

Dated: June 27 2022

SUBSCRIPTION AGREEMENT

relating to

POMEROON TRADING (HOLDINGS) LTD

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THIS AGREEMENT is made on June 27, 2022

PARTIES

- (1) **POMEROON TRADING (HOLDINGS) LTD** a company incorporated in the Cayman Islands under number CE-331954 whose registered office is at c/o Centralis Cayman Limited, One Capital Place, 3rd Floor, PO Box 1564, Grand Cayman, Cayman Islands KY1-1100, brief particulars of which are set out in Schedule 1 (**Company**), and
- (2) **KLIMAT X DEVELOPMENTS INC.** (formerly known as Earl Resources Limited) a company incorporated in British Columbia, Canada, whose address is Suite 390, 1050 Homer Street, Vancouver, BC, V6B 2W9 (**Subscriber**)

(each being a **Party** and together the **Parties**).

BACKGROUND:

The Subscriber has agreed to subscribe for Shares (as defined herein) subject to and in accordance with the terms and conditions of this Agreement.

THE PARTIES AGREE:

1 Definitions and interpretation

- 1.1 In this Agreement, unless the context otherwise requires the following expressions shall have the following meanings:

Business Day means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the Cayman Islands or Vancouver, British Columbia;

Completion means completion of the matters described in this Agreement by the performance of the Parties of their respective obligations in accordance with clause 3;

Completion Date means the date of this Agreement as set forth above;

Confidential Information means:

- (a) this Agreement; and
- (b) all data or information (whether technical, commercial, financial or of any other type) in any form acquired under, pursuant to or in connection with, this Agreement and any information used in or relating to the Company and/or its business (including, without limiting the foregoing, information relating to products, services, operations, processes, formulae, methods, plans, strategy, product information, know-how, design rights, trade secrets, market opportunities, customer lists, commercial relationships, marketing, sales materials and general business affairs), and which are for the time being confidential to the Company;

Share means an ordinary share in the capital of the Company;

Shareholders' Agreement means the shareholders' agreement relating to the Company,

originally dated 30 January 2018 (as amended from time to time);

Subscription Shares means the Shares to be subscribed by the Subscriber pursuant to clause 2; and

Warranties means the warranties set out in clause 4.1.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 each gender includes the other genders;

1.2.2 the singular includes the plural and vice versa;

1.2.3 references to this Agreement include its Schedules;

1.2.4 references to clauses, sub-clauses and/or Schedules are to clauses and/or sub-clauses of and Schedules to this Agreement and references in a Schedule or part of a Schedule are to a paragraph of that Schedule or that part of that Schedule;

1.2.5 references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;

1.2.6 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';

1.2.7 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible;

1.2.8 the contents table, if any, and the descriptive headings to clauses, Schedules and paragraphs in this Agreement are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement;

1.2.9 references to legislation include any modification or re-enactment of it but exclude any re-enactment or modification after the date of this Agreement to the extent they make any Party's obligations more onerous or otherwise adversely affect the rights of any Party;

1.2.10 references to this Agreement, any specified clause in this Agreement, any other document or any specified clause in any other document are to this Agreement, that document or the specified clause as in force for the time being and as amended, varied, novated or supplemented from time to time in accordance with the terms of the relevant document; and

1.2.11 references to time shall mean Cayman time, unless otherwise stated.

1.3 If there is a conflict between the terms of the body of this Agreement and the terms of the Schedules, the terms of the body of this Agreement will prevail over the Schedules.

2 Subscription

2.1 The Subscriber shall subscribe (or shall procure that its nominee subscribes) in cash for, and the Company shall allot and issue fully paid to the Subscriber (or its nominee), 187,000 Subscription Shares at a price of US \$4.00 (four US dollars) per Subscription Share in accordance with the terms and conditions of this Agreement.

2.2 The Subscriber agrees that the Subscription Amount shall be characterized as a share subscription at a US\$0.01 par value per Subscription Share with the balance of funds being designated as

shareholder equity injection, and such balance of amounts shall not (for any purposes) be deemed to be share premium.

