887	12378	Mt. Sneffels	Ouray	21, 28	9.90
Revenue Lode	5723	10/29/1896	27539	Mt. Sneffels	Ouray	21	8.60
Revenue Millsite	16714B	5/16/1905	41995	Mt. Sneffels	Ouray	21	0.05
Sarah Bernhardt Lode	6537	4/23/1892	20807	Mt. Sneffels	Ouray	21, 28	9.94
Seven Thirty Lode	166	1/14/1879	3035	Mt. Sneffels	Ouray	21	6.50
Sidney (East 200 ft. Only) Lode	982	10/4/1883	8250	Mt. Sneffels	Ouray	20, 21	1.38
Silver Queen Lode	345	7/30/1881	4873	Mt. Sneffels	Ouray	21	8.22
SiWash Millsite	16965	4/3/1905	41996	Mt. Sneffels	Ouray	21	0.40
Slide Lode	14182	1/16/1902	34898	Mt. Sneffels	Ouray	14	10.33
Snark Lode	16089	6/8/1907	44192	Mt. Sneffels	Ouray	28, 33	5.46
Stonewall Jackson Lode	5772A	6/18/1894	24478	Mt. Sneffels	Ouray	21	10.16
Stonewall Jackson Millsite	5772B	6/18/1894	24478	Mt. Sneffels	Ouray	21	5.00
Summit Lode	13207	4/20/1901	33766	Mt. Sneffels	Ouray	16, 21	6.77
Terrible Lode	1592	12/9/1886	11299	Mt. Sneffels	Ouray	20	7.37
Tip Top Lode	13425	8/2/1901	34291	Upper San Miguel	San Miguel	29	10.33
Torpedo (SE 500 ft. Only) Lode	1755	4/8/1887	11813	Mt. Sneffels	Ouray	16, 21	3.44
Two Step Lode	17500	10/20/1906	44556	Mt. Sneffels	Ouray	21	5.05
Valley View Lode	1823	5/7/1894	24291	Mt. Sneffels	Ouray	21	10.33
Victor Lode	6537	4/23/1892	20807	Mt. Sneffels	Ouray	21, 28	9.86
Virginus Lode	229	5/12/1880	3956	Mt. Sneffels	Ouray	20, 29	10.33
Volta Lode	5772A	6/18/1894	24478	Mt. Sneffels	Ouray	21, 22	6.25
Walrus Lode	16089	6/8/1907	44192	Mt. Sneffels	Ouray	28, 33	1.11
Wheel of Fortune Lode	343A	7/30/1881	4871	Mt. Sneffels	Ouray	21, 22	9.68
Wheel of Fortune Millsite	343B	7/30/1881	4871	Mt. Sneffels	Ouray	21, 22	4.10
Ymir Lode	16494	11/6/1905	41106	Mt. Sneffels	Ouray	21	1.42

