

THE LAND TITLES ACT**MORTGAGE**

CIELO WASTE SOLUTIONS CORP. of 101 – 1500 Howe Street, Vancouver, BC, V6Z 2N1 (hereinafter called "the Mortgagor") being registered as owner of an estate in fee simple in possession, subject, however, to such encumbrances, liens and interests as are notified by memorandum underwritten or endorsed hereon, of that piece of land situate in the Province of Alberta, in the Dominion of Canada, described as follows:

PLAN 9812255

LOT 26

EXCEPTING THEREOUT ALL MINES AND MINERALS

(which with the buildings and improvements situate thereon, are hereinafter called the "said lands")

IN CONSIDERATION OF the sum of **ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000.00) Dollars** lent to the Mortgagor by

XR RESOURCES INC. of BOX 191, NANTON, ALBERTA T0L 1R0

(who and whose Successors and Assigns are hereinafter called "the Mortgagee") the receipt of which sum is hereby acknowledged, covenants with the Mortgagee:

1. THAT THE Mortgagor will pay to the Mortgagee at BOX 191, NANTON, ALBERTA T0L 1R0 in lawful money of Canada, the above sum of:

\$1,500,000.00 with interest at 12% per annum calculated monthly not in advance as follows:

- A monthly payment of interest only for the period from April 21, 2017 to May 16, 2017 of \$12,328.75; and
- \$15,000.00 on June 16, 2017; and
- Monthly payments of principal and interest of \$35,492.70 on July 16, 2017 and continuing on the 16th of each month thereafter to and including the 16th day of January 2022 at which time the balance of outstanding principal and interest shall be due and payable.

INTEREST

2. THAT THE Mortgagor will pay to the Mortgagee interest as aforesaid in manner aforesaid on the said sum or on so much thereof as shall from time to time remain unpaid and that interest on becoming overdue shall forthwith be treated (as to payment of interest thereon) as principal and shall bear compound interest and, in addition, premiums of insurance or other sums of money paid by the Mortgagee for the protection of this security such as taxes, repairs or other encumbrances and all costs, charges and expenses connected therewith shall bear interest at the rate aforesaid as well after as before maturity of this mortgage, to be calculated monthly not in advance, computed with rests and paid monthly, commencing from the date hereof and every month thereafter in each year and all such interest, compound interest and sums of money paid by the Mortgagee for the protection of this security shall be a charge on the said lands. In the event of nonpayment of any of the monies hereby secured at the time herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, pay interest at the said rate from day to day on the same.

INSURANCE

3. THAT THE Mortgagor will forthwith insure and during the continuance of this security keep insured in favour of the Mortgagee against loss or damage by fire, tempest, tornado, cyclone and lightning, each and every building on the said lands and which may hereafter be erected thereon for the full insurable value thereof in an insurance company acceptable to the Mortgagee and will pay all premiums and sums of money necessary for such purpose as the same become due; and will forthwith assign, transfer and deliver over unto the Mortgagee the policy of insurance and receipts thereto appertaining; and if the Mortgagor shall fail to keep said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Mortgagee at least three days before the termination of any such insurance evidence of the renewal thereof, the Mortgagee shall be entitled but shall not be obligated to insure the said buildings or any of them. The Mortgagor shall forthwith on the happening of any loss or damage, furnish at the expense of the Mortgagor all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance money received may, at the option of the Mortgagee, either be applied in rebuilding, reinstating or repairing the premises or may be applied on account of the last or any other instalment of principal or of interest payable hereunder or may be applied partly in one way and partly in another, as the Mortgagee may determine.

TAXES

4. THAT THE Mortgagor will pay when and as the same fall due all taxes, rates, assessments, liens, charges, encumbrances or claims, including local improvement taxes,

which are or may be or become rated, charged or claimed against the said lands or on this mortgage or on the Mortgagee in respect of this mortgage; provided that in default of payment by the Mortgagor of monies for taxes aforesaid, then the Mortgagee may pay such taxes and also any liens, charges and encumbrances which may be charged against the said lands and all monies expended by the Mortgagee for any of such purposes shall be repaid by the Mortgagor to the Mortgagee forthwith, and shall be a charge upon the said lands and shall bear interest at the rate aforesaid until paid.

