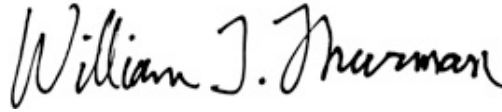


This order is **SIGNED**.

Dated: October 11, 2016



WILLIAM T. THURMAN
U.S. Bankruptcy Judge



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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

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|---|--|
| <p>In re:</p> <p>CS MINING, LLC,</p> <p>Debtor.</p> | <p>Case No. 16-24818</p> <p>Chapter 11</p> <p>Judge William T. Thurman</p> |
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FINAL ORDER PURSUANT TO SECTIONS 105, 361, 362, 363, 364, 365 AND 507 OF THE BANKRUPTCY CODE (I) AUTHORIZING DEBTOR TO OBTAIN SUPERPRIORITY SECURED DEBTOR-IN-POSSESSION FINANCING, (II) AUTHORIZING DEBTOR TO USE CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES AND (V) GRANTING RELATED RELIEF

Upon the motion (“Motion”) filed by CS Mining, LLC, as debtor and debtor in possession (the “Debtor”) in the above captioned chapter 11 case (the “Chapter 11 Case”)

requesting entry of an interim order and this final order (this “Financing Order”), pursuant to sections 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1), 364(e), 365 and 507 of title 11 of the United States Code (11 U.S.C. §§101 *et seq.* as amended, the “Bankruptcy Code”), and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”), and Rule 4001-2 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Utah (as amended, the “Local Rules”), *inter alia*

(a) authorizing the Debtor to enter into a \$7,675,000 secured superpriority debtor-in-possession financing facility (the “DIP Facility”) pursuant to and in accordance with the Senior Secured Superpriority Debtor in Possession Credit and Security Agreement in the form attached hereto as **Exhibit A** (as amended, modified, or supplemented in accordance with its terms and the provisions of this Financing Order, the “DIP Credit Agreement”) ¹ between the Debtor, as borrower, and the lenders party thereto (the “Final DIP Lenders”) ², the other DIP Facility Documents (as defined below), the Budget (as defined below) and the DIP Financing Orders (as defined below), (b) authorizing the Debtor to use Cash Collateral (as defined below) as of the Petition Date pursuant to and in accordance with the Budget and the DIP Financing Orders, (c) granting the Final DIP Lenders, a security interest in and liens on the DIP Collateral (as defined below) and a superpriority administrative expense claim, to the extent and as provided in this Financing Order and the DIP Facility Documents, to secure the DIP Obligations (as defined

¹ Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the DIP Credit Agreement.

² The Final DIP Lenders are: Wellington Financing Partners, LLC (“Wellington”); Broadbill Partners, L.P. (“Broadbill”) and St. Cloud Capital Partners II, L.P. (“St. Cloud”).

below), (d) granting certain adequate protection to the Prepetition Liens,³ and (e) granting related relief; and the Bankruptcy Court having found that the relief requested in the Motion is in the best interest of the Debtor, its estate, its creditors and other parties in interest; and the Bankruptcy Court: having reviewed the Motion; having heard the statements in support of the relief requested therein at hearings before the Bankruptcy Court on August 9, 2016 and September 7, 2016 (the “Interim Hearings”); having entered on August 9, 2016, an *Interim Order Pursuant to Sections 105, 361, 362, 363, 364, 365 and 507 of the Bankruptcy Code (I) Authorizing Debtor to Obtain Superpriority Secured Debtor-In-Possession Financing, (II) Authorizing Debtor to use Cash Collateral, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Scheduling Final Hearing, and (V) Granting Related Relief* (Docket No. 162] (the “Interim Order”); having entered on September 8, 2016, an *Order Approving Stipulation By and Among Debtor, DIP Lenders and Committee Increasing the Interim DIP Loan and Extending Term of Interim Financing* [Docket No. 253] (the “First Extension to Interim DIP Financing”); having entered on September 16, 2016, an *Order Approving Second Stipulation By and Among Debtor, DIP Lenders and Committee Increasing the Interim DIP Loan and Extending Term of Interim Financing* [Docket No. 282] (the “Second Extension to Interim DIP Financing”) (together, the Interim Order and the First and Second Extensions to Interim DIP Financing will be referred to as the “Interim Financing Order” and the Interim Financing and this Financing Order will be referred to as the “DIP Financing Orders”)); and having determined that the legal and factual bases set forth in the Motion, and as articulated at the Interim Hearings and the hearing before the Bankruptcy Court on September 30, 2016 (the “Final Hearing”)

³ Holders of the Prepetition Liens are Waterloo Street Limited (“Waterloo”), David J. Richards, LLC d/b/a Western US Mineral Investors LLC (“WUMI”), and Sky Mineral Partners, LLC (“SMP”).

adequately establish just cause for the relief granted herein; and upon all of the proceedings and record before the Bankruptcy Court; and after due deliberation and sufficient cause appearing therefore, it is HEREBY FOUND AND CONCLUDED THAT:⁴

A. Commencement of Chapter 11 Case. On June 2, 2016 (the “Petition Date”), an involuntary petition (the “Involuntary Petition,” Docket No. 1) was filed against the Debtor in the United States Bankruptcy Court for the District of Utah (the “Bankruptcy Court”), with R.J. Bayer Professional Geologist, LLC; Mineral Advisory Group, LLC; Rollins Construction & Trucking, LLC; Rollins Machine, Inc.; Oxbox Sulphur, Inc. and Brahma Group, Inc. initially or eventually joining in the Involuntary Petition (collectively, the “Petitioning Creditors”). On August 4, 2016 (the “Response Date”), the Debtor consented to entry of an order for relief under Chapter 11, with unanimous written consent of the directors and members, copies of which consents were filed with this Court on August 4, 2016 [Docket No. 128]. The Debtor is continuing to operate its business and manage its property as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On August 11, 2016, an official committee of unsecured creditors (the “Committee”) was appointed in the Chapter 11 Case.

B. Jurisdiction and Venue. The Bankruptcy Court has jurisdiction over the Chapter 11 Case, the Motion and the parties and property affected hereby, pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Bankruptcy Court may enter this Financing Order as a final order. Venue of this Chapter 11 Case in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

⁴ The findings and conclusions set forth herein constitute the Bankruptcy Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052. To the extent any findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such.

The bases for the relief sought in the Motion and granted in this Financing Order are sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004 and 9014, and Local Rule 4001-2.

C. Interim Financing Order. On August 9, 2016, the Bankruptcy Court entered the Interim Financing Order [Docket No. 162] approving an interim debtor in possession financing (the “Interim DIP Facility”) proposed by Waterloo, Wellington, and Broadbill (collectively the “Interim DIP Lenders”) on an interim basis, as outlined in the term sheet attached as Exhibit A to the Interim Financing Order. Pursuant to the Interim Financing Order, the Debtor was approved to receive an initial advance of \$2,675,000 of the total authorized secured superpriority debtor in possession financing facility of \$7,675,000. Wellington funded \$1,535,274.64, Broadbill funded \$139,725.36 and Waterloo funded \$1,000,000 to the Debtor pursuant to the Interim Financing Order.

D. First Extension of Interim Financing. The Interim DIP Lenders were unable to agree on the form or terms of a final debtor-in-possession credit agreement. As a result, by stipulated agreement among the Interim DIP Lenders, the Debtor and the Committee, and after hearing before the Bankruptcy Court on September 8, 2016, the Bankruptcy Court entered the First Extension to Interim DIP Financing which extended the Interim DIP Facility through September 23, 2016 and increased the borrowing base to the Debtor under the Interim DIP Facility from \$2,675,000 to \$3,675,000. Wellington funded an additional \$467,637.32 to the Debtor pursuant to the First Extension to Interim DIP Financing, while Broadbill funded an additional \$532,362.68 to the Debtor pursuant to the First Extension to Interim DIP Financing. As a result of the additional funding, Wellington and Broadbill have funded a combined total of

\$2,675,000 (with Wellington funding \$2,002,911.96 and Broadbill funding \$672,088.04) to the Debtor, while Waterloo has funded \$1,000,000.

E. Second Extension of Interim DIP Financing. The Interim DIP Lenders remained unable to agree on the form or terms of a final debtor-in-possession credit agreement . As a result, on September 16, 2016, the Bankruptcy Court, by stipulated agreement among the Debtor, the Interim DIP Lenders and the Committee, entered the Order approving the Second Extension to Interim Financing which extended the Interim DIP Facility through September 30, 2016 on the terms and conditions set forth in the Interim Order and First Extension to Interim Financing.

F. Alternative Proposal. The Interim DIP Lenders have not been able to agree on the form or terms of a final debtor-in –possession credit agreement As a result, the proposed Final DIP Lenders, submitted an alternative DIP financing proposal to the Debtor the (the “DIP Facility”). The DIP Facility has been reviewed by the Debtor’s chief restructuring officers (the “CROs”) and the Debtor who have agreed to submit the DIP Facility for approval by the Bankruptcy Court.

G. Notice. Notice of the Final Hearing and the relief requested in the Motion has been provided by the Debtor by facsimile, telecopy, electronic mail, overnight courier and/or hand delivery to the following parties and/or their respective counsel (collectively the “Notice Parties”): (i) the Interim DIP Lenders; (ii) the Office of the United States Trustee; (iii) the Debtor’s known prepetition secured lenders; (iv) the Debtor’s thirty (30) largest unsecured creditors; (v) counsel to the Official Committee of Unsecured Creditors; and (vi) all parties who have filed a notice of appearance pursuant to Bankruptcy Rule 2002 in this case. On September 23, 2016, the Debtor filed a supplement to the Motion (the “Supplement”), including the form of

the proposed DIP Credit Agreement (the “DIP Financing Supplement”) [Docket No xxx] with the Bankruptcy Court and provided notice of the DIP Financing Supplement and proposed Financing Order by facsimile, telecopy, electronic mail, overnight courier and/or hand delivery, to the Notice Parties.

H. DIP Facility. The DIP Facility is a secured superpriority debtor in possession financing facility in the aggregate principal amount of \$7,675,000, subject to increase in amount for payment of interest and any other allowed costs related to the Interim DIP Facility (the “DIP Loan Amount”). Subject to approval of the DIP Fees as set forth in Paragraph 4(b) hereof, the DIP Facility shall be funded upon the entry of the Financing Order, subject to satisfaction of the conditions in the DIP Facility Documents (as defined below). Of the total DIP Loan Amount, Wellington will fund \$4,700,000, subject to certain credit received for amounts funded under the Interim DIP Facility; Broadbill will fund \$2,500,000, subject to certain credit received for amounts funded under the Interim DIP Facility; and St. Cloud will fund \$500,000. All obligations under the DIP Facility Documents (as defined below), including, without limitation, principal, interest, expenses, the DIP Fees (as defined below) and the other obligations due from time to time by the Debtor pursuant to the DIP Facility Documents shall be referred to as the “Obligations.”

I. Use of Cash Collateral and Proceeds of the DIP Facility, Collateral and Prepetition Collateral. All Cash Collateral, all proceeds of the Prepetition Collateral and the Collateral (each defined below), including proceeds realized from a sale or disposition thereof, or from payment thereon, and all proceeds of the DIP Facility (net of any amounts used to pay fees, costs, and expenses payable under the Interim Order or this Financing Order) shall be used

and/or applied in accordance with the terms and conditions of this Financing Order, the Budget, and the other DIP Facility Documents, for the types of expenditures in the Budget and for no other purpose.

J. The DIP Facility will Preserve the Value of the Prepetition Collateral. Absent access to the DIP Facility and the use of the Cash Collateral⁵ in accordance with this Financing Order, the value of the Prepetition Collateral (as defined below) would be severely and irreparably impaired. Accordingly, access to the DIP Facility and the use of the Cash Collateral will preserve, and ultimately enhance, the value of the Prepetition Collateral.

K. No Credit Available on More Favorable Terms. The Debtor has been unable to obtain on more favorable terms and conditions than those provided in this Financing Order (a) adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense, (b) credit for money borrowed with priority over any or all administrative expenses of the kind specific in section 503(b) or 507(b) of the Bankruptcy Code, (c) credit for money borrowed secured by a lien on property of the estate that is not otherwise subject to a lien, or (d) credit for money borrowed secured by a junior lien on property of the estate which is subject to a lien. The Debtor is unable to obtain credit for borrowed money without granting the DIP Liens (defined below) and the DIP Superpriority Claims (defined below) to the Final DIP Lenders.

L. Terms of DIP Facility are Fair and Reasonable. The Final DIP Lenders have indicated a willingness to provide the DIP Facility in accordance with the DIP Credit Agreement

⁵ “Cash Collateral” shall have the meaning assigned to the term “cash collateral” under section 363(a) of the Bankruptcy Code and covers all “cash collateral” that constitutes Prepetition Collateral subject to the Prepetition Liens (as each of these terms are defined below).

and the other DIP Facility Documents solely on the terms and conditions set forth in this Financing Order and the DIP Facility Documents, including and subject to (i) approval of this Financing Order and (ii) findings by the Bankruptcy Court that such financing is essential to the Debtor's estate, that the Final DIP Lenders are good faith financiers, and that the Final DIP Lenders' claims, superpriority claims, security interests and liens and other protections granted pursuant to and in connection with the Interim Financing Order and this Financing Order and the DIP Loan Documents (including the DIP Superpriority Claims (as defined below) and the DIP Liens), will not be affected by any subsequent reversal, modification, vacatur or amendment of, as the case may be, the Interim Financing Order, this Financing Order or any other order, as provided in section 364(e) of the Bankruptcy Code. The terms of the DIP Facility as set forth in the DIP Credit Agreement are fair and reasonable and reflect the Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and are the best available under the circumstances.

M. Arm's Length and Good Faith Negotiation. The Debtor and the Final DIP Lenders have negotiated the terms and conditions of the DIP Facility, the DIP Facility Documents and this Financing Order in good faith and at arm's length, and any credit extended and loans made pursuant to this Financing Order shall be, and hereby are, deemed to have been extended, issued or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code and the Final DIP Lenders shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that either DIP Order or any provision thereof is vacated, reversed, or modified, whether on appeal or otherwise.