Blythe Lode	18529	7/8/1909	71065	Mt. Sneffels	Ouray	19, 20	6.71
Mountain Queen Lode	7757	10/17/1893	23466	Mt. Sneffels	Ouray	19	7.95
Clipper #2 Lode	7769A	10/17/1893	23467	Mt. Sneffels	Ouray	18, 19, 20	6.71
Fargo Lode	18529	7/8/1909	71065	Mt. Sneffels	Ouray	19, 20	5.41
Gray Eagle Lode	5663	8/10/1891	18413	Mt. Sneffels	Ouray	19, 20	10.19
Hendricks Lode	7769A	10/17/1893	23467	Mt. Sneffels	Ouray	19, 20	6.15
Little Annie Lode	2688	11/19/1890	16810	Mt. Sneffels	Ouray	17, 20	3.49
Monongahela Lode	523	5/12/1884	9218	Mt. Sneffels	Ouray	20	10.03
Nuada Lode	18529	7/8/1909	71065	Mt. Sneffels	Ouray	19, 20	2.41
Old Trail Lode	7769A	10/17/1893	23467	Mt. Sneffels	Ouray	17, 20	5.10
Rene Lode	18529	7/8/1909	71065	Mt. Sneffels	Ouray	19, 20	5.81
Shamrock Lode	1145	6/4/1889	14995	Mt. Sneffels	Ouray	18, 19	10.11
Silver Dollar Lode	13715	2/18/1904	38033	Mt. Sneffels	Ouray	20	10.19
Terrible #2 Lode	7096	8/3/1892	21721	Mt. Sneffels	Ouray	19, 20	9.12
ZigZag Lode	7769A	10/17/1893	23467	Mt. Sneffels	Ouray	20	10.33
ZigZag Millsite	7769B	10/17/1893	23467	Mt. Sneffels	Ouray	17, 20	5.00
Tornado Lode	1680	10/23/1886	11092	Mt. Sneffels	Ouray	19, 20	10.13
Thomas J. Regan Lode	19958	1/8/1921	13484	Mt. Sneffels	Ouray	19, 20	6.74
Tip Top Lode	9062	7/8/1895	25817	Mt. Sneffels	Ouray	19, 20, 29	7.96
White Pine Lode	9123	8/19/1896	25980	Mt. Sneffels	Ouray	19, 20, 29	10.33
Chief Deposit Lode	167	1/14/1879	3036	Mt. Sneffels	Ouray	22, 27	10.07
Valkyrie Lode	14305	6/20/1904	39057	Mt. Sneffels	Ouray	20, 29	8.01
Millionaire Lode	472	10/31/1882	6648	Mt. Sneffels	Ouray	26, 27	10.09
U.S. Depository Lode	474	7/18/1889	15093	Mt. Sneffels	Ouray	27	10.28
Hidden Treasure Lode	548A	2/28/1883	7249	Mt. Sneffels	Ouray	27, 34	10.20
Hidden Treasure Millsite	548B	2/28/1883	7249	Mt. Sneffels	Ouray	27	2.47
Good Luck Lode	7147	3/28/1896	26676	Mt. Sneffels	Ouray	27, 34	10.28
Good Luck Ext. Lode	7147	3/28/1896	26676	Mt. Sneffels	Ouray	34	4.11
Pocahontas Lode	165	1/14/1879	3034	Mt. Sneffels	Ouray	27	10.09
Vincent Lode	20316	3/4/1927	996952	Mt. Sneffels	Ouray	34	14.53
Evelyn Lode	19964	7/27/1920	763934	Mt. Sneffels	Ouray	27, 34	12.88

Edward B. Lode	20316	3/4/1927	996952	Mt. Sneffels	Ouray	27, 34	7.44
John R. Lode	20316	3/4/1927	996952	Mt. Sneffels	Ouray	34	14.63
Saracen NW 300' Lode	15474	4/9/1904	38506	Mt. Sneffels	Ouray	26, 27	2.06
Ground Hog Lode	16675	7/21/1906	41241	Mt. Sneffels	Ouray	27, 28	10.31
Ptarmigan Lode	12749	4/20/1901	23764	Mt. Sneffels	Ouray	27	1.36
Sidney (west 1,300 feet) Lode	982	10/4/1883	8250	Mt. Sneffels	Ouray	20, 21	8.95

UNPATENTED MINING CLAIMS

Unpatented Mining Claim Name	BLM Serial No.	Location Date	Mining District	County	Section	Gross Acres
T.M.C. NO. 1	CMC281857	9/2/2011	Mt. Sneffels	Ouray	20	20.42
T.M.C. NO. 2	CMC281858	9/2/2011	Mt. Sneffels	Ouray	20	20.42
T.M.C. NO. 3	CMC281859	9/2/2011	Mt. Sneffels	Ouray	20	20.42
T.M.C. NO. 4	CMC281860	9/2/2011	Mt. Sneffels	Ouray	20, 21	20.42
T.M.C. NO. 5	CMC281861	9/2/2011	Mt. Sneffels	Ouray	20, 21	20.42

RV 1	CMC282292	10/4/2011	Mt. Sneffels	Ouray	21, 22	20.66
RV 2	CMC282293	10/4/2011	Mt. Sneffels	Ouray	21, 22	20.66
RV 4	CMC284135	7/13/2012	Mt. Sneffels	Ouray	21, 22	20.66
RV 5	CMC282295	10/5/2011	Mt. Sneffels	Ouray	21	20.66
RV 6	CMC282296	10/5/2011	Mt. Sneffels	Ouray	21, 22	20.66
RV 7	CMC282297	10/5/2011	Mt. Sneffels	Ouray	21	20.66
RV 8	CMC284136	7/14/2012	Mt. Sneffels	Ouray	21	20.66
RV 9	CMC284137	7/13/2012	Mt. Sneffels	Ouray	21	20.66
RV 10	CMC284138	7/17/2012	Mt. Sneffels	Ouray	19, 20	20.66
RV 11	CMC284139	7/17/2012	Mt. Sneffels	Ouray	20	20.66
RV 12	CMC284140	7/17/2012	Mt. Sneffels	Ouray	20	20.66
RV 13	CMC284141	7/17/2012	Mt. Sneffels	Ouray	20	20.66
RV 14	CMC284142	7/17/2012	Mt. Sneffels	Ouray	20	20.66
RV 15	CMC284143	7/17/2012	Mt. Sneffels	Ouray	20, 29	20.66
RV 16	CMC284144	7/18/2012	Mt. Sneffels	Ouray	20, 29	20.66
RV 17	CMC284145	7/18/2012	Mt. Sneffels and Telluride	Ouray	20, 29	20.66
RV 18	CMC284146	7/21/2012	Mt. Sneffels	Ouray	21, 28	20.66
RV 19	CMC284147	7/22/2012	Mt. Sneffels	Ouray	28	11.02

RV 20	CMC284148	8/1/2012	Mt. Sneffels	Ouray	22, 27	20.66
RV 21	CMC284149	7/30/2012	Mt. Sneffels	Ouray	22, 27	20.66
RV 22	CMC284150	7/29/2012	Mt. Sneffels	Ouray	22, 27	20.15
RV 23	CMC284151	7/29/2012	Mt. Sneffels	Ouray	27	20.15
RV 24	CMC284152	7/30/2012	Mt. Sneffels	Ouray	27	20.58
RV 25	CMC284153	7/30/2012	Mt. Sneffels	Ouray	27	20.58
RV 26	CMC284154	7/30/2012	Mt. Sneffels	Ouray	26, 27	20.66
RV 27	CMC284155	7/30/2012	Mt. Sneffels	Ouray	26, 27	20.66
RV 28	CMC284156	8/2/2012	Telluride	Ouray	29	20.66
RV 29	CMC284157	8/2/2012	Telluride	Ouray	29	20.66
RV 30	CMC284158	8/2/2012	Telluride	Ouray	29	20.66
RV 31	CMC284159	8/2/2012	Telluride	Ouray	29	20.66
RV 33	CMC285304	7/2/2013	Mt. Sneffels	Ouray	17, 20	20.66
RV 34	CMC285305	7/2/2013	Mt. Sneffels	Ouray	17, 20	20.66

WATER RIGHTS

W-2991 Lake Reservoir and 24.74 acre feet of water for storage as more particularly described in the decree of the Water Court for Divisions No. 4 in case number W-2991 dated April 10, 1979, and recorded in Ouray County, Colorado records Book 191, Pages 981 and 982.

W-2993 3.34 c.f.s. or 1,500 g.p.m. diverted at a location in the NE/4 SE/4 of Section 21, Township 43 North, Range 8 West, of the N.M.P.M., more particularly described in, and subject to, the decree of the Water Court for Water Division No. 4 in case number W-2993, dated June 26, 1979, and recorded in Ouray County, Colorado records Book 191, Pages 979 and 980.