3 Completion

3.1 Completion of the subscription of the Subscription Shares set out in clause 2 shall take place electronically on the Completion Date, or at such other place and time as the Parties may agree.

3.2 At Completion the Subscriber shall:

3.2.1 pay to the Company US\$748,000 (US Dollars seven hundred and forty-eight thousand) by way of electronic funds transfer to the following account: Republic Bank (Cayman) Limited Account No. 300000000040; and

3.2.2 provide the Company with all required 'know-your-client' checks for the purposes of adhering to the anti-money laundering requirements in force (from time to time) in the Cayman Islands, including completing all of the details set forth in Schedule 3.

4 Representations and Warranties

4.1 The Company represents, warrants and undertakes to the Subscriber (for itself and as trustee for any successors in title and assigns) in relation to the Company that:

4.1.1 the Company has full power and authority to enter into and perform this Agreement which constitutes, or when executed will constitute, valid and binding obligations on it enforceable in accordance with their respective terms, conditions and provisions;

4.1.2 the information in Schedule 1 is true, complete and accurate;

4.1.3 the information regarding the Company as provided by the Company to the Subscriber in the Filing Statement of the Subscriber filed in June, 2022 is true, complete and accurate; and

4.1.4 there are no material facts, matters or circumstances, relating to the Company which have not been fully and fairly disclosed in writing to the Subscriber and which, if disclosed, might reasonably have been expected to affect the decision of the Subscriber to enter into this Agreement.

4.2 The Warranties are true, accurate and not misleading as at the date of this Agreement.

5 Observance of Articles, Shareholders' Agreement and enforceability

5.1 The Subscriber agrees to be bound by the Articles and shall comply fully and promptly with the provisions of the Articles.

5.2 The Subscriber acknowledges that it has received a copy of the Shareholders' Agreement. The Subscriber agrees to be bound by the terms of the Shareholders' Agreement and shall execute a deed of adherence, in the form attached as Schedule 2, on the Completion Date.

5.3 The Parties agree that each and every provision of the Shareholders' Agreement and the Articles is enforceable by the Parties between themselves, notwithstanding that any such provision might not have been so enforceable but for this provision.

6 Confidentiality and announcements

6.1 Subject to clause 6.2, each Party shall keep confidential and shall not disclose any Confidential Information to any person (other than such of the Party's professional advisers as are required in the course of their duties to receive and consider it for the purposes of the transaction contemplated by this Agreement), except where the Confidential Information is:

6.1.1 publicly available, other than as a result of a breach by a Party of this Agreement;

- 6.1.2 lawfully available to a Party from a third party who was not subject to any confidentiality restriction prior to the disclosure of such Confidential Information; or
 - 6.1.3 required to be disclosed by law, regulation or by order or ruling of a court or administrative or regulatory body of a competent jurisdiction provided that the disclosing Party shall use its reasonable endeavours to the extent permitted to do so by law, the court or the authority requiring disclosure, to first consult fully with the other Parties to establish whether and, if so, how far it is possible to prevent or restrict such enforced disclosure and take all reasonable steps to achieve prevention or restriction.
- 6.2 No Party shall issue any announcement relating to or in connection with this Agreement or any matters contained in it, without the prior written consent of the other Parties (such consent not to be unreasonably withheld or delayed).

7 Miscellaneous

7.1 Variation

No amendment or variation of this Agreement shall be effective unless made in writing and signed by or on behalf of the Parties.

7.2 Severability

7.2.1 Each provision of this Agreement is severable and distinct from the others. If any provision of this Agreement is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other provision of this Agreement.

7.2.2 If any provision of this Agreement is or becomes illegal, invalid or unenforceable but would be legal, valid and enforceable if some part of the provision was deleted or modified, the provision in question shall apply with such deletions and modifications as may be necessary to make it legal, valid and enforceable.