IMPROVEMENTS

5. THAT ALL erections, buildings, fences, and improvements, fixed or otherwise, now on or hereafter put on the said lands are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "said lands", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of this security, the same repair, maintain, restore, amend, keep, make good, finish, add to and put in order, and in the event of any loss or damage thereto or destruction thereof, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the mortgage monies shall at the option of the Mortgagee become immediately due and payable and that without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may repair, rebuild or reinstate the said lands and that any and all sums of money paid by the Mortgagee for the said purposes shall be deemed to be monies paid by the Mortgagee for the protection of this security. This provision shall be in addition to any statutory covenants implied in this mortgage.

MORTGAGOR'S STATUTORY COVENANTS

6. THE MORTGAGOR covenants with the Mortgagee that:
- (a) The Mortgagor has a good title to the said lands;
 - (b) The Mortgagor has the right to mortgage the said lands;
 - (c) On default the Mortgagee shall have quiet possession of the said lands, free from all encumbrances;
 - (d) The Mortgagor will execute such further assurances of the said lands as may be requisite;
 - (e) The Mortgagor has done no act to encumber the said lands.

DEFAULT PROVISIONS

7. THE MORTGAGOR further covenants with the Mortgagee that in the event of default being made in any of the covenants, agreements, provisos, or stipulations expressed or implied herein:
- (a) The Mortgagee at the Mortgagee's option may, at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;
 - (b) The Mortgagee may send or employ an Inspector or Agent to inspect and report upon the value, state and condition of the said lands and a Solicitor to examine and report upon the Title to the same;
 - (c) The Mortgagee may enter into possession, either by himself or his agent, of the said lands and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the said lands or any part thereof for such terms, periods, and at such rent as the Mortgagee shall think proper;
 - (d) It shall and may be lawful for, and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the said lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the lands as much of the mortgage monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
 - (e) The whole of the monies secured hereunder shall, at the option of the Mortgagee, become due and payable;
 - (f) The Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor;
 - (g) All party costs and all solicitor and client costs and all legal and other expenses of the Mortgagee in connection with this Mortgage together with interest thereon at the said rate shall be repaid by the Mortgagor to the Mortgagee upon demand, and in the meantime the amount of such payments shall be added to the Mortgagee's equity and shall bear interest as aforesaid, and all such payments shall become part of the Mortgagee's security under this mortgage and shall be applied in reduction of the Mortgagor's estate and interest in the said lands and premises;

- (h) The Mortgagee may sell and dispose of the said lands and premises with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the said lands; and all remedies competent may be resorted to; and all the rights, powers, and privileges granted or conferred upon the Mortgagee under or by virtue of any statute or by this mortgage may be exercised; and any notice may be effectually given by leaving the same with an adult person of the mortgaged premises if occupied, or by placing the same on the said lands, or on any part thereof, if unoccupied, or at the option of the Mortgagee by publishing the same in some newspaper published in the Province of Alberta; and such notice shall be sufficient though not otherwise addressed than "To whom it may concern"; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the said lands hereunder; and the Mortgagee may sell, transfer and convey any part of the said lands on such terms of credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained therefor; and in the event of sale on credit or for part cash and part credit, whether by way of contract of sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any monies until the same shall be actually received, and sales may be made from time to time of parts of the said lands to satisfy interest or principal or other monies overdue or part thereof leaving the balance to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary any contract for sale; and on sale or resale, the Mortgagee shall not be answerable for any loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee may deem advisable or necessary;
- (i) The Mortgagee may forthwith take such proceedings to realize on its security created by this mortgage by foreclosing the same or otherwise as it may by law be entitled to do.

GENERAL CLAUSES

8. THE MORTGAGOR further covenants with the Mortgagee that:
- (a) The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof;
- (b) The Mortgagee may at any time release any part of the said lands, or any of the covenants and agreements herein contained, or any collateral security, either with or without any consideration therefor, and without being accountable for the value thereof, or for any money except what is actually received, and without thereby

releasing or affecting any other of the said lands or any of the other covenants or agreements herein contained or releasing any surety or any other security;

- (c) Neither execution nor registration nor acceptance of the mortgage, or the advance of part of the monies secured hereby, shall bind the Mortgagee to advance the said principal sum or any unadvanced portion thereof, but nevertheless this mortgage shall take effect forthwith on the execution of these presents, and if the principal sum or any part thereof shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided;
- (d) The Mortgagee may pay off any charges or encumbrances against the said lands and in such case shall be subrogated to the rights of holders of such charges and encumbrances whether the same are or are not discharged;
- (e) The Mortgagee shall not be charged with any monies receivable or collectable out of the said lands or otherwise except those actually received and the Mortgagee may, at the Mortgagee's option, use any such monies in maintaining, insuring, repairing or improving the said lands or in payment of taxes or other charges against the said lands.
- (f) There shall be an administrative fee of \$150.00 plus bank charges for each cheque which is not honoured when presented for payment.

ATTORNMENT

9. FOR BETTER securing the punctual payment of the said monies payable hereunder the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the said lands at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on each day appointed for the payment of instalments, and if any judgment execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of The Bankruptcy Act or shall take the benefit of any statute relating to bankruptcy or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after default hereunder enter upon the said lands or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither this clause nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

WAIVER

10. THAT A WAIVER of any default by the Mortgagee shall be deemed to extend to the particular default only and shall not prejudice or affect the Mortgagee's right with respect to subsequent defaults.

COLLATERAL REMEDIES

11. THAT A DEFAULT in the due performance by the Mortgagor of any of the Mortgagor's covenants contained in any collateral security or securities which may now or at any time be held or taken by the Mortgagee in respect of the sum secured hereby shall in addition to its usual effect have the same effect and give rise to the same rights and remedies as a default under the terms of this mortgage, and in the event of the Mortgagee becoming entitled to take legal proceedings of any nature whatsoever against the Mortgagor in respect of this mortgage or in respect of any of the said collateral securities, the Mortgagee may either concurrently with such suite, successively or otherwise pursue any or all of the Mortgagee's other remedies, and should the Mortgagee so pursue one or another of the said remedies, this shall not constitute an election by the Mortgagee to abandon any of the other remedies.

DUE ON SALE

12. IN THE EVENT OF the Mortgagor selling, conveying, transferring or entering into an agreement for sale or of transfer of title of the property hereby mortgaged to a purchaser or transferee not approved of in writing by the Mortgagee, all monies hereby secured and accrued interest thereon shall forthwith at the option of the Mortgagee become due and payable.
13. WHEREVER THE singular number or masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires; and in any case where this mortgage is executed by more than one party all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several; and the heirs, executors, administrators, successors and assigns of any party executing this mortgage are jointly and severally bound by the covenants, agreements, stipulations, and provisos herein contained. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.
14. AND FOR THE better securing to the Mortgagee the repayment in manner aforesaid of the principal sum and interest and other monies hereby secured, the Mortgagor DOES HEREBY MORTGAGE to the Mortgagee all the Mortgagor's estate, property and interest in the said lands.

PREPAYMENT PRIVILEGES

15. THE MORTGAGOR, when not in default hereunder, shall have the privilege of prepaying, in whole or in part, any portion of the principal herein at any time on the first day of the month, without Notice, Bonus or Penalty, it being understood that any prepayment shall be applied firstly on interest, and secondly on principal.

NO SET-OFF

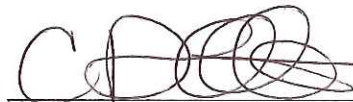
16. THE MORTGAGOR acknowledges that it shall have no right of set-off for any cause or matter whatsoever against the payments provided for herein.

IN WITNESS WHEREOF the Mortgagor has caused to be affixed its corporate seal and signed by its proper officer in this behalf the ~~18~~ day of April, 2017.

✓ 13th ✓

CIELO WASTE SOLUTIONS CORP

Per:



CLAYTON DONALD ALLAN
DIRECTOR/PRESIDENT



AMENDED BY JOHN C. MAH, Q.C., as solicitor for the Mortgagor.



JOHN C. MAH, Q.C.