MINING LEASE

Mining Lease dated June 26, 2012, between Ouray County, a political subdivision of the State of Colorado, Lessor, and Silver Star Resources, LLC, a Colorado limited liability company covering Lizard Lode Claim MS 2655 and Nada Lode Claim MS 2655 located in Section 29, Township 43 North, Range 8 West, Ouray County, Colorado; and recorded by Memorandum of Mining Lease in Ouray County Clerk and Recorder, Reception No. 206074.

The following mining leases located in the Northwest Territories held by the Guarantor:

NICO 1 - Lease #4238, NICO 2 - Lease #4237, NICO 3 - Lease #4677, NICO 4 - Lease #4678, NICO 5 - Lease #4679, NICO 7 - Lease #4680, NICO 8 - Lease #4681, NICO 9 - Lease #4682, NICO 11 - Lease #4683, NICO 12 - Lease #4684

Northwest Territories mining lease ML 3037 held by Fortune Minerals NWT Inc.

Mt. Klappan coal licences 417180 to 417238, 417160 and 417161 located in British Columbia and held by the Arctos Anthracite Joint Venture

SCHEDULE 1.1(d) – PERMITTED LIENS

[Schedule deleted]

Schedule 1.1(d)(i)
Purchased from Wagner Equipment Co./Caterpillar Financial Services Corporation under
Installment Sale Contract

[Schedule deleted]

Schedule 1.1(d)(ii)
Leased from Park Western Leasing, Inc.

[Schedule deleted]

Schedule 1.1(d)(iii)
Purchased from Wagner Equipment Company under Installment Sale Contract

[Schedule deleted]

SCHEDULE 1.1(e) - MONTHLY BUDGET

[Schedule deleted]

SCHEDULE 7.1(b) – SUBSIDIARIES

Fortune Minerals Mining Limited (Ontario)
Fortune Coal Limited (Ontario)
Fortune Minerals NWT Inc. (Ontario)
Fortune Minerals Saskatchewan Inc.
Fortune Minerals Marketing Limited (Barbados)
Fortune Revenue Silver Mines, Inc. (Colorado)
Arctos Anthracite Joint Venture (unincorporated joint venture)

All of the foregoing entities are wholly-owned direct subsidiaries of Fortune except the Arctos Anthracite Joint Venture, in which Fortune Coal Limited has an 80% ownership interest.

SCHEDULE 7.1(i) – REAL PROPERTY

The Mineral Property interests set out in Schedule 1.1(c)

Lease of warehouse facilities located at 1900 Main Street, Ouray, CO pursuant to Lease Agreement dated 5/01/2012 with High Country Warehouse Development Group LLC, as lessor

Lease of parking property located at 1900 Main Street, Ouray, CO pursuant to Rental Agreement dated 4/16/2014 with Dick Jossi, as lessor

SCHEDULE 7.1(n) – ENVIRONMENTAL DISCLOSURE

NONE

SCHEDULE 7.1(q) – PROJECT PERMITS

[Schedule deleted]

SCHEDULE 7.1(w) - PENSION AND MULTIEMPLOYER PLANS

NONE

SCHEDULE 8.1(p) – MAINTENANCE OF INSURANCE

[Schedule deleted]

SCHEDULE 8.1(u) – CREDIT PARTY’S ACCOUNTS

[Schedule deleted]

Schedule 8.1(aa)

ADDITIONAL COVENANTS

Item	Items Description	Expected Completion Date
1	Upgrade Operational Equipment per Below	[redacted]
2	Complete underground water diversion project	[redacted]

***Upgrade Projects to be included in monthly capital projects pursuant to item #23 on Schedule 8.1(bb)**

Area	Project	Estimated Date Project(s) is(are) to be Completed
Mining	Wagner model ST-2G 2 yard scoop	[redacted]
Mining	2 Boom Long Tom Drill Carrier	[redacted]
Mining	EJC Model EJC 6D 1.5 yard scoop	[redacted]
Mining	Youngs Machine Company Model 965-7 7 ton truck	[redacted]
Mining	Slushers & Muckers as required	[redacted]
Mill	Replace Undersized Mill Pumps	[redacted]

Schedule 8.1(bb)

POST CLOSING MATTERS

Item	Items Description	Required Completion Date
1.	Guarantor to transition all financial accounting related to Seller's operational activities from Guarantor's offices to Seller's local office	[redacted]
2.	Guarantor to hire a full time Chief Financial Officer	[redacted]
3.	Receipt of water permit (Water Document)	[redacted]
4.	Satisfaction of Condition No 2. DRMS Permit 112D Rider	[redacted]
5.	Approval for TR-05 from DRMS	[redacted]
6.	Submit final Mill Certification document to DRMS	[redacted]
7.	Obtain required permits listed below*	[redacted]
8.	Receipt of approval from DRMS on Mill Certification	[redacted]
9.	Receipt of approval from DRMS that enables commercial production at 400 tons/day	[redacted]
10.	The Seller to implement such recommendations in the MSHA Consultant's report as mutually agreed to by the Buyer and the Seller, both acting reasonably	[redacted]
11.	Complete land swap and other activities required for the additional land for the purposes of tailings disposal as referenced in Section 7.1(s)	[redacted]
12.	Complete Ground Control Review and Reporting Program, and any corrective actions as specified below **	[redacted]
13.	Virginius escape hoist secondary egress project	[redacted]
14.	Yellow Rose secondary egress	[redacted]
15.	Mill Thickener: (a) Complete required submittal for certification and receipt of necessary approval ; and (b) complete installation and in operation	[redacted]

Item	Items Description	Required Completion Date
16.	Complete Ramp at Virginius to 100 level	[redacted]
17.	Complete Ramp at Virginius to 210 level	[redacted]
18.	Seller to hire a dedicated resource to develop a scope of work to transition accounting for Seller's business operations to Seller's local offices	[redacted]
19.	Seller to deliver a scope of work to the Buyer, acceptable to the buyer at its sole discretion acting reasonably, detailing a scope of work to transition accounting for Seller's business operations to Seller's local offices, including but not limited to detailed deliverables, timelines, and GANTT charts	[redacted]
20.	The Seller to produce a sellable gravity concentrate	[redacted]
21.	The Guarantor and Seller to provide a reconciliation with explanation of intercompany payments from Seller to Guarantor from October 1, 2014 through the date herein acceptable to the Buyer acting reasonably	[redacted]
22.	<p>Written reports as part of Section 8.1(a), delivered weekly:</p> <ul style="list-style-type: none"> (i) 12-week rolling forecast of production milestones including mined ore tons and grade, development, concentrate production volume and quality, key performance indicators ("KPI") weekly cash ending balance (on a cash not accrual basis), and reconciliation versus prior forecast; (ii) Cash balance report, showing all bank accounts of Seller and Guarantor at the end of each week (iii) Operational report, including priorities, KPIs of mine, mill, capital project, staffing and other relevant information, including but not limited to tonnes per day ore mined and milled, mined and milled grades, metallurgical balance, ramp advance distance (iv) Minutes from Weekly Operations meetings 	[redacted]