7.3 Waiver

7.3.1 No failure, delay, indulgence, act or omission by a Party in exercising any claim, remedy, right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any claim, right, remedy, power or privilege prevent any future exercise of it or the exercise of any other claim, right, power or privilege.

7.3.2 Any rights or remedies conferred upon a Party by this Agreement, shall be in addition to and without prejudice to all other rights and remedies available to it.

7.4 Further assurance

Each Party (at its own cost) shall, and shall use its reasonable endeavours to procure that any necessary third parties shall, execute and deliver to the Parties such other instruments and documents (including deeds) and do all such further things as may be reasonably necessary to carry out, evidence and give effect to the provisions of and the matters contemplated by this Agreement.

7.5 Rights of third parties

A person who is not a Party to this Agreement shall not be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

7.6 Assignment

No Party shall be entitled to assign the benefit or burden of any provision of this Agreement (or any of the documents referred to herein) without the consent of the other Parties (such consent not to be unreasonably withheld conditioned or delayed).

7.7 Entire agreement

7.7.1 This Agreement sets out the entire agreement and understanding between the Parties relating to the matters contemplated by this Agreement and supersedes all previous agreements (if any and whether in writing or not) between the Parties in relation to such matters.

7.7.2 This Agreement shall not be construed as creating any partnership or agency relationship between any of the parties.

7.8 Succession

This Agreement shall be binding upon, and ensure to the benefit of, each Party and their respective successors and assigns. Subject to and upon any succession and assignment permitted by this Agreement, any successor and/or assignee shall in its own right be able to enforce any term of this Agreement in accordance with its terms as if it were in all respects a Party to this Agreement, but until such time, any such successor or assignee shall have no rights whether as a third party or otherwise.

7.9 Time of the essence

Each time, date or period referred to in this Agreement (including any time, date or period varied by the Parties) is of the essence.

7.10 Counterparts

This Agreement may be signed in any number of separate counterparts. Each, when executed and delivered by a Party, will be an original; all counterparts will together constitute one instrument.

7.11 Costs

Each Party shall pay its own costs and expenses incurred in connection with the preparation, negotiation and completion or rescission of this Agreement.

8 Notices

8.1 Notices under this Agreement will be in writing and sent to the person and address in clause 8.2. They may be given, and will be deemed received:

8.1.1 by first-class post: two Business Days after posting;

8.1.2 by airmail: seven Business Days after posting;

8.1.3 by hand: on delivery;

8.1.4 by facsimile: on receipt of a successful transmission report from the correct number; and

8.1.5 by email: on receipt of a delivery message.

8.2 Notices will be sent:

8.2.1 to the Subscriber at: Klimat X Developments Inc., Suite 390, 1050 Homer Street, Vancouver, British Columbia, V6B 2W9 marked for the attention of Chris Colborne (ccolborne@cutterresources.ca); and

8.2.2 to the Company at: Pomeroon Trading (Holdings) Limited at c/o Centralis Cayman Limited, One Capital Place, 3rd Floor, PO Box 1564, Grand Cayman, Cayman Islands KY1-1100 marked for the attention of Jamie Nelson with a copy to Neil Passmore (neil@pomeroon.co).

8.3 A Party may change the address or facsimile number to which such notices to it are to be delivered by giving not less than five Business Days' notice to the other Parties.

8.4 No notice given under this Agreement shall be validly served if sent by e-mail.

9 Governing law and jurisdiction

9.1 This Agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

9.2 The Parties irrevocably agree that the courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

AGREED by the Parties on the date set out on page 1.