N. The Prepetition Indebtedness. The following, with a full reservation of rights, defenses, causes of action, claims and challenges by or against the Debtor, any Committee appointed in this Chapter 11 Case, the Debtor's creditors or parties in interest in this case, including, without limitation, the Final DIP Lenders, as to the nature, extent, validity or priority of same, sets forth the Debtor's material indebtedness as of the Petition Date:

(1) Waterloo Secured Loan. On August 12, 2014, Noble Americas Corp. ("Noble") entered into a loan and security agreement with the Debtor pursuant to which Noble extended a loan with a full facility principal amount of \$30 million (the "Waterloo Loan," and together with all other documents evidencing or granting collateral to secure the Waterloo Loan, all of foregoing, as the same may have been amended, restated, supplemented or otherwise modified to date, collectively, the "Waterloo Loan Documents"). Under the terms of the Waterloo Loan, CS Mining granted Noble a security interest in certain of its assets. All obligations of the Debtor arising under the Waterloo Loan Documents, including all loans, advances, debts, liabilities, principal, accrued or hereafter accruing interest, fees, costs, charges, expenses (including any and all reasonable attorneys', accountants', appraisers' and financial advisors' fees and expenses that are chargeable, reimbursable or otherwise payable under the Waterloo Loan Documents), of any kind or nature, whether or not evidenced by any note, agreement or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtor's obligations under the Waterloo Loan Documents shall hereinafter be referred to collectively as the "Waterloo Loan Obligations." On December 31, 2015, Noble and Waterloo entered into a purchase and sale agreement whereby

Noble sold the Waterloo Loan, and assigned all its rights and obligations arising from and under the Waterloo Loan Documents, to Waterloo.

(2) WUMI Loan. On August 10, 2012, the Debtor and David J. Richards, LLC d/b/a Western US Mineral Investors LLC (“WUMI”) entered into a security and loan agreement under which WUMI made advances over a number of months, eventually advancing \$20,500,000 in principal amount to the Debtor (the “WUMI Loan”). Interest accrues under the WUMI Loan equal to the greater of Prime Index Rate plus 9.25% or 12.5%. The WUMI Loan as amended, restated, supplemented or otherwise modified and all other agreements, documents and instruments executed and/or delivered to or in favor of WUMI in connection with the WUMI Loan, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements and all other related agreements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto (all the foregoing, together with the WUMI Loan, as all of the same have been supplemented, modified, extended, renewed, restated and/or replaced to date, are referred to collectively as the “WUMI Loan Documents”). In connection with the WUMI Loan, the Debtor granted WUMI a security interest in all of its assets, with certain exclusions. All obligations arising under the WUMI Loan Documents including, without limitation, all loans, advances, debts, liabilities, principal, accrued or hereafter accruing interest, fees, costs, charges, expenses (including any and all reasonable attorneys’, accountants’, appraisers’ and financial advisors’ fees and expenses that are chargeable, reimbursable or otherwise payable under the WUMI Loan Documents), of any kind or nature, whether or not evidenced by any note, agreement or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or

chargeable in respect of any of the Debtor's obligations under the WUMI Loan Documents shall hereinafter be referred to collectively as the "WUMI Loan Obligations."

(3) SMP Loan Facility. As described in that Joint Modification Agreement between the Debtor and Sky Mineral Partners, LLC ("SMP") dated November 10, 2011 and the First Amendment to Joint Loan Modification Agreement dated August 12, 2014, as part of a sale of the Debtor's predecessor, SMP assumed the indebtedness owing to the Debtor's predecessor under which the Debtor would effectively be indebted to SMP in the amount of \$24,024,356.66 (the "SMP Loan," and all other agreements, documents and instruments executed and/or delivered to or in favor of SMP in connection with the SMP Loan, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements and all other related agreements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto (all the foregoing, together with the SMP Loan, as all of the same have been supplemented, modified, extended, renewed, restated and/or replaced to date, collectively, the "SMP Loan Documents")). The terms included a three percent (3%) interest rate and a maturity date of August 15, 2019. In connection with the SMP Loan, the Debtor granted SMP a security interest in all of its assets. All obligations arising under the SMP Loan Documents including, without limitation, all loans, advances, debts, liabilities, principal, accrued or hereafter accruing interest, fees, costs, charges, expenses (including any and all reasonable attorneys', accountants', appraisers' and financial advisors' fees and expenses that are chargeable, reimbursable or otherwise payable under the SMP Loan Documents), of any kind or nature, whether or not evidenced by any note, agreement or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing,

or chargeable in respect of any of the Debtor’s obligations under the SMP Loan Documents shall hereinafter be referred to collectively as the “SMP Loan Obligations”). Together, the respective liens securing Waterloo, WUMI, and SMP Loan Obligations are referred to as the “Prepetition Liens”).

(4) Other Liens. As of the Petition Date, the Debtor believes that the following additional liens noted immediately below (collectively, the “Other Prepetition Liens”) were asserted against one or more of the Debtor’s assets:

| Creditor Name and Address | Description of Debtor's Property That is Subject to a Lien | Describe the Lien | Amount of Claim Do Not Deduct the Value of Collateral |
|---|---|-----------------------------------|--|
| Agate, Inc. P.O. Box 117 Scotsdale, AZ 85252 | Phase II Project Assets | Mechanics Lien | \$ 142,386.00 |
| Beaver County Treasurer P.O. Box 432 Beaver, UT 84713 | Property Tax | Tax Lien | \$ 544,478.07 |
| Brahma Group, Inc. 1132 South 500 West Salt Lake City, UT 84101 | Phase II Project Assets | Mechanics Lien | \$ 1,369,915.79 |
| Caterpillar Financial Services Corporation 2120 West End Avenue Nashville, TN 37203 | Cat 777 Haul Trucks | Purchase Money Security Interests | \$ 1,335,477.80 |
| Caterpillar Financial Services Corporation 2120 West End Avenue Nashville, TN 37203 | Cat TL 12, Cat 349 | Purchase Money Security Interests | \$ 308,130.94 |
| Ferguson Enterprises, Inc. 1422 South 4450 West Salt Lake City, UT 84104 | Phase II Project Assets | Mechanics Lien | \$ 55,905.20 |

| | | | |
|---|--|--------------------------------------|-----------------|
| International Lining Technology, Inc. (a Nevada Corp.) 850 Maestro Drive, Suite 101 Reno, NV 89511 | Phase II Project Assets | Mechanics Lien | \$ 156,969.00 |
| J&M Steel Solutions LLC 894 West State Street Lehi, UT 84157 | Phase II Project Assets | Mechanics Lien | \$ 20,450.00 |
| Komatsu Financial Lp 1701 West Golf Road Suite1-300 Rolling Meadows, IL 60008 | Manitou Forklift, LK8 Forklift, RS519 Telehandler, S185 Skidsteer, Yale Forklift, GS2632 Scissorlift, 600AJ Boomlift | Purchase Money Security Interests | \$ 94,714.45 |
| Pipe Valve and Fitting Co. 2505 East 79th Avenue P.O. Box 5806 Denver, CO 80217 | Phase II Project Assets | Mechanics Lien | \$ 24,470.04 |
| Schmueser & Associates, Inc. 1901 Railroad Avenue Rifle, CO 81650 | Phase II Project Assets | Mechanics Lien | \$ 310,531.99 |
| SMA Surety, Inc. d/b/a Smith Manus, Lexon Insurance Company 2307 River Road Suite 200 Louisville, KY 40206 | Cash Collateral | Surety Bond | \$ 4,944,348.00 |
| Thermo electron North America, LLC 770 Northport Parkway Suite 100 West Palm Beach, FL 33407 | ARL 4460 Metals Analyzer | Purchase Money Security Interests | \$ 77,365.91 |
| Utah Independent Bank 195 North Main Beaver, UT 84713 | 2006 Ford F150 | Equipment Loan | \$ 4,144.57 |

| | | | |
|---|--------------------|--------------------------------------|--------------|
| Wells Fargo Equipment Finance 300 Tri-State International Suite 400 Lincolnshire, IL 60069 | Cat P5000 forklift | Purchase Money Security Interests | \$ 41,111.03 |
|---|--------------------|--------------------------------------|--------------|

These Other Prepetition Liens are separate and distinct from the Prepetition Liens asserted by Waterloo, SMP and WUMI.

(5) Gap Funding. After the Petition Date, but prior to the Response Date, the Debtor borrowed an aggregate amount of \$700,000 from Wellington and Broadbill pursuant to those certain promissory notes (i) \$525,000 note from Wellington dated June 24, 2016, as replaced with amended and restated promissory from Wellington in the cumulative amount of \$600,000, and subsequently replaced with amended and restated promissory note from Wellington in the cumulative amount of \$625,000 on June 24, 2016 and (ii) \$75,000 note from Broadbill dated June 24, 2016 (collectively, the “Gap Funding”). On August 10, 2016, \$675,000 of the Interim DIP Loan was used to repay the Gap Funding, with postponement of the remaining \$25,000 to be paid from sale proceeds.

(6) Intercreditor Agreement. On August 12, 2014, the Debtor, WUMI and Noble (prior to Waterloo’s purchase of the Waterloo Loan) entered into that certain Intercreditor Agreement in connection with the Waterloo Loan (the “Intercreditor Agreement”). Pursuant to the Intercreditor Agreement, WUMI subordinated certain of its liens, security interests, mortgages and deeds of trust to Noble, while Noble acknowledged that any lien it may have, if any, or that it may acquire in certain other assets would be junior to those of WUMI. Thus, through the Intercreditor Agreement, WUMI and Noble established their relative priority in and to all of the Debtor’s assets. Pursuant to the Intercreditor Agreement, the parties agreed that

Noble has a first priority security interest in the “Noble Priority Collateral,” as set forth and defined in the Intercreditor Agreement, while WUMI has a first priority security interest in the “WUMI Priority Collateral,” as set forth in the Intercreditor Agreement. By agreement, dated August 10, 2012, SMP agreed to subordinate its debt and lien rights to the debt of WUMI. On August 12, 2014, the Debtor, SMP and Noble entered into that certain Intercreditor and Subordination Agreement (the “SMP Intercreditor and Subordination Agreement”) in connection with the Waterloo Loan. Through the SMP Intercreditor and Subordination Agreement, SMP subordinated all of its claims and liens under the SMP Loan Agreement to those claims and liens held by Noble. The “Prepetition Liens” secure the Waterloo Loan Obligations, the WUMI Loan Obligations and the SMP Loan Obligations, subject in all respects to the challenge rights set forth in in this Financing Order., are collectively referred to as the “Prepetition Liens”). All of the Debtor’s assets and property subject to the Prepetition Liens and Other Prepetition shall be referred to as the “Prepetition Collateral.”

O. No Stipulations Relating to the Prepetition Secured Indebtedness. For the avoidance of doubt, nothing in this Financing Order shall be deemed as a stipulation by the Debtor or any other party as to the nature, extent, validity, or priority of the Prepetition Liens or Other Prepetition Liens, and any and all rights, defenses, causes of action, claims and challenges with respect to the Prepetition Liens and Other Prepetition Liens are hereby preserved to the fullest extent.

P. Adequate Protection.

(1) Holders of the Prepetition Liens shall be entitled to adequate protection of their interests in the Prepetition Collateral (including the Cash Collateral), as set forth in

Paragraph 15 below, in an amount equal to the aggregate diminution in value (if any) of the Prepetition Collateral resulting from the sale, lease or use by the Debtor of the Prepetition Collateral (including the Cash Collateral), and/or the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code and/or the priming of their interests in the Prepetition Collateral (such diminution, the “Adequate Protection Obligations”).

(2) As outlined in the Interim Financing Order, the terms of the Adequate Protection (as defined below) are fair and reasonable, reflect the Debtor’s prudent exercise of business judgment and are sufficient to allow the Debtor’s use of the Prepetition Collateral (including the Cash Collateral) and to permit the DIP Liens and the DIP Superpriority Claims granted in favor of the Final DIP Lenders to prime the Prepetition Liens to the extent set forth in this Financing Order and the DIP Facility Documents.

Q. Consent. The holders of the Prepetition Liens consented to the adequate protection and the priming provided for in the Interim Financing Order. The CRO’s have reviewed the DIP Facility and have concluded that the terms of the DIP Facility are the same or better than the terms of the Interim DIP approved by the Interim Financing Order, are fair and reasonable and are thus also the best available under the circumstances

R. Section 552. In light of, as applicable, the subordination of the Prepetition Liens and the Adequate Protection Liens (as defined below) to the DIP Liens and the Carve-Out, and the granting of the DIP Liens on the DIP Collateral and the Prepetition Collateral, the holders of Prepetition Liens (subject to paragraph O) above) are each entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the “equities of the case” exception shall not apply.

Based upon the foregoing findings, acknowledgements, and conclusions, and upon the record made before the Bankruptcy Court, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. Motion Granted. The Motion and Supplement are granted as set forth in this Financing Order. Any objections to the Motion and Supplement that have not previously been resolved or withdrawn are hereby overruled. This Financing Order shall become effective immediately upon its entry. To the extent that the terms of any of the DIP Credit Agreement differ from the terms of this Financing Order, this Financing Order shall control.

2. Authority to Enter into DIP Facility.

(a) The Debtor's entry into the DIP Facility is hereby approved. The Debtor is also authorized to enter into such additional documents, instruments and agreements delivered or executed from time to time in connection with the DIP Facility (such agreements, together with the DIP Credit Agreement and this Financing Order, the "DIP Facility Documents").

(b) To the extent not specifically provided in this Financing Order, the Debtor is authorized to incur and perform the obligations arising under, and to otherwise comply with, the DIP Facility Documents and this Financing Order.

(c) Following the execution of such documents (regardless of whether it was actual execution or deemed execution provided under this Financing Order), and effective upon entry of this Financing Order, each of the DIP Facility Documents shall constitute valid and binding agreements, enforceable against the Debtor, in accordance with the terms of the DIP Facility Documents.

3. Authority to Borrow, Use Funds and Implement Limited Operations Plan.

(a) The Debtor is hereby authorized to borrow the DIP Loan Amount, pursuant to the terms of this Financing Order and the DIP Credit Agreement, including without limitation, the Budget (defined below).

(b) The Debtor is hereby authorized to use the DIP Loan Amount and the Cash Collateral pursuant to the DIP Facility Documents, and in accordance with the Budget delivered by the Debtor to the Interim DIP Lenders, which was attached as Exhibit A to the Interim Financing Order, including any variances contained in such Budget that are permitted under the DIP Credit Agreement (as the same may be amended, supplemented, and/or updated in accordance with the DIP Facility Documents, the "Budget"); provided however, in the event that an amount is not utilized it may be carried forward and used in expenses under the Budget in a subsequent week or period within or outside line items, subject to the Permitted Variance (as defined in the DIP Credit Agreement), which is fifteen percent (15%) on a cumulative basis under the DIP Credit Agreement. For the avoidance of doubt, the Budget is attached hereto as **Exhibit B.**

(c) Any and all amounts advanced under the DIP Facility shall be utilized only (i) to refinance the Interim DIP Facility, with Waterloo to receive repayment of the Waterloo DIP Payment (as defined in Section 4(c) below); (ii) to pay postpetition operating and working capital requirements of the Debtor in accordance with the Budget; (iii) to repay the Gap Funding in an amount not to exceed \$675,000, plus interest; and (iv) to pay Budgeted costs and expenses incurred in administering the Bankruptcy Case, including, without limitation, payment

of transaction costs, fees, and expenses incurred in connection with the DIP Facility and Exit Milestones (as defined below).

4. Limitation on Use of Funds.

(a) No proceeds of the DIP Facility shall be used by any party or Professional to assert causes of action against any Final DIP Lender with respect to such Final DIP Lender's rights and remedies hereunder and under the other DIP Facility Documents; provided that up to \$125,000 in the aggregate of the proceeds of the DIP Facility may be used by the Debtor or the Committee to investigate any potential claims or causes of action in connection with the Prepetition Liens or the Prepetition Collateral. Nothing in this Financing Order shall limit the rights and remedies of the Debtor or the Committee, to the extent it has standing, to challenge the Prepetition Liens and the Other Prepetition Liens.

(b) DIP Fees. The Debtor is hereby authorized and directed to pay all other fees, expenses and other amounts payable under the DIP Facility Documents, including, without limitation, a cash fee equal to 0.75% of the funded amount of the DIP Loan Amount, all recording fees, fees and expenses of the Final DIP Lenders' bankruptcy counsel, and all of the other fees and all out-of-pocket costs and expenses of the Final DIP Lenders (all the foregoing, the "DIP Lenders' Fees"), provided, however, that the Final DIP Lenders' Fees shall be subject to a cap of \$200,000, not including the Third-Party Advisor's Fees or any fees incurred by the Final DIP Lenders in connection with a foreclosure on the DIP Collateral (the "Final DIP Lenders' Fee Cap"), and be payable on demand out of the first proceeds on the Maturity Date. With regards to Final DIP Lenders' Fees relating to the fees and expenses of counsel to the Final DIP Lenders, such counsel shall provide to counsel for the Debtor copies of all fees and expenses

of such counsel incurred through the date of the Final Hearing, and thereafter, monthly, with the Debtor to object thereto within fourteen days of such statements. Any objection to the payment of such fees and expenses shall be made only on the basis of “reasonableness,” and shall specify in writing the amount of the contested fees and expenses and detailed basis for such objection. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the Debtor and the issuer of the invoice, either party may submit such dispute to the Bankruptcy Court for a determination as to the reasonableness of the relevant disputed fees and expenses set forth in the invoice. The Bankruptcy Court shall resolve any dispute as to the reasonableness of any fees and expenses. The fees of the Third-Party Advisor to be retained by the Final DIP Lenders are not included as part of the Final DIP Lenders’ Fee Cap. None of the Final DIP Lenders’ Fees shall be subject to Bankruptcy Court approval or U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court. The Final DIP Lenders’ Fees plus the Third-Party Advisor’s Fees shall constitute Obligations and the repayment thereof shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the Obligations under this Financing Order and the DIP Facility Documents. The Final DIP Lenders’ Fees shall be payable on the Maturity Date, unless the DIP Loan is refinanced prior to the Maturity Date with a facility in which Final DIP Lenders provide at least 50% of the refinancing facility, in which event the Final DIP Lenders’ Fees will be paid at the time the DIP Obligations are due.

(c) Payment of the Waterloo DIP Payment. Within two (2) business days of receiving the first draw under the DIP Facility, the Debtor shall pay to Waterloo the following

sums in payment of the DIP Obligations and DIP Fees due and owing Waterloo under the Interim DIP Financing Order: (i) \$10,000, in payment of the commitment fee under the Interim Financing funded by Waterloo under the Interim DIP Financing Order; (ii) \$100,000, in payment of all attorney's and professional fees, and other charges due and payable to Waterloo under the Interim DIP Financing Order; (iii) \$1,000,000, in payment of the Interim Financing funded by Waterloo under the Interim DIP Financing Order; and (iv) \$12,566.86, representing interest accrued and owing to Waterloo under the Interim Financing Order through October 7, 2016 (the payments in subsections 4(c)(i) through (iv) shall be referred to as the "Waterloo DIP Payment."). The Waterloo DIP Payment shall be made in indefeasible payment in full of the DIP Fees and DIP Obligations (as both are defined in the Interim DIP Financing Order) due and owing Waterloo under the Interim DIP Financing Order. The Waterloo DIP Payment shall be made by the Debtor to Waterloo consistent with the payment instructions to be provided to Debtor by counsel to Waterloo.

5. DIP Obligations. The DIP Obligations are (a) legal, valid, binding and enforceable against the Debtor, each in accordance with its terms, (b) not subject to any recoupment, rejection, avoidance, reductions, recharacterization, setoff, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses or any other claims, causes of action or challenges of any nature under the Bankruptcy Code, any other applicable law or regulation or otherwise, and (c) shall constitute "allowed claims" within the meaning of section 502 of the Bankruptcy Code.

6. DIP Collateral. As used herein, "DIP Collateral" shall mean, all now owned or hereafter acquired assets and property, whether real or personal, of the Debtor, including,

without limitation, all assets and property owned by the Debtor, and all cash, any investment of such cash, inventory, accounts receivable, including any intercompany accounts (and all rights associated therewith), other rights to payment whether arising before or after the Petition Date, contracts, contract rights, chattel paper, goods, investment property, inventory, deposit accounts, and in each case all amounts on deposit therein from time to time, equity interests, securities accounts, securities entitlements, securities, commercial tort claims, books, records, plants, equipment, general intangibles, documents, instruments, interests in leases and leaseholds, interests in real property, fixtures, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, letter of credit rights, supporting obligations, machinery, and equipment, patents, copyrights, trademarks, tradenames, other intellectual property, all licenses therefor, and all proceeds, rents, profits, products, and substitutions, if any, of any of the foregoing. For the avoidance of doubt, the DIP Collateral shall not include actions for preferences, fraudulent conveyances, and other avoidance power claims under sections 544, 545, 547, 548, 550 and 533 of the Bankruptcy Code.

7. DIP Liens. Effective immediately upon the entry of this Financing Order, and subject to the Carve-Out, as set forth more fully in this Financing Order, the Final DIP Lenders are hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and non-avoidable (all liens and security interests granted to the Final DIP Lenders pursuant to this Financing Order, and the DIP Facility Documents, the “DIP Liens”);

(a) pursuant to section 364(c)(2) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable first priority liens on and security interests in all DIP Collateral that

was not encumbered by valid, enforceable, perfected and non-avoidable liens as of the Petition Date;

(b) pursuant to section 364(c)(3) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable liens on and security interests in all DIP Collateral, ranked junior in priority to any valid pre-existing lien on the Petition Date, excluding the Prepetition Liens, but solely to the extent that such liens and security interests of third parties were in each case were valid, enforceable, perfected and non-avoidable as of the Petition Date, and were permitted by the terms of the Waterloo Loan Documents, WUMI Loan Documents or SMP Loan Documents. **For the avoidance of doubt, the DIP Liens granted under this Financing Order shall not prime or be superior to the liens or security interests of the valid, enforceable, perfected, and non-avoidable liens or security interests of the Other Prepetition Liens;**

(c) pursuant to section 364(d) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable superpriority liens on and security interests on all property of Borrower that is subject to the valid, perfected and unavoidable Prepetition Liens of Waterloo, WUMI and SMP, in each case whether now owned or hereafter acquired or arising and wherever located, including Borrower's right, title and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "DIP Liens"), which DIP Liens and security interest shall be senior to and prime the Prepetition Liens and the liens of third parties which are *pari passu* with or junior and subject to the Prepetition Liens:

i. all of Borrower's right, title and interest in all owned or leased real properties, including all minerals and other substances of value that may be extracted from such properties (including copper and copper ore) and all copper cathode sheets and other products processed or obtained therefrom;

- ii. all of Borrower's accounts;
- iii. all of Borrower's books and records (including all of its records indicating, summarizing or evidencing its assets (including the Collateral) or liabilities, all of its records relating to its business operations or financial condition);
- iv. all of Borrower's chattel paper and, in any event, including tangible chattel paper and electronic chattel paper;
- v. all of Borrower's right, title and interest with respect to any deposit account;
- vi. all of Borrower's equipment and fixtures;
- vii. all of Borrower's inventory;
- viii. all of Borrower's investment property;
- ix. all of Borrower's letter of credit rights, instruments, promissory notes, drafts and documents;
- x. all of Borrower's general intangibles, including intellectual property;
- xi. all of Borrower's right, title and interest in respect of supporting obligations, including letters of credit and guaranties issued in support of accounts, chattel paper, documents, general intangibles, instruments, or investment property;
- xii. all of Borrower's money, cash, cash equivalents, securities and other property held directly or indirectly by Final DIP Lenders; and
- xiii. all of the proceeds, products, accessions or substitutions, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering or relating to any of the foregoing.

For the avoidance of doubt, the DIP Liens shall not prime the valid, perfected and unavoidable Other Prepetition Liens.

(d) upon entry of this Financing Order, whether or not the Final DIP Lenders take any action to validate, perfect, or confirm perfection, the DIP Liens shall be deemed valid, perfected, allowed, enforceable, nonavoidable, and not subject to challenge, dispute, avoidance,

impairment, or subordination (other than with respect to the Carve-Out or as set forth in this Financing Order), at the time and as of the date of entry of this Financing Order;

(e) the Final DIP Lenders are hereby authorized, but not required, to file or record, in any jurisdiction, financing statements, intellectual property filings, mortgages, deeds of trust, notices of lien, or similar instruments, or take any other action in order to validate and perfect the DIP Liens. Upon the request of the Final DIP Lenders, the Debtor, without any further consent of any party, are authorized to take, execute and deliver such instruments (in each case without representation or warranty of any kind except as set forth in the DIP Facility Loan Documents) to enable the Final DIP Lenders to validate, perfect, preserve, and enforce the DIP Liens consistent with the terms of this Financing Order. A certified copy of this Financing Order may be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, deeds of trust, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Financing Order for filing and recording;

(f) the Debtor is authorized and directed, as soon as reasonably practicable following entry of this Financing Order, to add the Final DIP Lenders as additional insureds and loss payees on each insurance policy maintained by the Debtor which in any way relates to the DIP Collateral and shall, subject to the terms of this Financing Order, distribute any proceeds recovered or received in accordance with the terms of this Financing Order; and

(g) the Debtor will not, without the Final DIP Lenders' consent (in their sole discretion), propose, file, consent to, cooperate with, solicit votes with respect to, acquiesce to, or

support any chapter 11 plan or debtor in possession financing unless such plan or financing would, on the date of its effectiveness, indefeasibly pay in full in cash all Obligations.

(h) the Debtor will not directly or indirectly take any action that is inconsistent with, or that would unreasonably delay or impede approval of, any of the DIP Facility Documents or the DIP Facility, including, without limitation, directly or indirectly soliciting, encouraging, initiating, joining, and/or supporting any offer or proposal from, entering into any agreement with, and/or engaging in any discussions or negotiations with, any person concerning any actual or proposed transaction involving any or all of (A) another financial and/or corporate restructuring of the Debtor (other than a restructuring that would indefeasibly pay in full in cash all Obligations), (B) another debtor in possession financing facility (other than a financing that is used at its funding to indefeasibly pay in full in cash all DIP Obligations), or (C) a merger, consolidation, business combination, liquidation, recapitalization, refinancing, sale of substantially all assets, or similar transaction involving the Debtor, except as provided in paragraph 14 hereof.

(i) DIP Superpriority Claims. Subject and subordinate to the Carve-Out, pursuant to sections 364(c)(1), 503 and 507 of the Bankruptcy Code, all of the Obligations shall constitute allowed superpriority administrative expense claims against the Debtor (the “DIP Superpriority Claims”) with priority over any and all administrative expenses of the Debtor (including administrative expenses constituting Adequate Protection), whether heretofore or hereafter incurred.

8. Credit Bid Protection. Subject to the terms and conditions set forth in this Financing Order, each Final DIP Lender shall have the right to credit bid up to its pro rata share

of the Obligations in connection with any sale of all or substantially all of the Debtor's assets and property occurring pursuant to section 363 of the Bankruptcy Code or, including, without limitation, any sale occurring as part of any plan of reorganization subject to confirmation under section 1129(b) of the Bankruptcy Code or by a trustee under section 725 of the Bankruptcy Code; provided that sufficient cash funds are provided to the estate in connection with any credit bid to pay the Carve-Out, all Final DIP Lender's Fees and Third-Party Advisor Fees and all outstanding administrative claims and the Completion Fee of the CRO.

9. Monitoring of Collateral. The Final DIP Lenders and Waterloo, and their respective consultants and advisors, shall, upon execution of a Non-Disclosure Agreement (which Non-Disclosure Agreement has already been executed by Waterloo), be given reasonable access to the Debtor's books, records, assets and properties during normal business hours for purposes of monitoring the Debtor's business and the value of the DIP Collateral, and shall be permitted to conduct, at their discretion and own cost and expense, field audits, collateral examination, and environmental testing in respect of the DIP Collateral, in each case, in accordance with this Financing Order. In addition, the Debtor is authorized to pay up to \$10,000 per month from the Budget for the Final DIP Lenders' Third-Party Advisor (as defined in the DIP Credit Agreement) and, in addition for a \$100,000 monitoring fee of the Third-Party Advisor payable *pari passu* from the proceeds of a sale of the Debtor's assets, to monitor the Resource Development Plan (as defined in the DIP Credit Agreement) and evaluate other value-enhancing initiatives.

10. Financial Reporting. The Debtor shall deliver to the Final DIP Lenders, the Committee and Waterloo the following:

(a) the monthly financial reporting given to the U.S. Trustee and all of the financial reporting set forth in the DIP Credit Agreement;

(b) by no later than Friday of each week (commencing with the first Friday following the Closing Date) with a weekly variance report showing actual receipts and disbursements from operations on a weekly basis and comparing actual results (including estimated accrued but not yet billed fees and expenses for all Professionals) compared to the line items in the most recently-delivered Budget for all prior periods in form and substance satisfactory to Final DIP Lenders;

(c) as soon as practicable, but in any event within one (1) Business Day after the Debtor becomes aware of the existence of any Event of Default, written notice specifying the nature of such Event of Default, including the anticipated effect thereof;

(d) promptly, all pleadings, motions, applications, financial information and other papers and documents filed by the Debtor including the monthly operating reports required by the Bankruptcy Court, which requirement is satisfied through posting of those documents on the website maintained by Epiq Bankruptcy Solutions, LLC ("Epiq") in this case;

(e) promptly, all written reports given by the Debtor to the U.S. Trustee or to the Committee in the Debtor's case; and

(f) such other information with respect to the Debtor's business, operations, financial condition, use of Advances, collection of accounts receivable or otherwise, as may be reasonably requested by the Final DIP Lenders.

11. Carve-Out. Subject to the terms and conditions contained in this paragraph, the DIP Liens, the superpriority claims granted to the Final DIP Lenders pursuant to this Financing Order, and the Adequate Protection Liens shall be subject to the following: (i) unpaid fees of the Clerk of the Bankruptcy Court and the U.S. Trustee pursuant to 28 U.S.C. § 1930(a); (ii) allowed, accrued, but unpaid fees and expenses of any trustee under section 726(b) of the Bankruptcy Code, not to exceed \$25,000 in the aggregate; (iii) fees and expenses for any Professional retained pursuant to sections 327, 328, 363 or 1103 of the Bankruptcy Code by the Debtor or the Committee (the “Professional Fees”) incurred at any time on or prior to the calendar day immediately prior to the date of the delivery of a Carve-Out Notice (as defined herein) to the extent such Professional Fees are consistent with cash payments provided for and specified within the Budget in effect at the time such fees and expenses are incurred and such fees and expenses are allowed by the Bankruptcy Court; and (iv) allowed, accrued, but unpaid Professional Fees of Borrower and the Committee after the delivery of a Carve-Out Notice, not to exceed \$100,000 in the aggregate, to the extent such Professional Fees are consistent with the Budget and such Professional Fees are allowed and approved by the Bankruptcy Court (the fees and expenses described in subsections (i)-(iv), collectively, the “Carve-Out”). The foregoing shall not affect the right of the Debtor, the Final DIP Lenders, the Committee, the U.S. Trustee or other parties in interest to object to the allowance and payment of any amounts covered by the Carve-Out. Payment of any portion of the Carve-Out shall not, and shall not be deemed to, (A) reduce any of the Obligations or the Prepetition Obligations owed by the Debtor or (B) subordinate, modify, alter or otherwise affect any of the DIP Liens or the Prepetition Liens. The “Carve-Out Notice” shall mean a written notice delivered by the Final DIP Lenders to the

Debtor, counsel to the Debtor, counsel to the Committee, and the United States Trustee, which notice may be delivered after an Event of Default has occurred and is continuing (and specifying the Event of Default which has occurred), after giving effect to any applicable grace periods.

12. Cash Management. Subject to the Budget, the Debtor shall maintain a cash management system substantially identical to the cash management system that they maintained immediately prior to the Petition Date, provided, however, the Debtor may open, in addition to a DIP operating account, separate checking accounts for: (i) the payment of any utility deposits that may be established by order of this Bankruptcy Court; and (ii) the payment of all fees and expenses subject to the provisions related to payment of Professional fees.

13. Disposition of Collateral. Absent the written consent of the Final DIP Lenders and approval from this Court, the Debtor shall not sell, transfer or otherwise dispose of any of the Debtor's assets in excess of \$50,000 (excluding sales in the ordinary course) that is not in accordance with the Exit Milestones set forth in paragraph 14 hereof.

14. Exit Milestones. The Debtor shall comply with the following milestones (the "Exit Milestones") with respect to the sale of all or substantially all of its assets consistent with the following milestones: (a) on or before November 15, 2016, receive initial expressions of interest from potential purchasers or investors; (b) on or before December 15, 2016, receive final, binding offers of purchase and/or investment from potential purchasers and/or investors; (c) on or before December 31, 2016, receive approval from the Bankruptcy Court to enter into a purchase and sale agreement or other agreement related to a sale and/or investment transaction (the "Transaction Agreements"); and (d) on or before January 15, 2017, complete the sale and/or investment transaction contemplated by the Transaction Agreements. After consultation with the

Final DIP Lenders, and after not less than fourteen (14) days' notice to Final DIP Lenders, the Committee and Waterloo, the foregoing Exit Milestones may be extended once upon exercise of the discretion of the Debtor's CROs for a period of not more than sixty (60) days in the aggregate if, in their business judgment, such an extension is necessary to maximize the value of the Debtor's assets and/or improve the prospects of the sale process and/or an alternative resolution such as a plan of reorganization, provided the Debtor has sufficient cash to operate during such additional extended period.

15. Adequate Protection of Prepetition Secured Parties. As adequate protection, holders of the, valid, enforceable, perfected and non-avoidable liens Prepetition Liens are hereby granted the following (collectively, "Adequate Protection"):

(a) Adequate Protection Liens. To the extent of, and in an aggregate amount equal to, the diminution in value of such interests, from and after the Petition Date, calculated in accordance with section 506(a) of the Bankruptcy Code, resulting from, among other things, the use, sale or lease by the Debtor of the Prepetition Collateral, the granting of the DIP Liens, the subordination of the Prepetition Liens and the imposition or enforcement of the automatic stay of section 362 of the Bankruptcy Code (collectively, "Diminution in Value"), holders of the Prepetition Liens shall have a valid and perfected replacement security interest and lien upon all of the DIP Collateral (the "Adequate Protection Liens"), subject to the terms of this Financing Order. The Adequate Protection Liens shall in all cases be subject to the Carve-Out, the Completion Fee of the CROs, the DIP Obligations, the Final DIP Lenders' Fees, the Third-Party Advisor Fees, and payment of the \$150,000 gap period fees of the CRO's.

(b) Adequate Protection Superpriority Claim. To the extent of the aggregate Diminution in Value, holders of valid, enforceable, perfected and non-avoidable liens Prepetition Liens shall have, subject to the payment of the Carve-Out, an allowed superpriority administrative claim as provided for in section 507(b) of the Bankruptcy Code, immediately junior and subject to the superpriority administrative claims granted to the Final DIP Lenders by this Financing Order; provided, that the holders of the Prepetition Liens shall not receive or retain any payments, property, distribution or other amounts in respect of their superpriority claim unless and until the DIP Obligations and (without duplication) the superpriority claims of the Final DIP Lenders have indefeasibly been paid in full in cash.

16. Automatic Stay. Upon ten (10) business days' written notice to the Debtor, with copies to counsel for the Committee, the United States Trustee and Waterloo, and without prejudice to the Debtor's ability to seek relief from this Bankruptcy Court prior to the expiration of the such period, without requiring further order from the Bankruptcy Court, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit either the Final DIP Lenders to exercise, upon the occurrence and during the continuance of any Event of Default (as defined in the DIP Credit Agreement), all rights and remedies provided for in the DIP Facility Documents, pursuant to and subject to the terms and conditions set forth therein and in this Financing Order. Upon receiving a written notice of default, the Debtor, the Committee, the U.S. Trustee and other parties in interest shall be entitled to seek an expedited hearing with the Bankruptcy Court.

17. No Waiver. The failure of the Final DIP Lenders to seek relief or otherwise exercise their rights and remedies under this Financing Order or the DIP Facility Documents or

otherwise, as applicable, shall not constitute a waiver of any of the Final DIP Lenders' rights hereunder, thereunder, or otherwise.

18. Modification of the DIP Facility Documents. The DIP Facility Documents may be modified or amended without further order of the Bankruptcy Court so long as such modification or amendment is in writing and signed by each of the Final DIP Lenders and the Debtor and complies with, and is effectuated in accordance with, the DIP Credit Agreement.

19. Modification of Automatic Stay. The automatic stay imposed under Bankruptcy Code section 362 is hereby modified and lifted to the extent necessary to effectuate the terms of this Financing Order and the DIP Facility Documents.

20. Binding Effect. The provisions of this Financing Order shall be binding upon and inure to the benefit of the Final DIP Lenders, holders of Prepetition Liens and Other Prepetition Liens, the Debtor, and each of the foregoing parties' respective successors and assigns, including any trustee hereafter appointed for the estate of the Debtor, whether in this Bankruptcy Case or in the event of the conversion of the Bankruptcy Case to a liquidation under chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Financing Order.

21. Survival. The provisions of this Financing Order and any actions taken pursuant hereto shall survive (x) the entry of any order (a) confirming any plan of reorganization in this Bankruptcy Case (and, to the extent not satisfied in full, in cash, the Obligations shall not be discharged by the entry of any such order, or pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtor having hereby waived such discharge), (b) converting the Chapter 11 Case to a chapter 7 case, or (c) dismissing the Chapter 11 Case and (y) the repayment or refinancing of the DIP Obligations. Unless otherwise provided in the DIP Facility Documents, the DIP Liens, the

DIP Superpriority Claims granted to Final DIP Lenders pursuant to this Financing Order, and the Adequate Protection Liens shall continue in full force and effect notwithstanding the entry of any such order, and such claims and liens shall maintain their priority as provided by this Financing Order, the DIP Facility Documents to the maximum extent permitted by law until all of the Obligations and the Prepetition Obligations are indefeasibly paid in full, in cash.

22. No Third Party Rights. Except as explicitly provided for herein, this Financing Order does not create any rights for the benefit of any party, creditor, equity holder or other entity other than the Final DIP Lenders, the holders of Prepetition Liens or Other Prepetition Liens, and the Debtor, and their respective successors and assigns.

23. Subsequent Reversal. If any or all of the provisions of this Financing Order or the DIP Facility Documents are hereafter modified, vacated, amended, or stayed by subsequent order of the Bankruptcy Court or any other court: (a) such modification, vacatur, amendment, or stay shall not affect the validity of the Obligations or the Adequate Protection Obligations or the validity, enforceability, or priority of the DIP Liens, the DIP Superpriority Claims pursuant to this Financing Order, and the Adequate Protection Liens or other protections authorized or created by this Financing Order or the DIP Facility Documents; and (b) the Obligations and the Adequate Protection Liens shall continue to be governed in all respects by the original provisions of this Financing Order and the DIP Facility Documents, and the validity of any obligations, security interests, liens or other protections described in this paragraph shall be protected by section 364(e) of the Bankruptcy Code.

24. Effect of Dismissal of the Bankruptcy Case. If the Chapter 11 Case is dismissed, converted, or substantively consolidated, then neither the entry of this Financing Order nor the

dismissal or conversion of the Chapter 11 Case shall affect the rights of the Final DIP Lenders and the Prepetition Secured Parties (as to Adequate Protection) under their respective documents or this Financing Order, and all of the respective rights and remedies thereunder of the Final DIP Lenders and the holders of the Prepetition Liens (as to Adequate Protection) shall remain in full force and effect as if the Chapter 11 Case had not been dismissed, converted or substantively consolidated. Notwithstanding the entry of an order dismissing the Chapter 11 Case at any time, (a) the DIP Liens and the DIP Superpriority Claims granted to and conferred pursuant to this Financing Order and the DIP Facility Documents shall continue in full force and effect and shall maintain their priorities as provided in this Financing Order until all Obligations shall have been paid and satisfied in full, (b) the Adequate Protection granted to and conferred upon the Prepetition Secured Parties shall continue in full force and effect and shall maintain their priorities as provided in this Financing Order until the Adequate Protection Obligations have been satisfied, and (c) this shall retain jurisdiction, notwithstanding such dismissal, for the purpose of enforcing the Liens, the superpriority claims, and the Adequate Protection Liens granted in this Financing Order and the DIP Facility Documents. Any hearing on a motion to dismiss the Chapter 11 Case shall require at least ten (10) days' prior notice to counsel to the Final DIP Lenders.

25. Controlling Effect of Financing Order. To the extent any provision of this Financing Order conflicts with any provision of the Motion or any DIP Facility Document, the provisions of this Financing Order shall control.

26. Retention of Jurisdiction. Notwithstanding any provision in the DIP Facility Documents, this Bankruptcy Court shall retain jurisdiction over all matters pertaining to the

implementation, interpretation and enforcement of this Financing Order, the DIP Facility, or the DIP Facility Documents.

27. Notice of the Financing Order. The Debtor shall promptly mail or fax copies of this Financing Order to the Notice Parties within three (3) business days of the date hereof.

28. Chief Restructuring Officer Fees. Notwithstanding anything to the contrary in this Financing Order, the CRO's shall be entitled to receive first proceeds from the Sale Process up to \$150,000 for services provided to the Debtor prior to August 4, 2016 and not otherwise paid or covered by an existing retainer. Further, in addition to amounts allocated under the Budget for CRO services, the CRO's shall be entitled to receive a fixed fee in the amount of \$1 million from proceeds from the sale of the Debtor's assets, which fixed fee be paid immediately after the satisfaction of, the Obligations.

29. Resolution of Ironshore and Lexon Objection and Surety Bond Program. Nothing in the Budget or this Final Order is intended to limit or restrict in any fashion the Debtor's ability to use Cash Collateral to perform those activities required to remain in, or return to compliance with laws in accordance with 28 U.S.C. Section 959 including, if necessary, obtaining additional surety or other financial assurance for such compliance.

30. Notwithstanding anything herein to the contrary, any prohibition against a Section 506(c) surcharge herein shall not apply to prohibit a surcharge of expenses incurred to perform those activities required to remain in, or return to compliance with laws in accordance with 28 U.S.C. Section 959.

31. Notwithstanding anything herein to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the

sureties under: (a) any Collateral Trust Agreements, indemnity and related agreements with the Debtors; (b) applicable law; or (c) any related letters of credit, all of which rights are expressly reserved.

32. Resolution of Brahma Group Objection. The DIP Liens granted under this Financing Order shall not prime or be superior to the liens or security interests of the valid, enforceable, perfected, and non-avoidable liens or security interests of Brahma Group, Inc.

33. Resolution of Komatsu and Caterpillar Objections. The Limited Objection and Response to Debtor's Final Order Pursuant to Sections 105, 361, 362, 363, 364, 365 and 507 of the Bankruptcy Code [Dkt. No. 304] and all prior objections to the Motion (collectively, the "**Komatsu Objection**") filed by secured creditor Komatsu Financial Limited Partnership ("**Komatsu**"), and the Limited Objection and Response to Debtor's Final Order Pursuant to Sections 105, 361, 362, 363, 364, 365 and 507 of the Bankruptcy Code [Dkt. No. 305] and all prior objections to the Motion (collectively, the "**Caterpillar Objection**") filed by secured creditor Caterpillar Financial Services Corporation ("**Caterpillar**") shall be, and hereby are deemed resolved based upon the following provisions of this Order related to Komatsu and Caterpillar and any equipment or other property of the Debtor upon which Komatsu or Caterpillar holds or claims a lien or security interest (the "**Komatsu/Caterpillar Collateral**"):

(a) Nothing set forth herein or in any prior, interim orders concerning the Motion shall be deemed to prime or impair, in any way, any lien on or security interest that Komatsu or Caterpillar may have in any of the Komatsu/Caterpillar Collateral, and Komatsu's and Caterpillar's liens on and security interests in the Komatsu/Caterpillar Collateral shall

maintain the same nature, extent, validity and priority as such liens and security interests had as of the Petition Date;

(b) The Debtor shall continue at all times, pending further order of the Court, to insure, maintain and protect the Komatsu/Caterpillar Collateral in accordance with all contractual agreements between Komatsu, Caterpillar and the Debtor and shall, within no more than two (2) business days after written request from Komatsu, Caterpillar or its counsel, provide Komatsu and Caterpillar (i) with proof that the Komatsu/Caterpillar Collateral is insured in accordance with the terms of its contractual agreements with Komatsu and Caterpillar, and (ii) with access to and the right to inspect the Komatsu/Caterpillar Collateral or any portion thereof;

(c) Within five (5) business days of the entry of this Order, the Debtor shall inform Komatsu or Caterpillar in writing of any portion or piece of the Komatsu or Caterpillar Collateral that it intends to use or operate after the entry of this Order. With respect to all such Komatsu/Caterpillar Collateral, and any portion or piece of the Komatsu/Caterpillar Collateral that the Debtor actually uses after the entry of this Order, the Debtor shall be required to pay the regular monthly installment or other contractual payments for such Komatsu/Caterpillar Collateral as and when the same come due under the loan and security documents between Komatsu, Caterpillar and the Debtor, and all such payments shall be deemed sufficient adequate protection payments for the Debtor's continued possession and use of such collateral;

(d) With respect to any portion or piece of the Komatsu/Caterpillar Collateral that the Debtor does not use or operate after the entry of this Order (other than such incidental use and operation as may be necessary to keep the Komatsu/Caterpillar Collateral maintained and in good working order), the Debtor shall not be required to make any debt service or

adequate protection payments to Komatsu or Caterpillar, provided that the Debtor continues to insure, maintain and otherwise protect and account for such collateral as required by the terms of this Order; and

(e) Subject to the Debtor's full and complete compliance with all of the foregoing requirements concerning Komatsu and Caterpillar and the Komatsu/Caterpillar Collateral, Komatsu and Caterpillar's interests in the Komatsu/Caterpillar Collateral shall be deemed to be adequately protected, and Komatsu and Caterpillar shall not be entitled to seek further adequate protection or seek relief from the automatic stay concerning the Komatsu/Caterpillar Collateral until on or after November 15, 2016.

* * * * **END OF ORDER** * * * *

Approved as to form and substance:

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LLC*

DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing Order shall be served to the following parties in the manner designated below:

By Electronic Service (CM/ECF) – I certify that the parties of record in this case as identified below, are registered CM/ECF users and will be served notice of the foregoing Order through the CM/ECF system:

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By U.S. Mail Service – In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed. R. Civ. P. 5(b):

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/s/ Jeff Tuttle _____

CERTIFICATE OF SERVICE

I hereby certify that on October 5, 2016, I electronically filed the foregoing document with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the parties of record in this case as identified below, are registered CM/ECF users and will be served through the CM/ECF system.

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By U.S. mail – Epiq Bankruptcy Solutions, LLC, who was appointed as Claims and Noticing Agent, on September 28, 2016 [Docket No. 331] Is preparing and will subsequently file with the court a certificate of service.

/s/ Wendy H. Kalawaia

EXHIBIT A

DEBTOR IN POSSESSION CREDIT AND SECURITY AGREEMENT

Dated as of September __, 2016

between

CS MINING, LLC
Debtor and Debtor-in-Possession,

as Borrower

and

WELLINGTON FINANCING PARTNERS, LLC,
BROADBILL PARTNERS, L.P.
ST. CLOUD CAPITAL PARTNERS, II, L.P.

as DIP Lenders

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This DEBTOR IN POSSESSION CREDIT AND SECURITY AGREEMENT (“Agreement”) is entered into as of September ___, 2016, by and between CS MINING, LLC, a Delaware limited liability company, as debtor and debtor in possession (“Borrower” or “Debtor”), and WELLINGTON FINANCING PARTNERS, LLC, a Delaware limited liability company (“Wellington”), BROADBILL PARTNERS, L.P., a Delaware limited partnership (“Broadbill”), and ST. CLOUD CAPITAL PARTNERS II. L.P. and/or ST. CLOUD/CPEC (HOLDCO BLOCKER), LP. (“St. Cloud,” and collectively with Wellington, and Broadbill, and each of their successors, assigns and participants, “DIP Lenders”; each of Wellington, Broadbill, and St. Cloud, together with its respective successors, assigns and participants, a “DIP Lender”).

RECITALS

A. On June 2, 2016 (the “Petition Date”), Case No. 16-24818 (the “Bankruptcy Case”) was commenced against Borrower by the filing of an involuntary petition (the “Involuntary Petition”) for relief against Borrower under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. 101 et seq. (the “Bankruptcy Code”), with the United States Bankruptcy Court for the District of Utah (the “Bankruptcy Court”).

B. On August 4, 2016 (the “Relief Date”), Borrower consented to the Involuntary Petition and an order for relief was entered by the Bankruptcy Court in the Bankruptcy Case.

C. Borrower continues to operate its business and manage its property as a debtor and debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

D. On August 8, 2016, Debtor filed the Motion for Interim and Final Orders (i) Authorizing the Debtor to Obtain Superpriority Secured Debtor-In-Possession Financing; (ii) Authorizing Debtor to Use Cash Collateral; (iii) Granting Adequate Protection to the Prepetition Secured Parties; (iv) Scheduling a Final Hearing and (v) Granting Related Relief (the “DIP Financing Motion”) with the Bankruptcy Court pursuant to Bankruptcy Rules 2002, 4001 and 9014.

E. On August 9, 2016 the Bankruptcy Court entered the Interim Order Pursuant to Sections 105, 361, 362, 363, 364, 365 and 507 of the Bankruptcy Code (i) Authorizing Debtor to Obtain Superpriority Secured Debtor-In-Possession Financing, (ii) Authorizing Debtor to Use Cash Collateral, (iii) Granting Adequate Protection to the Prepetition Secured Parties, (iv) Scheduling a Final Hearing, and (v) Granting Related Relief (the “Interim Financing Order”) wherein the Bankruptcy Court found, among other things, that the Debtor has an immediate and critical need to obtain up to the amount of the Interim DIP Loan and access to “cash collateral” as that term is used in section 363(a) of the Bankruptcy Code, including all “cash collateral” that constitutes Prepetition Collateral subject to the Prepetition Liens (as each of these terms are defined below) (collectively, the “Cash Collateral”). The Interim Financing Order approved by the Bankruptcy Court on an interim basis, involving approval of \$2,675,000 of an approximately \$7,675,000 priming, superpriority debtor-in-possession proposed facility to be made by Wellington, Broadbill and Waterloo Street Limited, a British Virgin Islands limited company (“Waterloo”).

F. On September 7, 2016, the Bankruptcy Court entered the Order Approving Stipulation by and between Debtor, DIP Lenders and Committee Increasing the Interim DIP Loan and Extending Term of Interim Financing (the “Interim Financing Extension Order”). The Interim Financing Extension Order authorized Wellington and Broadbill to advance \$500,000 of additional lending to Borrower under the Interim Financing Order and Wellington, Broadbill, and/or Waterloo to advance an additional \$500,000 to Borrower under the Interim Financing Order as needed. On September 12, 2016, Wellington and Broadbill advanced a combined \$1,000,000 to the Debtor pursuant to the Interim Financing Extension Order, with Wellington funding \$467,637.32 and Broadbill \$532,362.68.

G. As set forth more fully in the DIP Financing Motion, Debtor requested, and Waterloo, Wellington and Broadbill agreed to advance, subject to mutually-acceptable detailed loan documents, a secured superpriority financing facility in the aggregate principal amount of \$7,675,000 comprised of (i) a new money fully committed and funded multi draw term loan (the “Proposed Waterloo DIP Facility”) in an aggregate principal amount of \$3,675,000 (the “Interim DIP Loan”) funded by Waterloo, Wellington and Broadbill on August 10, 2016, of which Waterloo advanced \$1,000,000, Wellington advanced \$2,002,911.96 and Broadbill advanced \$672,088.04 on an interim basis and (ii) up to an additional \$4,000,000 (and together with the Interim DIP Loan, the “Proposed Waterloo DIP Loans”).

H. Waterloo, Wellington and Broadbill were unable to reach agreement on a final form of the loan documents for the Proposed Waterloo DIP Facility and Proposed Waterloo Loans. Given the Borrower’s needs for post-petition financing on terms equal to or better than the terms set forth in the term sheet appended to the Interim Financing Order, the DIP Lenders submitted this Agreement to Borrower, which has been approved by Borrower’s CROs.

I. DIP Lenders are willing make available to Borrower a priming secured superpriority line of credit (the “DIP Facility”), during the pendency of the Bankruptcy Case, Advances (as defined in Section 1.1) in an aggregate amount not to exceed the Maximum Amount (as defined in Section 1.1), which Advances will be used by Borrower for its operating and maintenance expenses arising during the pendency of the Bankruptcy Case, and fees of Borrower’s and the Committee’s (as defined in Section 1.1) Professionals.

J. To provide security for the repayment of the DIP Loan made available pursuant hereto and payment of any other DIP Obligations of Borrower under the DIP Facility Documents, Borrower has agreed to provide DIP Lenders with the following:

- (1) with respect to the obligations of Borrower hereunder and under the other DIP Facility Documents, and subject to the Carve-Out (as defined below), an allowed administrative expense claim in the Bankruptcy Case pursuant to Section 364(c)(1) of the Bankruptcy Code having priority over all administrative expenses of the kind specified in or arising under any Section of the Bankruptcy Code (including Sections 105, 326, 328, 330, 331, 503(b) 507(a), 507(b), 546(c) or 726 thereof);

- (2) a perfected first priority Lien, pursuant to Section 364(c)(2) of the Bankruptcy Code, on all property of Borrower that was unencumbered by any Lien as of the Petition Date; and
- (3) excluding the prepetition liens of Waterloo, David J. Richards, LLC d/b/a Western US Mineral Investors LLC (“WUMI”) and Sky Mineral Partners, LLC (“SMP”) (together, the “Prepetition Liens”), which the Borrower intends to provide DIP Lenders with valid, perfected and unavoidable first priority priming Lien over, a perfected junior Lien, pursuant to Section 364(c)(3) of the Bankruptcy Code, upon all property of Borrower, that was subject to valid, perfected and unavoidable Liens as of the Petition Date (the “Other Prepetition Liens”). (For the avoidance of doubt, Borrower proposes to provide a valid, perfected and unavoidable priming lien in favor of DIP Lenders over the Prepetition Liens of Waterloo, WUMI and SMP, and only a junior valid, perfected and unavoidable Lien under all Other Prepetition Liens). A schedule of Other Prepetition Liens known to Borrower, which may or may be validly existing or properly perfected, is attached hereto as **Exhibit D**.
- (4) a perfected first priority Lien, pursuant to Section 364(d) of the Bankruptcy Code, upon all property of Borrower, that primes the valid, perfected and unavoidable Prepetition Liens as of the Petition Date of Waterloo, WUMI and SMP. (For the avoidance of doubt, Borrower proposes to provide a valid, perfected and unavoidable priming lien in favor of DIP Lenders over the Prepetition Liens of Waterloo, WUMI and SMP, but does not intend to provide, and is not providing, the DIP Lenders with a valid, perfected and unavoidable priming Lien over any other valid, perfected and unavoidable Other Prepetition Liens.)

DIP Lenders will also be granted a superpriority administrative claim pursuant to the Final Financing Order and described in **Section 4.3**.

K. DIP Lenders have agreed to make available to Borrower the secured, priming superpriority line of credit upon the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

I. DEFINITIONS

1.1. Defined Terms. As used in this Agreement, the following terms shall have the respect meanings set forth below:

“Advances” means the advances pursuant to this Agreement.

“Agreement” has the meaning set forth in the introductory paragraph of this Agreement.

“Bankruptcy Case” has the meaning set forth in the recitals of this Agreement.

“Bankruptcy Code” has the meaning set forth in the recitals of this Agreement.

“Bankruptcy Court” has the meaning set forth in the recitals of this Agreement.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure.

“Borrower” has the meaning set forth in the introductory paragraph of this Agreement.

“Borrower’s CROs” means Michael Buenzow, David J. Beckman and Randy Davenport of FTI Consulting, Inc.

“Budget” means the monthly operating budget of Borrower for the period from the Closing Date through the Maturity Date in the form previously approved by the Bankruptcy Court in the Interim Financing Order. For the avoidance of doubt, the Budget is attached as **Exhibit A**.

“Business Day” means any day other than a Saturday, a Sunday, any day which is a legal holiday under the laws of the State of Utah, or any day on which banking institutions located in the State of Utah are required by law or other governmental action to close.

“Carve-Out” means (i) allowed, accrued, but unpaid Professional Fees and expenses of Borrower and the Committee, prior to the delivery by DIP Lenders of a Carve-Out Notice (as defined below), whether allowed prior to or after the delivery of such notice, provided that such fees and expenses are consistent with cash payments provided for in the Budget in effect at the time such fees and expenses are incurred and such fees and expenses are allowed by the Bankruptcy Court; (ii) allowed, accrued, but unpaid fees and expenses of any trustee under section 726(b) of the Bankruptcy Code, not to exceed \$25,000 in the aggregate; (iii) allowed, accrued, but unpaid Professional Fees of Borrower and the Committee after the delivery of a Carve-Out Notice, not to exceed \$100,000 in the aggregate; and (iv) the payment of fees pursuant to 28 U.S.C. § 1930, plus any interest pursuant to 31 U.S.C. § 3717; in each case, up to the amounts specified in the Budget or as otherwise required to be paid pursuant to the Bankruptcy Code. For the avoidance of any doubt, Allowed Professional Fees of up to the amounts specified in the Budget will be paid in cash from the DIP Loan proceeds, consistent with and on the schedule specified to be paid in cash under the Budget. As long as no Default or Event of Default shall have occurred and be continuing, the Borrowers shall be permitted to pay compensation and reimbursement of expenses allowed and payable under sections 330 and 331 of the Bankruptcy Code up to the amounts specified to be paid in cash under the Budget, as the same may be due and payable. Any and all amounts of the Carve-Out (subsection (i) through (iv) above) that are not paid in cash from the DIP Loan proceeds shall be payable from the proceeds of any sale of the Borrower’s assets or the sale of the Collateral, and such payments shall be made before the satisfaction of the DIP Obligations, the DIP Lenders’ claims, the Prepetition Liens, or Other Prepetition Liens.

“Carve-Out Notice” shall mean a written notice delivered by DIP Lenders to Borrower, counsel to Borrower, counsel to the Committee, and the United States Trustee, which notice may be delivered after an Event of Default has occurred and is continuing (and specifying the relevant provisions of Article VIII under which Event of Default occurred).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

“CERCLIS” means the Comprehensive Environmental Response Compensation Liability Information System List.

“Closing Date” means September 23, 2016.

“Collateral” has the meaning set forth in **Section 4.1**.

“Committee” means the Official Committee of Unsecured Creditors appointed by the Bankruptcy Court in the Bankruptcy Case.

“Completion Fee” means a completion fee with respect to Borrower’s CROs in the event of a successful sale of the Borrower’s assets or reorganization of Borrower in the same form as Borrower’s CROs existing completion fee agreement and approved by the Interim Financing Order.

“Contingent Liability” means, relative to any Person, any agreement, undertaking or arrangement by which such 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 Borrower, or otherwise to assure a creditor against loss) the Indebtedness of any other Person (other than by endorsements of instruments in the course of collection or standard contractual indemnities entered into in the ordinary course of business), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person’s obligation under any Contingent Liability shall be deemed to be the outstanding principal amount of the debt obligation or other liability guaranteed thereby.

“Credit Exposure” means, as to any DIP Lender at any time, the aggregate principal amount of its DIP Loans outstanding at such time.

“Cure Period” means a time period equal to five Business Days following DIP Lenders providing a written notice of an Event of Default to Borrower.

“Default Rate” means a per annum interest rate equal to seven and eight-tenths percent (7.8%).

“Development Milestones” has the meaning set forth in **Section 7.10**.

“DIP Facility” has the meaning set forth in the recitals of this Agreement.

“DIP Facility Documents” means this Agreement, the Note(s) and all other agreements, instruments, documents and certificates identified in the Schedule of Documents executed and delivered to, or in favor of, DIP Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of Borrower, or any employee of Borrower, and delivered to DIP Lenders in connection with this Agreement or the transactions contemplated hereby, including the Final Financing Order. Any reference in this Agreement or any other DIP Facility Document to a DIP Facility Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such DIP Facility Document as the same may be in effect at any and all times such reference becomes operative. The term DIP Facility Documents does not include any loans, advances, debts, liabilities and obligations, howsoever arising, owed by Borrower to the DIP Lenders prior to June 2, 2016.

“DIP Financing Motion” has the meaning set forth in the recitals of this Agreement.

“DIP Lender” or “DIP Lenders” has the meaning set forth in the introductory paragraph of this Agreement.

“DIP Liens” has the meaning set forth in **Section 4.1**.

“DIP Loan” means the loan(s) provided for in this Agreement.

“DIP Obligations” means the DIP Loan, the interest thereon, and all other advances, debts, liabilities, obligations, fees, charges, expenses, covenants and duties owing by Borrower to DIP Lenders arising under this Agreement and the other DIP Facility Documents, including any fees, charges, or expenses incurred by a DIP Lender in connection with the enforcement of any rights or remedies under this Agreement. Any reference in this Agreement or in the other DIP Facility Documents to the DIP Obligations shall include all or any portion thereof and any extensions, modifications, renewals or alterations thereto.

“Environmental Law” means any applicable federal, state, or local statutes, laws, ordinances, codes, rules, regulations, and guidelines (including consent decrees and administrative orders) relating to public health and safety and protection of the environment.

“Event of Default” has the meaning set forth in **Section 10.1**.

“Exit Milestones” has the meaning set forth in **Section 7.11**.

“Final Financing Order” means the order or orders of the Bankruptcy Court entered in the Bankruptcy Case after a final hearing under Bankruptcy Rule 4001, which order or orders shall be satisfactory in form and substance to DIP Lenders, and shall approve and authorize on a final basis (including the expiration or all appeals and extension periods), the DIP Facility.

“GAP Facility” means a \$700,000.00 principal loan extended by certain of DIP Lenders to Borrower to fund amounts due and owing to attorneys, advisors and other parties necessary for the Borrower during the time period after the filing of the Involuntary Petition but prior to the Relief Date.

“Hazardous Substances” means:

- (a) any “hazardous substance,” as defined by CERCLA;
- (b) any “hazardous waste,” as defined by the Resource Conservation and Recovery Act, as amended; or
- (c) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material or substance (including any petroleum product) within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended.

“Indebtedness” of any Person means (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (including reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers’ acceptances, whether or not matured, (b) all obligations evidenced by notes, debentures, bonds, or similar instruments, (c) 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), (d) all indebtedness referred to in clauses (a) through (d) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, (e) the DIP Obligations, (f) Contingent Liabilities of such Person in respect of any of the foregoing, and (g) any guaranty of such Person relating to any Indebtedness set forth in clauses (a) through (f) above.

“Indemnified Person” is defined in **Section 11.14**.

“Interest Rate” means a per annum interest rate equal to seven percent (7.0%).

“Involuntary Petition” has the meaning set forth in the recitals of this Agreement.

“Interim Financing Order” has the meaning set forth in the recitals of this Agreement.

“Interim Financing Extension Order” has the meaning set forth in the recitals of this Agreement.

“Interim DIP Loan” has the meaning set forth in the recitals of this Agreement.

“Lender’s Environmental Liability” means any and all losses, liabilities, obligations, penalties, claims, litigations, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements, or expenses of any kind or nature whatsoever (including reasonable attorneys’ fees at trial and appellate levels and reasonable consultants’ and experts’ fees, disbursements, and expenses incurred in investigating, defending

against or prosecuting any litigation, claim, or proceeding) which may at any time be imposed upon, incurred by, or asserted or awarded against, any DIP Lender:

- (a) any Hazardous Substances on, in, under or affecting all or any portion of any property of Borrower, the groundwater thereunder, or any surrounding areas thereof to the extent caused by Releases from Borrower or any of its properties;
- (b) any misrepresentation, inaccuracy, or breach of any warranty, contained in **Section 5.12**;
- (c) any violation or claim of violation by Borrower of any Environmental Laws; or
- (d) the imposition of any Lien for damages caused by or the recovery of any costs for the cleanup, release or threatened release of Hazardous Substances by Borrower or in connection with any property owned or formerly owned by Borrower.

“**Lien**” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the law of any jurisdiction).

“**Material Adverse Effect**” means a material adverse effect on: (a) the business, assets, operations or financial condition of Borrower; (b) Borrower’s ability to pay the DIP Loan or any of the other DIP Obligations in accordance with the terms of this Agreement; (c) the Collateral or DIP Lender’s Liens on the Collateral or the priority of such Liens; or (d) DIP Lenders’ rights and remedies under this Agreement and the other DIP Facility Documents.

“**Maturity Date**” means earliest to occur of:

- (a) June 1, 2017 which date may be extended by thirty (30) days by Borrower without DIP Lender approval if (a) recommended by Borrower’s CROs as appropriate to maximize value to all stakeholders and (b) Borrower has sufficient cash to operate during such additional 30-day period;
- (b) the effective date of a confirmed plan of reorganization in the Bankruptcy Case;
- (c) the effective date of the closing of a sale of all or substantially all of the assets of Debtor; or
- (d) the date of acceleration of the DIP Facility following the occurrence and during the continuance of an Event of Default pursuant to **Section 10.1**.

“**Maximum Amount**” means an aggregate amount equal to \$7,675,000, subject to increased amounts which may be advanced (for which Bankruptcy Court approval will be sought).

“**Note(s)**” has the meaning set forth in **Section 2.2**.

“Other Prepetition Liens” has the meaning set forth in the recitals of this Agreement.

“Person” means any individual, sole proprietorship, partnership, firm, association, joint venture, trust, limited liability company, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government body (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

“Permitted Liens” means any of the following types of Liens:

- (a) Liens securing payment of the DIP Obligations and Indebtedness permitted under subsections (ii) and (iv) of **Section 8.4**;
- (b) Liens in favor of carriers, warehousemen, mechanics, materialmen and landlords granted in the ordinary course of business for amounts not overdue or being diligently contested in good faith by appropriate proceedings;
- (c) Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (excluding, however, obligations for the payment of borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;
- (d) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances not interfering in any material respect with the value or use of the property to which such Lien is attached;
- (e) Liens for Taxes not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books;
- (f) customary rights of set-off, revocation, refund or charge back under deposit agreements or under the UCC of banks or other financial institutions; and
- (g) Liens permitted under the prepetition loan documents existing as of the Petition Date.

“Permitted Variance” means an amount not to exceed the product of (a) the total budgeted disbursements (without regard to the specific line items therein) following the Effective Date and (b) fifteen percent (15.0%) on a cumulative basis.

“Petition Date” has the meaning set forth in the recitals of this Agreement.

“Prepetition Collateral” means collateral subject to the Prepetition Liens.

“Prepetition Creditors” means lenders, lienholders, liens, creditors and parties who were creditors of Borrower before the Petition Date and their affiliates, officers, directors, members,

employees, accountants, agents, partners, attorneys, advisors, successors in interest, and representatives.

“Prepetition Liens” has the meaning set forth in the recitals of this Agreement.

“Professional Fees” means the fees and expenses of Professionals as approved by the Bankruptcy Court.

“Professionals” means, collectively, any and all professional Persons, retained by the Debtor or the Committee.

“Proposed Waterloo DIP Facility” has the meaning set forth in the recitals of this Agreement.

“Proposed Waterloo DIP Documents” has the meaning set forth in the recitals of this Agreement.

“Proposed Waterloo DIP Loan” has the meaning set forth in the recitals of this Agreement.

“Qualified Person” means an independent engineer or geoscientist who meets requirements set forth in current National Instrument 43-101 rules and policies.

“Release” means a “release,” as such term is defined in CERCLA.

“Relief Date” has the meaning set forth in the recitals of this Agreement.

“Required DIP Lenders” means at the relevant time, DIP Lenders having with 66% of Credit Exposures.

“Resource Development Plan” means a resource development program with reasonable contingencies and options, including all aspects of data acquisition, sampling and analysis that is intended to achieve a defined outcome with respect to the creation of proven and probable and/or measured and indicated resource.

“Restricted Payment” means, with respect to any Person, (a) any dividend or other payment or distribution, direct or indirect, on account of any shares of any class of Stock of such Person, now or hereafter outstanding, or to the holders, in their capacity as such, of any shares of any class of Stock of such Person, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Stock of such Person, now or hereafter outstanding, and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Stock of such Person, now or hereafter outstanding.

“Schedule of Documents” means the schedule of documents, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with this Agreement, the other DIP Facility Documents and the transactions contemplated thereunder, in the form attached hereto as **Exhibit B**.

“Stock” means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Third-Party Advisor” has the meaning set forth in **Section 11.13** of this Agreement.

“UCC” means the Uniform Commercial Code in effect in the State of Utah; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, DIP Lender’s Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Utah, the term “UCC” shall mean the Uniform Commercial Code in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

1.2. Rules of Construction. With reference to this Agreement and each other DIP Facility Document, unless otherwise specified herein or in such other DIP Facility Document:

(a) All undefined terms contained in this Agreement or any of the DIP Facility Documents shall, unless the context indicates otherwise, have the meanings provided for by the UCC to the extent the same are used or defined therein; in the event that any term is defined differently in different Articles or Divisions of the Code, the definition contained in Article or Division 9 shall control.

(b) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole, including any exhibits attached hereto, as the same may from time to time be amended, modified or supplemented and not to any particular section, subsection or clause contained in this Agreement. Each reference to a Section or Exhibit are to a section or exhibit of or to this Agreement, unless otherwise specified or the context otherwise requires.

(c) Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Any reference to any law shall include all statutory and regulatory 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 or supplemented from time to time.

II. AMOUNT AND TERMS OF DIP LOAN

2.1. Advances. Subject to the terms and conditions hereof, including the satisfaction by Borrower or waiver by DIP Lenders of all relevant conditions precedent provided in this Agreement, DIP Lenders agree to make the Advance to the Borrower of the Maximum Amount

(without taking into account an increase to the Maximum Amount), to include credit, reimbursement or repayment of the approximately \$2,675,000 of the Interim DIP Loan funding (plus any unpaid interest from the date of funding to the date of credit, reimbursement or repayment) and repayment in cash of the \$1,000,000 of the Interim DIP Loan funding (plus any unpaid interest from the date of funding to the date of payoff) advanced by Waterloo, plus any amounts advanced pursuant to the Interim Financing Extension Order plus any unpaid interest from the date of funding to the date of payoff), which shall be funded to Borrower within five (5) business days of entry of the Final Financing Order. Amounts owing to Wellington and Broadbill for principal, interest, fees and expenses will be rolled into the DIP Loan and repaid pursuant to the terms of this Agreement, with interest, fees and expenses to be adjusted consistent with the interest rate(s) charged under this Agreement as of the date the Final Financing Order is approved. DIP Lenders may agree to further Advances consistent with modifications or adjustments to the Budget. Repayment of the Gap Funding in excess of \$675,000 principal amount will be treated as an administrative expense claim.

Nothing contained in this Agreement shall obligate DIP Lenders to advance funds for any purpose not set forth in the Budget. DIP Lenders may agree to advance any additional necessary funds and/or to modifications to the Budget, in each case as provided in this Agreement or as otherwise approved by the Bankruptcy Court.

2.2. Notes. The Advances made by DIP Lenders shall constitute the DIP Loan and shall be evidenced by promissory notes made payable to the applicable DIP Lender(s) and substantially in the form attached hereto as **Exhibit C** (the “Note(s)”). The Notes on an aggregate basis shall be in the original principal amount equal to the sum of the Maximum Amount, with interest thereon as prescribed in **Section 2.5**.

2.3. Repayment and Prepayment.

(a) The entire unpaid principal amount of the DIP Loan, together with all accrued and unpaid interest thereon, and all other Obligations, shall be due and payable to DIP Lenders on the Maturity Date, and

(b) Subject to the Carve-Out, Borrower may prepay the DIP Loan at any time, in whole or in part, for any reason including but not limited to availability of alternative financing or refinancing, without premium or penalty. Each partial prepayment shall be in an amount not less than \$25,000, and all prepayment amounts paid to DIP Lenders shall be paid pro rata to each DIP Lender in accordance with the DIP Loan made by such DIP Lender relative to the total amount of DIP Loan made hereunder by all DIP Lenders.

(c) The DIP Loan shall be prepaid in an amount equal to 100% of the net cash proceeds of any sale or other disposition (including as a result of casualty or condemnation and including any purchase price adjustment or earn-out in respect of any acquisition) by Borrower of any asset in excess of \$50,000 (and excluding sales of product in the ordinary course), until payment in full of all outstanding DIP Obligations, in each case subject to the Carve-Out.