Item	Items Description	Required Completion Date
23.	<p>At the same time as the required written report as specified in Section 8.1(a)(iii), delivery of</p> <ul style="list-style-type: none"> (i) Rolling 12-month monthly, 5-year quarterly, and annual through balance life of mine budget updates for the mine, mill and surface operations including KPIs (ii) Rolling 12-month monthly, 5-year quarterly, and annual through balance life of mine budget updates for all capital projects, including implementation of administrative projects required to support the operations (e.g. Great Plains), and (iii) Reconciliation of financial and operational performance against such budgets and KPIs on a monthly basis (iv) Complete list of outstanding accounts receivable and accounts payable and their respective aging reports (v) Copy of bank statements for all bank accounts of Seller 	[redacted]
24.	Within 7 calendar days of month-end, complete the cut-off of, and provide to the Seller's chief operating officer, site manager and other appropriate personnel, project accounting and data collection for operational reporting for incorporation in the required report as specified in Section 8.1(a)(iii)	[redacted]
25.	Seller to provide to Buyer and Buyer's technical consultant all environmental documentation, correspondence with the state of Colorado, and any inspection reports	[redacted]
26.	The Guarantor to invest such additional amounts of equity into the Seller as required to keep the business fully funded at the determination of the Buyer in its sole discretion based on the monthly budget updates provided by the Seller to the Buyer	[redacted]

Item	Items Description	Required Completion Date
27.	The Buyer shall have received evidence satisfactory to it that the Guarantor has received Capital Contributions in an amount not less than CDN \$150,000.	[redacted]
28.	The Buyer shall have received (i) certified copies of the Organizational Documents of each Credit Party, (ii) a certified copy of the directors' resolutions of each Credit Party with respect to the authorization, execution and delivery of the Credit Documents and the Transactions, (iii) a certificate of an officer of each Credit Party certifying the names and the true signatures of the officers authorized to sign the Credit Documents, and (iv) certificates of status or other similar type of evidence for each Credit Party from all Relevant Jurisdictions.	[redacted]
29.	The Buyer shall have received legal opinions of the Canadian, New York and Colorado counsel to the Credit Parties addressed to the Buyer, relating to, without limitation, (i) the due organization and good standing of the Credit Parties, (ii) the due authorization, execution, delivery and enforceability of the Credit Documents, (iii) the creation, perfection and registration of the Liens under the Security Documents and (iv) such other matters as the Buyer shall reasonably request.	[redacted]
30.	The Seller shall engage MICON International Limited or equivalent party satisfactory to the Buyer to assist the Seller in completing a new resource estimate, the scope of which shall be satisfactory to the Buyer	[redacted]
31.	The Seller shall complete the resource estimate identified in Item 30 above	[redacted]

***NON-TRANSFERABLE PERMITS – TO BE OBTAINED BY SELLER**

Permit Name	Date	Government Authority	Current Holder	Required Date
NOI Exploration Permit	11/29/2011	Stat Colorado Division of Reclamation, Mining and Safety	Silver Star Resources LLC	[redacted]
Notice of Intent to Conduct Prospecting Operations for Hard Rock/Metal Mines – P-2013-006	5/23/2013	State of Colorado Division of Reclamation, Mining and Safety	Star Mine Operations LLC	[redacted]

**** GROUND CONTROL REVIEW AND REPORTING PROGRAM**

- Continue with regular AAI reviews and ensure it's the same person to review ground control conditions and actions required as new mining stopes are developed. Frequency is monthly until operations stabilize, expected to be in early 2015, and then moving to once every twelve weeks; next review first week of March 2015
- Deliver a general ground control framework to be submitted to Micon for approval and then to Lascaux. Such framework to include details on incorporating over time operational experience and mine specific detail. Initial framework was delivered on 01/16/2015
- Subsequently, Framework to be updated and submitted to Micon every quarter for the first year, and every six months thereafter for the duration of Repayment Period of the Metal Prepay Agreement.

Yellow Rose and Revenue tunnels will require shotcrete or mesh. Being completed as required and shotcrete capability in place

SCHEDULE 8.2(b) – EXISTING INDEBTEDNESS

Indebtedness under a promissory note dated [date redacted] executed by Fortune Minerals Limited in favor of [name redacted], which note is held for the benefit of [names redacted] in an aggregate principal amount of CDN \$2,050,000

Indebtedness under a loan agreement dated as of [date redacted] between Fortune Minerals Limited and [name redacted] in an aggregate principal amount of CDN\$3,075,000

SCHEDULE 9.1(P) – OPERATING TARGETS*

[Schedule deleted]