SCHEDULE 1

The Company

Name:	Pomeroon Trading (Holdings) Limited
Date and place of incorporation:	19 January 2018, Cayman Islands
Registered number:	CE-331954
Registered office:	c/o Centralis Cayman Limited One Capital Place, 3 rd Floor PO Box 1564, Grand Cayman Cayman Islands KY1-1100
Directors:	Neil Passmore Andrew Wright

SCHEDULE 2

Form of Deed of Adherence

DEED OF ADHERENCE

THIS DEED (this “Deed”) is made on 2022 by

KLIMAT X DEVELOPMENTS INC., a company incorporated in British Columbia Canada, whose address is Suite 390, 1050 Homer Street, Vancouver, British Columbia, V6B 2W9 (the “Subscriber”)

WHEREAS:

- (A) On 30 January 2018 the parties (as defined in the SHA) entered into a shareholders' agreement governing their relationship as shareholders in Pomeroy Trading (Holdings) Ltd (the “Company”) and establishing the manner in which the affairs of the Company would be conducted (such agreement, as amended from time to time, the “SHA”); and
- (B) The Subscriber is subscribing for Shares in the Company (in accordance with the terms of the SHA) and as a condition to such issuance, the Subscriber is required to execute this Deed in order that the SHA shall be amended with the effect that the Subscriber becomes a party thereto and as such assumes the rights and obligations provided for under the SHA.

NOW THIS DEED WITNESSES as follows:

1 Interpretation

Capitalised terms used herein and not otherwise defined shall have the meaning ascribed to them in the SHA, as the context required.

2 Adherence

The Subscriber hereby covenants to and undertakes with each of the parties and with each such other person who may from time to time expressly adhere to the SHA (by way of execution of a deed or by way of novation) to be bound by and comply in all respects with the SHA, and to assume the benefits of the SHA, as if the Subscriber had executed the SHA and was named as an original party thereto.

3 Notices

For the purpose of the SHA, the Subscriber’s address for notices shall be as follows:

Address: Suite 390, 1050 Homer Street, Vancouver, British Columbia, V6B 2W9

Email: ccolborne@cutterresources.ca

4 Governing Law

This Deed (including any non-contractual obligations arising hereunder) shall be governed by and construed in accordance with English law.

Duly delivered as a Deed on the date inserted above.

Signed by:

In the presence of:

Name:

Name of witness:

Date:

Date:

Contact Address:

SCHEDULE 3

Shareholder Details

1.	Name:	KLIMAT X DEVELOPMENTS INC.
2.	Address:	Suite 390, 1050 Homer Street Vancouver, British Columbia V6B 2W9
3.	Citizenship:	A company incorporated in British Columbia, Canada
4.	Residency:	British Columbia, Canada
5.	Telephone:	403-880-0157
6.	Facsimile:	N/A
7.	Email:	ccolborne@cutterresources.ca
8.	Amount being Remitted (in US\$):	748,000
9.	Source of funds:	Company shareholder funds
10.	Name and address of remitting bank:	Bank of Montreal 595 Burrard St., Vancouver, B.C. Canada V7Z 1L7
11.	Subscriber's Bank Account and Sort Code No. (IBAN if international):	Transit- 00040 Institution No.- 001 Account No. 1796-429 (CAD)
12.	Name of Bank Account (from which funds are being remitted):	Earl Resources Limited (the previous name of Klimat X Developments Inc.)

Please return this completed form to the Company:

By post or hand: Pomeroon Trading (Holdings) Inc. at c/o Centralis Cayman Limited,
One Capital Place, 3rd Floor, PO Box 1564, Grand Cayman, Cayman
Islands KY1-1100 marked for the attention of Jamie Nelson.

By Email: neil@pomeroon.co

EXECUTION PAGE

Executed and delivered as a deed by

Klimat X Developments Inc.

Chris Colborne

Name of Subscriber

Signature of Subscriber

In the presence of:

Signature: Mischa Zajtmann

Name: Mischa Zajtmann

Address: 3517 W 12th Ave Vancouver BC

Date: June 27, 2022

EXECUTION PAGE

Executed and delivered as a deed by

Klimat X Developments Inc.

Chris Colborne

Name of Subscriber

Signature of Subscriber

In the presence of:

Signature: Mischa Zajtmann

Name: Mischa Zajtmann

Address: 3517 W 12th Ave Vancouver BC

Date: