SAM HOLDINGS LTD.

December 1, 2023

PRIVATE AND CONFIDENTIAL

WHITEMUD RESOURCES INC.
c/o Carscallen LLP
900, 332 - 6th Avenue SW
Calgary, Alberta T2P 0B2
Attention: Stan Owerko

Dear Sir:

Re: Secured Revolving Line of Credit offered to Whitemud Resources Inc. (the "Borrower") from SAM Holdings Ltd. (the "Lender")

The Lender confirms that it is prepared to make available a secured revolving line of credit to the Borrower (the "**Line of Credit**") on and subject to the terms as set forth in this letter (this "**Letter Loan Agreement**").

LINE OF CREDIT:

Subject to the terms and conditions of this Letter Loan Agreement, the Lender has agreed to make the Line of Credit available to the Borrower for the purpose of funding a capital program (the "**Program**") to reconfigure the borrower's kaolin calcination process at its Wood Mountain facility (the "**Costs**").

Following the Borrower providing evidence satisfactory to the Lender of the actual Costs incurred by the Borrower in respect of the Program, the Borrower shall be permitted to draw upon the Line of Credit to fund the Costs up to the maximum aggregate amount of SEVEN MILLION ($7,000,000.00) DOLLARS, until April 1, 2026 or such other date as may be mutually agreed upon (the "**Maturity Date**"), when all principal and interest outstanding under the Line of Credit (the "**Outstanding Amount**") shall become due.

Provided that the Borrower is not in default of the terms and conditions of this Letter Loan Agreement, the Borrower shall be entitled to prepay some or all of the Outstanding Amount to the Lender without penalty.

INTEREST RATE:

The Borrower agrees to pay interest on the aggregate Outstanding Amount at a rate equal to five (5.00%) per annum, annually in arrears.

SECURITY:

Each advance under the Line of Credit shall be evidenced by a promissory note (the "**Promissory Notes**") in the form attached to this Letter Loan Agreement as Schedule "A".

The following security documents ("**Security**") shall be completed, duly executed, delivered and registered, to the satisfaction of the Lender, in its sole and unfettered discretion, at the cost of the Borrower. All Security will be held by the Lender as continuing security for the present and future indebtedness to the Lender under this Letter Loan Agreement and the Security, as the same may be amended, replaced, restated or supplemented from time to time.

To be obtained:

1. a general security agreement over all present and after acquired personal property of the borrower (the "**GSA**").

RECEIPT OF DOCUMENTS:

Advances under the Line of Credit will not be made available to the Borrower unless and until the Lender has received:

1. a duly executed copy of this Letter Loan Agreement;
2. a duly executed Promissory Note for each advance under the Line of Credit, in the amount of such advance;
3. the Security, registered as required, to the satisfaction of the Lender; and
4. such other authorizations, approvals, opinions, and documentation as the Lender or the legal representatives of the Lender may reasonably require for the purpose of giving effect to or establishing compliance with this Letter Loan Agreement or the Security.

EVENTS OF DEFAULT:

Each of the following, if not remedied by the Borrower within thirty (30) calendar days after written notice from the Lender, shall constitute an "**Event of Default**" which shall entitle the Lender, at its sole discretion, to cancel or restrict availability of any unutilized portion of the Line of Credit, or demand immediate repayment in full of the Outstanding Amount and/or to realize on all or any portion of the Security:

1. failure of the Borrower to pay any principal or other amount when due pursuant to this Letter Loan Agreement;

2. failure of the Borrower to observe any covenant, condition, or provision contained in this Letter Loan Agreement, the Security, or in any documentation relating hereto;

3. if the Borrower is unable to pay its debts as such debts become due or if the Borrower is adjudged or declared to be, or admits to being, bankrupt or insolvent;

4. if any proceedings are taken to effect a compromise or arrangement with the creditors of the Borrower or if the Borrower has a receiver appointed for any part of the assets or operations of the Borrower or if any encumbrancer takes possession of any part thereof;

5. if, in the opinion of the Lender, there is a material adverse change in the financial condition of the Borrower; or

6. if any representation or warranty made by the Borrower under this Letter Loan Agreement, the Security, or in any other document relating hereto is false in any material respect.

Should the Lender demand immediate repayment of the Outstanding Amount under this Letter Loan Agreement due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under the Line of Credit and all other obligations in connection with the Line of Credit.

COVENANTS OF THE BORROWER:

In consideration of the Lender making the Line of Credit available, and without affecting or limiting the right of the Lender to terminate or demand payment of the Line of Credit pursuant to the terms of this Letter Loan Agreement, the Borrower covenants with the Lender that it:

1. will pay all sums of money due under the terms of this Letter Loan Agreement, the Promissory Notes and/ or the Security, as applicable;

2. will immediately advise the Lender of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other terms or condition of this Letter Loan Agreement, the Promissory Notes or the Security, or an Event of Default;

3. will immediately advise the Lender of any action, requests, or violation notices received concerning the Borrower or the Security and hold the Lender harmless against any losses, costs, or expenses which the Lender may suffer or incur for any liabilities (including environmental-related liabilities) existent now or in the future with respect to the Borrower or the Security;

4. will immediately advise the Lender of any unfavorable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Letter Loan Agreement;

5. will keep its assets fully insured against such perils and in such manner as would be customarily insured against by persons carrying on a similar business or owning similar assets;

6. will not, without the prior written consent of the Lender, sell, transfer, convey, lease, or otherwise dispose of all or any part of the Borrower’s assets forming any part of the Security, other than in the ordinary course of business;

7. will maintain its valid existence as a corporation and will maintain all licenses, permits and authorizations required from regulatory or governmental authorities or agencies to permit it to carry on its business;

8. will not use the proceeds of any advance of the Line of Credit for the benefit or on behalf of any person other than the Borrower, and shall use the Line of Credit strictly as contemplated by this Letter Loan Agreement; and

9. will, from time to time, do, execute, and deliver or shall cause to be done, executed, and delivered all such further acts, documents, or other instruments as may reasonably be requested by the Lender in order to cure any defects in the execution and delivery of or to comply with or accomplish the terms and conditions of this Letter Loan Agreement and the Security.

REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants to the Lender that:

1. it is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Alberta;

2. the execution, delivery and performance by the Borrower of this Letter Loan Agreement, the Promissory Notes and the Security has been duly authorized by all necessary actions and do not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

3. no event has occurred which constitutes or which, with notice, lapse of time, or both, would constitute an Event of Default or a breach of any covenant or other term or condition of this Letter Loan Agreement, the Promissory Notes or the Security; and

4. other than an action by Kasten Energy Inc. seeking judgment in the amount of $1,139,561, interest, costs and damages in the amount of $113,000, there is no claim, action, prosecution, or other proceeding of any kind pending or threatened against the Borrower or any of its assets or properties of the Borrower before any court or administrative agency which might have a material adverse effect upon the Borrower's financial condition or operations or its ability to perform its obligations under this Letter Loan Agreement, the Promissory Notes or the Security and there are no circumstances of which the Borrower is aware which may give rise to any such proceeding;

The representations and warranties of the Borrower set forth in this Letter Loan Agreement shall be deemed to be repeated at the time of any advance under the Line of Credit.

INDEMNITY:

The Borrower hereby agree to indemnify and hold harmless the Lender for any losses, damages, costs, fees or expenses incurred by the Lender in the event of any breach of any of the terms and conditions of this Letter Loan Agreement, the Promissory Notes or the Security by the Borrower excepting any breaches caused by the negligence, wilful misconduct or fraud of the Lender.

GENERAL:

1. Neither the acceptance of this Letter Loan Agreement by the Borrower or the execution and registration of the Security shall

bind the Lender to make advances under the Line of Credit in whole or in part.

2. All dollar amounts referred to in this Letter Loan Agreement are in Canadian currency.

3. The Lender shall maintain accounts and records evidencing the advances made available to the Borrower by the Lender under this Letter Loan Agreement. The Lender shall record the principal amount of such advances, the payment of principal on account of the advances and all other amounts becoming due to the Lender under this Letter Loan Agreement. The Lender's record of account constitutes, in the absence of manifest error, conclusive evidence of all such indebtedness of the Borrower to the Lender pursuant to this Letter Loan Agreement.

4. All costs and expenses of the Lender (the "**Lender's Fees**"), including reasonable legal fees on a solicitor-client basis, incurred by the Lender in connection with this Letter Loan Agreement, including the negotiation and preparation of this Letter Loan Agreement and the Security, the registration and perfection of it, and enforcement of it will be paid by the Borrower on the account of the Borrower. The Security will be prepared by the Lender's solicitors. The Lender's Fees shall be deducted by the Lender from an advance or advances under the Line of Credit, at the Lender's sole discretion. In the event that there is no advance from the Line of Credit, in whole or in part, for any reason, the Lender's Fees shall nevertheless be payable by the Borrower to the Lender forthwith upon demand.

5. Time is of the essence.

6. This Letter Loan Agreement, the Promissory Notes and the Security constitute the entire agreement between the Lender and Borrower and supersedes and replaces all previous written or oral negotiations, commitments, representations or agreements regarding the subject matter.

7. No amendment or waiver of any provision of this Letter Loan Agreement will be effective unless it is in writing, signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under the Promissory Notes or the Security shall operate as a waiver thereof.

8. The invalidity or unenforceability of any provision of this Letter Loan Agreement shall not affect the validity or enforceability of any other provision of this Letter Loan Agreement and such invalid provision shall be deemed to be severable.

9. This Letter Loan Agreement shall extend to and be binding upon the parties hereto and their respective successors and permitted assigns.

10. All amounts payable and any notices to be provided by the Borrower to the Lender hereunder shall be made by letter to the following address or such other address designated by the Lender from time to time:

    SAM HOLDINGS LTD.
    6713 Fairmount Dr. SE
    Calgary, Alberta T2H 0X6
    Attention: Stan Owerko

    All demands and any notices to be provided by the Lender to the Borrower hereunder shall be made by letter to each of the following addresses or such other address designated by the Borrower from time to time:

    WHITEMUD RESOURCES INC.
    c/o Carscallen LLP
    900, 332 - 6th Avenue SW
    Calgary, Alberta T2P 0B2
    Attention: Stan Owerko

11. The Borrower shall do and cause to be done all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, and undertakings hereunder.

12. This Letter Loan Agreement, the Promissory Notes and the Security may be assigned by the Lender without the consent of the Borrower. This Letter Loan Agreement, the Promissory Notes and the Security may not be assigned by the Borrower without the written consent of the Lender.

13. The Lender and Borrower acknowledge that they have received, or have had an opportunity to receive, independent legal advice

with respect to this Letter Loan Agreement, and that each of them are signing this Letter Loan Agreement voluntarily.

GOVERNING LAW: The laws of the Province of Alberta and the laws of Canada applicable therein.

Please sign both copies of this Letter Loan Agreement and return one (1) copy to the attention of the Lender.

This Letter Loan Agreement may be executed in counterparts each of which when so executed and delivered shall be deemed to be an original and such counterparts shall together constitute one and the same instrument. Delivery of this Letter Loan Agreement by facsimile or email transmission constitutes valid and effective delivery.

[Remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF this Letter Loan Agreement has been duly executed, effective as of the 1st day of December, 2023.

SAM HOLDINGS LTD.

Per: *(signed) Stan Owerko*
Name: Stan Owerko
Title: President

WHITEMUD RESOURCES INC.

Per: *(signed) David Koplovich*
Name: David Koplovich
Title: Chief Financial Officer

SCHEDULE "A"

SAM HOLDINGS LTD.
6713 Fairmount Dr. SE
Calgary, Alberta T2H 0X6

PROMISSORY NOTE

Date: __________________, 202__

Principal Sum: **$**____________________

For value received the undersigned (the "**Borrower**") promises to pay to the order of **SAM HOLDINGS LTD.** (the "**Lender**") at the above office of the Lender, the amount of ________________________________, (the "**Principal Sum**") in lawful money of Canada, together with interest at a rate equal to five (5.00%) per annum, annually in arrears, pursuant to the terms of a letter agreement made between the Borrower and the Lender dated December 1, 2023 (the "**Letter Agreement**"). As set forth in the Letter Agreement, all principal and interest outstanding under the Line of Credit shall become due on the Maturity Date, being April 1, 2026.

All capitalized terms used but not defined herein shall have the same meanings given to them in the Letter Agreement. In the event of conflict or discrepancy between the terms of this Promissory Note and the terms of the Letter Agreement, the terms of the Letter Agreement shall prevail and govern.

In the event of non-payment of all or any part of the principal or any other payment as stipulated herein, or the occurrence of an Event of Default, the entire unpaid balance of principal and interest shall, at the option of the Lender, become due and payable forthwith.

THE UNDERSIGNED hereby waives demand and presentment for payment, notice of non-payment and protest.

The undersigned hereby covenants and agrees in favour of the Lender that the time periods prescribed by the *Limitations Act* RSA, 2000, c. L-12, as amended, for enforcement of the obligations under this Demand Note are hereby extended so that the Lender shall have 10 years from the date a claim arises under this Demand Note to commence an action against the undersigned. The undersigned further covenants and agrees in favour of the Lender that a claim shall arise hereunder thirty days following a demand for payment in full being made by the Lender if payment in full has not been made prior to that time.

WHITEMUD RESOURCES INC.

Per:

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Name: David Koplovich
Title: Chief Financial Officer