(d) Any prepayments shall be first applied to any interest, fees, costs and expenses due to DIP Lenders, and thereafter to principal of the DIP Loan.

2.4. Use of Proceeds. The proceeds from the Advances may be used only to pay postpetition operating and care and maintenance expenses of Borrower in accordance with the provisions of the Budget (subject to the Permitted Variance), including the administrative expenses of the Bankruptcy Case (to the extent approved by the Bankruptcy Court). Nothing contained in this Agreement shall obligate DIP Lenders to advance funds for any purpose whatsoever not set forth in the Budget, and no proceeds of the DIP Loan shall be used by any party or Professional to assert causes of action against any DIP Lender with respect to DIP Lenders' rights and remedies hereunder and under the other DIP Facility Documents; provided that only up to \$125,000 in the aggregate of the proceeds of the DIP Facility may be used by the Borrower or any committee appointed in the Bankruptcy Case to investigate any potential claims or causes of action in connection with the Prepetition Creditors. The foregoing provisions shall not limit or preclude Borrower's right to enforce or assert its rights pursuant to this Agreement. Excluding repayment of the Interim DIP Facility and/or GAP Facility, as applicable, no proceeds of the DIP Loan may be used to pay any obligation arising prior to the Petition Date unless such payment is provided for in the Budget and approved by order of the Bankruptcy Court acceptable to DIP Lenders.

(a) Professional Fees. Allowed Professional Fees of up to the amounts specified to be paid in cash under the Budget will be paid in cash from the DIP Loan proceeds, consistent with and on the schedule specified in the Budget, and any amounts specified to be paid in cash under the Budget that are not paid in cash from the DIP Loan proceeds shall be subject to the provisions of the Carve-Out, if applicable. All other Allowed Professional Fees in excess of amounts specified in the Budget will be paid as administrative expense claims under Section 507(a)(2) of the Bankruptcy Code in the Bankruptcy Case. All Professional Fees shall be subject to the allowance and approval of the Bankruptcy Court. In the event of a plan of reorganization, the Completion Fee will be paid in cash. The Debtor and DIP Lenders further agree that any motion seeking approval of bid procedures for the sale of the Debtor's assets shall include the requirement that any acceptable bid must include a cash component adequate to cover all of the Debtor's administrative expenses.

(b) Certain Fees of Borrower's CROs. \$150,000 of Borrower's CROs' fees accrued during the gap period will be paid from first proceeds of a sale of Debtor's assets. The Completion Fee of Borrower's CROs (which is also an administrative claim in the Bankruptcy Case) is not included in the allowed professional fees and expenses addressed above and will be paid from the proceeds of a sale of the Borrower's assets following satisfaction of the DIP Lenders but before other secured claims.

2.5. Interest on DIP Loan.

(a) Subject to the provisions of **Sections 2.5(b)**, the DIP Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date until paid at a rate equal to the Interest Rate.

(b) If any Event of Default occurs, at DIP Lender's option, the DIP Loan shall bear interest on the outstanding principal amount thereof from the date of such Event of Default and for so long as such Event of Default is continuing, at a rate equal to the Default Rate to the fullest extent permitted by applicable laws and shall be due and payable upon demand.

(c) Interest on the DIP Loan shall be due and payable in full in arrears on the Maturity Date.

2.6. Facility Fee. Borrower shall pay DIP Lenders a facility fee equal to 0.75% of the funded amount on or before the Maturity Date.

2.7. Payment of DIP Obligations. Upon the maturity (whether by acceleration or otherwise) of any of the DIP Obligations under this Agreement or any of the other DIP Facility Documents, DIP Lenders shall be entitled to immediate payment of such DIP Obligations without further application to or order of the Bankruptcy Court.

2.8. No Discharge; Survival of Claims. Borrower agrees that (a) the DIP Obligations shall not be discharged by the entry of an order confirming a plan of reorganization in the Bankruptcy Case (and Borrower, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and the superpriority administrative claim granted to DIP Lenders pursuant to the Final Financing Order and described in Section 4.3, and the Liens granted to DIP Lenders pursuant to Section 4.1 and the Final Financing Order shall not be affected in any manner by the entry of an order confirming a plan of reorganization in the Bankruptcy Case.

2.9. Separate DIP Loans. Each Advance and DIP Loan from a DIP Lender shall be treated as a separate and individual DIP Loan made hereunder by the respective DIP Lender making such Advance and DIP Loan hereunder, pursuant to the terms hereof and this Agreement shall govern the operation of the DIP Loans. Borrower's agreement with each DIP Lender hereunder is and shall be deemed and treated as a separate agreement with each DIP Lender, and each respective DIP Loan hereunder shall be a separate DIP Loan made by the respective DIP Lender that funds such DIP Loan. No DIP Lender shall be liable or responsible for the actions of any other DIP Lender hereunder with respect to its obligations, rights or performance under this Agreement.

III. CONDITIONS PRECEDENT

The obligation of each DIP Lender to make the Advances on the Closing Date and thereafter as specified in Section 2.1 shall be subject to and conditioned upon the full satisfaction by Borrower or the written waiver by DIP Lenders (at their sole discretion) of each of the following conditions:

3.1. This Agreement shall have been duly executed by, and delivered to, Borrower and DIP Lenders; and DIP Lenders shall have received such other DIP Facility Documents as DIP Lenders shall require in connection with the transactions contemplated by this Agreement, including all those designated as being completed prior to the Closing Date in the Schedule of Documents;

3.2. The automatic stay shall have been modified to permit the creation and perfection of DIP Lenders' Liens and the enforcement of rights and remedies in accordance with Section 10.2;

3.3. All "First Day Orders" shall have been entered in form and substance to DIP Lenders in all respects;

3.4. DIP Lenders shall be satisfied with the corporate structure, material contracts, and governing documents of Borrower, and the tax effects resulting from the commencement of the Bankruptcy Case and the DIP Loan;

3.5. All motions and other documents to be filed with the Bankruptcy Court relating to the DIP Loan shall be complete and in form and substance satisfactory to DIP Lenders;

3.6. The interest of DIP Lenders in the Collateral shall constitute a superpriority secured first lien, ahead of all other liens on the Collateral, as provided in **Section 4** below;

3.7. The Budget in form and substance satisfactory to DIP Lenders shall have been approved by the Bankruptcy Court;

3.8. (i) The Final Financing Order shall include a finding that DIP Lenders are entitled to the protections of 11 U.S.C. § 364(e), (ii) the Final Financing Order shall not have been vacated, reversed, modified or amended without DIP Lenders' consent, (iii) a motion for reconsideration of any such order shall not have been timely filed or (iv) an appeal of any such order shall not have been timely filed and if such order is the subject of a pending appeal in any respect, either the making of any Advance, the granting of superpriority claim status with respect to the DIP Obligations, the granting of the Liens described herein, or the performance by Borrower of any of its obligations under this Agreement or any other DIP Facility Document shall be the subject of a presently effective stay pending appeal; or

3.9. If not provided in the Final Financing Order, the Bankruptcy Court shall have entered an order regarding the repayment of the Interim DIP Loan, the release and cancellation of all liens pursuant to the Interim DIP Loan, and the vacation, termination and/or cancellation of the Interim Financing Order and all associated documentation, provided that, fees and expenses which are payable from proceeds of sale pursuant to the Interim Financing Order will be paid from proceeds of sale.

The request and acceptance by Borrower of the proceeds of any Advance shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by Borrower that the conditions in this **Section 3.2** have been satisfied and (ii) a reaffirmation by Borrower of the granting and continuance of DIP Lenders' Liens on the Collateral.

IV. SECURITY

4.1. **DIP Liens.** To secure the DIP Obligations and subject to the Carve-Out, Borrower hereby unconditionally grants, assigns, and pledges to DIP Lenders valid, continuing, enforceable and fully perfected: (a) first priority Liens and security interests in accordance with Section 364(c)(2) of the Bankruptcy Code on all unencumbered property of Borrower; (b) excluding the Prepetition Liens (as defined in the Motion) of Waterloo, WUMI and SMP, which the Borrower intends to provide DIP Lenders with valid, perfected and unavoidable first priority priming Lien over, junior Liens and security interests in accordance with Section 364(c)(3) of the Bankruptcy Code on all property of Borrower that is subject to valid, perfected and unavoidable Liens in existence at the time of the Petition Date, and (c) a priming first priority Lien pursuant to Section 364(d) of the Bankruptcy Code on all property of Borrower that is subject to the valid, perfected and unavoidable Prepetition Liens of Waterloo, WUMI and

SMP, in each case whether now owned or hereafter acquired or arising and wherever located, including Borrower's right, title and interest in and to the following , whether now owned or hereafter acquired or arising and wherever located (the Liens granted in favor of DIP Lenders pursuant to this Agreement and the Final Financing Order will be referred to as the "DIP Liens"):

(a) all of Borrower's right, title and interest in all owned or leased real properties, including all minerals and other substances of value that may be extracted from such properties (including copper and copper ore) and all copper cathode sheets and other products processed or obtained therefrom;

(b) all of Borrower's accounts;

(c) all of Borrower's books and records (including all of its records indicating, summarizing or evidencing its assets (including the Collateral) or liabilities, all of its records relating to its business operations or financial condition);

(d) all of Borrower's chattel paper and, in any event, including tangible chattel paper and electronic chattel paper;

(e) all of Borrower's right, title and interest with respect to any deposit account;

(f) all of Borrower's equipment and fixtures;

(g) all of Borrower's inventory;

(h) all of Borrower's investment property;

(i) all of Borrower's letter of credit rights, instruments, promissory notes, drafts and documents;

(j) all of Borrower's general intangibles, including intellectual property;

(k) all of Borrower's right, title and interest in respect of supporting obligations, including letters of credit and guaranties issued in support of accounts, chattel paper, documents, general intangibles, instruments, or investment property;

(l) all of Borrower's money, cash, cash equivalents, securities and other property held directly or indirectly by DIP Lender; and

(m) all of the proceeds, products, accessions or substitutions, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering or relating to any of the foregoing.

(For the avoidance of doubt, Borrower proposes to provide a valid, perfected and unavoidable priming lien in favor of DIP Lenders over the Prepetition Liens of Waterloo, WUMI and SMP, but does not intend to provide, and is not providing, the DIP Lenders with a valid, perfected and unavoidable priming Lien over any other valid, perfected and unavoidable Other Prepetition

Liens.) All of the foregoing, and any other assets or property of Borrower in which DIP Lenders shall be granted a Lien, shall be referred to collectively as the “Collateral.”

4.2. Effectiveness of Liens. Notwithstanding anything to the contrary contained herein or elsewhere, DIP Lenders’ Liens on the Collateral shall be deemed valid and perfected by entry of the Final Financing Order, as the case may be. DIP Lenders shall not be required to file, register or publish any financing statements, mortgages, deeds of trust, notices of Lien or similar instruments in any jurisdiction or filing or registration office, or to take possession of any Collateral or to take any other action in order to validate, render enforceable or perfect the Liens on Collateral granted by or pursuant to this Agreement, the Final Financing Order or any other DIP Facility Document. If DIP Lenders shall, in their sole discretion, from time to time elect to file, register or publish any such financing statements, mortgages, deeds of trust, notices of Lien or similar instruments, take possession of any Collateral or take any other action to validate, render enforceable or perfect all or any portion of DIP Lenders’ Liens on Collateral, all such documents and actions shall be deemed to have been filed, registered, published or recorded or taken at the time and on the date of entry of the Final Financing Order is entered.

4.3. Superpriority Nature of DIP Obligations and DIP Lenders’ Liens. Subject to the Carve-Out, all DIP Obligations shall constitute administrative expenses of Borrower in the Bankruptcy Case, with administrative priority and senior secured status under Sections 364(c)(i) of the Bankruptcy Code. Such administrative claim shall have priority over all other costs and expenses of the kinds specified in, or ordered pursuant to, Sections 105, 326, 330, 331, 503(b), 507(a), 507(b), 726 or any other provision of the Bankruptcy Code and shall at all times be senior to the rights of Borrower, Borrower’s estate, and any successor trustee or estate representative in the Bankruptcy Case or any subsequent proceeding or case under the Bankruptcy Code. The Liens granted to DIP Lenders on the Collateral shall have the priority and senior secured status afforded by Sections 364(c)(2), (c)(3), and (d) of the Bankruptcy Code (all as more fully set forth in the Final Financing Order).

4.4. DIP Lenders’ Priority. The interests of each DIP Lender in DIP Lenders’ Liens granted hereunder as provided in this Section 4 and rights therein shall be pro rata or *pari passu* in accordance with the DIP Loan made by each respective DIP Lender relative to the total amount of DIP Loan made hereunder, subject in each case to any internal or intercreditor agreements that may be agreed amongst DIP Lenders.

4.5. Credit Bidding. Borrower irrevocably authorizes each DIP Lender to credit bid up to its *pro rata* share of the DIP Obligations in connection with (a) any sale of all or substantially all of Borrower’s assets and property pursuant to any sale occurring pursuant to Bankruptcy Code Section 363, or (b) including without limitation, any sale occurring as part of any plan of reorganization subject to confirmation under Bankruptcy Code Section 1129(b), or (c) a sale or disposition by a chapter 7 trustee for any debtor under Bankruptcy Code section 725; provided that sufficient cash funds are provided to the estate in connection with any credit bid to pay the Carve-Out, all outstanding administrative claims and the Completion Fee of the CRO.

V. REPRESENTATIONS AND WARRANTIES

5.1. Borrower's Representations and Warranties. Borrower hereby represents and warrants, as of the Closing Date and as of the date of each Advance, that:

(a) Authorization. Subject to the entry of the Final Financing Order, the execution, delivery and performance by Borrower of this Agreement has been duly authorized in good faith by all necessary corporate and organizational action, and do not and will not contravene the terms of Borrower's organizational documents; and has been duly authorized and approved by the Debtor's Chief Restructuring Officer and the Bankruptcy Court.

(b) Enforceability. This Agreement and each of the DIP Facility Documents has been duly executed and delivered by Borrower and constitutes a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject to the Bankruptcy Code.

(c) Existence, Qualification and Power. Borrower (a) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) subject to the entry and effectiveness of the Final Financing Order, as applicable, execute, deliver and perform its obligations under the DIP Facility Documents, and (c) is duly qualified and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in **clause (c)**, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(d) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Borrower of any DIP Facility Document, except for the approval of the Bankruptcy Court in the Final Financing Order, and such other consents or approvals that have been obtained and that are still in force and effect.

(e) Compliance with Laws. Borrower is in compliance in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted and (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

(f) Budget. The Budget is consistent in all material respects with the provisions of the DIP Facility Documents and the Orders and has been prepared in good faith based upon assumptions believed by Borrower to be reasonable as of the date delivered, and to the best knowledge of Borrower, fairly represents Borrower's current expectation as to the matters covered thereby.

(g) Financial Information. The financial statements of Borrower furnished or to be furnished to DIP Lenders pursuant to **Section 6.1** or otherwise have been consistently applied, and present fairly the financial condition of Borrower as at the dates thereof and the results of their operations for the periods then ended. All balance sheets, all statements of operations, equity amounts, cash flow and all other financial information of Borrower furnished or to be furnished pursuant to Section 6.1 or otherwise have been and will for periods following the Closing Date, and do or will present fairly the financial condition of Borrower as at the dates thereof and the results of their operations for the periods then ended. Notwithstanding anything herein to the contrary, it being understood that historical financial statements, balance sheets, all statements of operations, equity amounts, cash flow and all other financial information of Borrower furnished prior to the Petition Date were prepared in accordance with GAAP to the best of Borrower's knowledge and in accordance with past practice.

(h) No Material Adverse Effect. No Material Adverse Effect has occurred since the date of the financial statements of Borrower most recently delivered to DIP Lenders pursuant to **Section 6.1**.

(i) Litigation, Controversies, etc. Except as set forth on **Schedule 5.1(i)**, there is no pending material litigation, action, proceeding, or labor controversy which could reasonably be expected to result in a Material Adverse Effect or which purports to affect the legality, validity or enforceability of this Agreement or any other DIP Facility Document.

(j) Taxes. Other than certain property and sales and use taxes identified on **Schedule 5.1(j)**, Borrower has filed, or caused to be filed, all material Tax and informational returns that are required to have been filed by it or them in any jurisdiction and/or has timely sought an extension of such time to file taxes, and have paid all material Taxes shown to be due and payable on such returns and all other Taxes and assessments payable by it or them, to the extent the same have become due and payable (other than those Taxes that it is contesting in good faith and by appropriate proceedings, with adequate, segregated reserves established for such Taxes) and, to the extent such Taxes are not due, has established reserves therefor by allocating amounts that are adequate for the payment thereof.

(k) Ownership of Properties. Except as set forth on **Schedule 5.1(k)**, Borrower owns (i) in the case of owned real property, good and marketable fee title to, and (ii) in the case of owned personal property, good and valid title to, or, in the case of leased real or personal property, valid and enforceable leasehold interests (as the case may be) in, all of its properties and assets, tangible and intangible, of any nature whatsoever, free and clear in each case of all Liens or claims, except for Permitted Liens. Borrower is not party to any agreement which grants an option to any such Person to purchase or lease any real property or personal property.

(l) Environmental Warranties. To Borrower's actual knowledge, based on reasonable inquiry,

(i) all facilities and property (including underlying groundwater) owned or leased by Borrower has been, and continue to be, owned or leased by such Person in material compliance with all Environmental Laws;

(ii) except as disclosed on **Schedule 5.1(I)(b)**, no conditions exist at, on or under any property owned or leased by Borrower which, with the passage of time, or the giving of notice or both, would give rise to material liability under any Environmental Law.

(m) Intellectual Property. Borrower owns or licenses (as the case may be) or will own or hold licenses for all such patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as Borrower considers necessary for the conduct of the businesses of Borrower without any infringement upon rights of other Persons and, to the best of Borrower's knowledge, there is no individual patent, patent right, trademark, trademark right, trade name, trade name right, service mark, service mark right or copyright the loss of which could reasonably be expected to result in a Material Adverse Effect.

(n) Accuracy of Information. None of the factual written information, taken as a whole, heretofore or contemporaneously furnished by or on behalf of Borrower to DIP Lenders for the purposes of, or in connection with, the DIP Facility Documents contains any untrue statement of a material fact on the date as if which such information is dated or certified, or omits to state any material fact necessary to make such information, taken as a whole, not misleading on the date as if which such information is dated or certified. No factual written information, taken as a whole, hereafter furnished in connection with any DIP Facility Document by Borrower to DIP Lenders will contain any untrue statement of a material fact on the date as if which such information is dated or certified or will omit to state any material fact necessary to make such information not misleading on the date as if which such information is dated or certified.

(o) Contingent Liabilities. Borrower has not incurred any material Contingent Liabilities in respect of Indebtedness or obligations except those authorized under or contemplated by the DIP Facility Documents and not prohibited by this Agreement.

(p) Prepetition Liens and Security. For the avoidance of doubt, nothing in this Agreement shall be deemed as a stipulation by Borrower or any other party as to the nature, extent, validity or priority of Borrower's prepetition debts or prepetition liens against Borrower's property, and any and all claims, challenges, rights, defenses, and causes of action with respect to such prepetition debts and liens are hereby preserved to the fullest extent.

(q) Bankruptcy Case. The Bankruptcy Case was commenced on the Petition Date and the order for relief was entered on the Relief Date, each in accordance with applicable law, and the proper notice for the hearing for the approval of the Final Financing Order has been given.

5.2. DIP Lenders' Representations and Warranties. On the Closing Date, each DIP Lender will have sufficient funds to enable such DIP Lender to make the Advance(s) and to consummate the transactions contemplated by this Agreement.

VI. REPORTING REQUIREMENTS

Borrower covenants and agrees that, from and after the Closing Date and until the repayment in full of the DIP Obligations and termination of this Agreement, Borrower shall deliver the following to DIP Lenders:

6.1. by no later than Friday of each week (commencing with the first Wednesday following the Closing Date) with a weekly variance report showing actual receipts and disbursements from operations on a weekly basis and comparing actual results (including at least bi-weekly a general estimate of accrued but not yet billed fees and expenses for all Professionals) compared to the line items in the most recently-delivered Budget for all prior periods in form and substance satisfactory to DIP Lenders.

6.2. as soon as practicable, but in any event within one (1) Business Day after Borrower becomes aware of the existence of any Event of Default, written notice specifying the nature of such Event of Default, including the anticipated effect thereof;

6.3. promptly, all pleadings, motions, applications, financial information and other papers and documents filed by Borrower in the Bankruptcy Case, including the monthly operating reports required by the Bankruptcy Court;

6.4. promptly, all written reports given by Borrower to the U.S. Trustee or to the Committee in the Bankruptcy Case; and

6.5. such other information with respect to Borrower's business, operations, financial condition, use of Advances, collection of accounts receivable or otherwise, as may be reasonably requested by DIP Lenders.

VII. AFFIRMATIVE COVENANTS

The following covenants shall be binding on Borrower from and after the Closing Date and until the repayment in full of the DIP Obligations and termination of this Agreement:

7.1. Compliance with Laws. Borrower shall comply with all federal, state, local and foreign laws and regulations applicable to it, including:

(a) those relating to ERISA, labor laws, and Environmental Laws, except to the extent that the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(b) the maintenance and preservation of the corporate or other organizational existence of Borrower and its material rights, privileges and postpetition contractual obligations; and

(c) the payment, before the same become delinquent, of all material postpetition obligations, including material taxes, assessments and charges imposed.

7.2. Insurance. Borrower shall, at its sole cost and expense, maintain the policies of insurance as in effect on the Closing Date or otherwise in form and amounts and with insurers reasonably acceptable to DIP Lender. Such policies of insurance (or the loss payable and additional insured endorsements delivered to DIP Lender) shall contain provisions pursuant to which the insurer agrees to provide thirty (30) days' prior written notice to DIP Lenders in the event of any non-renewal, cancellation or amendment of any such insurance policy. If Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above, or to pay all premiums relating thereto, DIP Lenders may at any time or times thereafter obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto that DIP Lenders deems advisable. DIP Lenders shall have no obligation to obtain insurance for Borrower or pay any premiums therefor. By doing so, DIP Lenders shall not be deemed to have waived any Event of Default arising from Borrower's failure to maintain such insurance or pay any premiums therefor. All sums so disbursed, including reasonable attorneys' fees, court costs and other charges related thereto, shall be payable on demand by Borrower to DIP Lenders and shall be additional DIP Obligations hereunder secured by the Collateral.

7.3. Supplemental Disclosure. From time to time as may be necessary (in the event that such information is not otherwise delivered by Borrower to DIP Lenders pursuant to this Agreement), so long as there are DIP Obligations outstanding, Borrower covenants and agrees to supplement or amend each representation herein with respect to any matter hereafter arising which, if existing or occurring as of the Closing Date, would have been required to be set forth or described in an exception to such representation or which is necessary to correct any information in such representation which has been rendered inaccurate thereby.

7.4. Access. Each DIP Lender and any of its officers, employees or agents shall have the right, during normal business hours (or at such other times as may reasonably be requested by such parties), to inspect Borrower's facilities and to inspect, audit and make extracts from any and all of Borrower's records, files and books of account. Subject to the execution of a Non-Disclosure and Confidentiality Agreement, Borrower shall deliver to each DIP Lender any non-privileged document or instrument as such DIP Lender may reasonably request. Each DIP Lender shall take the steps reasonably necessary to protect the secrecy of and avoid disclosure or use of any information furnished to such DIP Lender pursuant to this **Section 7.4** and to prevent such information from becoming publicly available or entering the possession of persons other than each DIP Lender, its affiliates, directors, officers, employees, consultants, attorneys, advisors, investors and agents. Such measures shall include the same degree of care that utilizes to protect its own confidential information of a similar nature.

7.5. Final Financing Order and Exit from Bankruptcy or Sale. Borrower shall cause the Final Financing Order approving the DIP Loan and Agreement and DIP Facility Documents to be entered by the Bankruptcy Court on or before 11:59 P.M. (ET) on or before September 26, 2016. Borrower shall also comply with the Exit Milestones. Nothing in this Agreement, or the Final DIP Financing Order shall preclude or limit the Debtor from proposing a plan of reorganization acceptable to DIP Lenders prior to the Maturity Date, provided the DIP Obligations are indefeasibly paid in full in cash upon the effective of such plan.

7.6. Additional Value Enhancement. The DIP Lenders and their advisors shall immediately begin to evaluate additional value-enhancement initiatives for consideration by Borrower and appropriate consultation with Borrower's CROs and Third Party Advisor, in an effort to provide additional value to the bankruptcy estate prior to the completion of a sale process or a plan of reorganization.

7.7. Asset Dispositions. Absent the written consent of DIP Lenders, Borrower shall not sell, transfer or otherwise dispose of any of Borrower's assets in excess of \$50,000 (excluding sales in the ordinary course) that is not in accordance with the Exit Milestones set forth in this Agreement.

7.8. Preserving the DIP Collateral; Further Assurances. Borrower shall undertake all actions and execute all further documents, financing statements, agreements and instruments which are necessary or appropriate in the reasonable judgment of DIP Lenders or as may be required by other applicable law to (x) effectuate the transactions contemplated by the DIP Facility Documents and in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the DIP Facility Documents; (y) maintain DIP Lenders' respective security interests under the DIP Facility Documents in the DIP Collateral in full force and effect at all times (including the priority thereof) and (z) preserve and protect the DIP Collateral and protect and enforce such Person's rights and title and the respective rights of each DIP Lender to the DIP Collateral, including the making or delivery of all filings and recordations (including filing UCC and other financing statements and mortgages in form and substance satisfactory to DIP Lenders), the delivery to DIP Lenders of all such instruments and documents (including title insurance policies and lien searches) as DIP Lenders shall reasonably request to evidence compliance with this Section, the payments of fees and other charges, the issuance of supplemental documentation, the discharge of all claims or other Liens (other than the Permitted Liens) adversely affecting the rights of DIP Lenders to and under the DIP Collateral (except to the extent same is being contested in good faith by appropriate governmental proceedings promptly instituted and diligently contested, so long as (1) such reserve or other appropriate provision, if any, shall have been made therefor and (2) in case of any charge or claim which has or may become a Lien against any of the DIP Collateral, such Lien shall be subject and subordinate in all respects to the Liens held by DIP Lenders (unless bonded) and such contested proceedings conclusively operate to stay the sale of any portion of the DIP Collateral to satisfy such charge or claim which has or may become a Lien against any of the DIP Collateral) and the publication or other delivery of notice to third parties. Borrower agree to provide such evidence as DIP Lenders shall reasonably request as to the perfection and priority status of each such security interest and Lien.

7.9. Cash Management. Subject to the Approved Budget, Borrower shall maintain a cash management system substantially identical to the cash management system that they maintained immediately prior to the Petition Date, provided, however, Borrower may open, in addition to a DIP operating account, a separate checking account for the payment of any utility deposits that may be established by order of this Court (the "Utility Deposit Account"). In connection with the foregoing, Borrower shall seek the entry of an order of the Bankruptcy Court, satisfactory to the DIP Lenders in its discretion, providing for the continuation of the cash management system.

7.10. Resource Development. Borrower will continue to execute the Resource Development Plan and will regularly consult with the Qualified Person, Borrower's CROs and DIP Lenders to monitor the Resource Development Plan. Borrower will provide to DIP Lenders a bi-monthly analysis of the activities undertaken in the Resource Development Plan.

7.11. Exit Milestones. Borrower will comply with the exit milestones set forth below (collectively, the "Exit Milestones"):

(a) within fifteen (15) days of the execution of this Agreement, Borrower shall begin developing a marketing process for all or substantially all of its assets;

(b) on or before November 15, 2016, receive initial expressions of interest from potential purchasers;

(c) on or before December 15, 2016, receive final, binding offers of purchase and/or investment from potential purchasers;

(d) on or before December 31, 2016, receive approval from the Bankruptcy Court to enter into a purchase and sale agreement or other agreement related to a sale transaction (the "Transaction Agreements"); and

(e) on or before January 15, 2017, complete the sale contemplated by the Transaction Agreements.

After consultation with DIP Lenders, the foregoing Exit Milestones may be extended upon the reasonable request of Borrower's CROs for up to sixty (60) days if, in their business judgment, such an extension is necessary to maximize the value of Borrower's assets and/or improve the prospects of the sale process and/or an alternative resolution such as a plan of reorganization, provided Borrower has sufficient cash to operate during such additional 60-day period.

VIII. NEGATIVE COVENANTS

The following covenants shall be binding on Borrower from and after the Closing Date and until the repayment in full of the DIP Obligations and termination of this Agreement:

8.1. Mergers, and Other Material Transactions. Borrower shall not directly or indirectly, by operation of law or otherwise, merge with, consolidate with, acquire all or substantially all of the assets or capital stock of, or otherwise combine with, any Person.

8.2. Sales of Assets. Borrower shall not sell, lease, transfer, convey, abandon or otherwise dispose of any of Borrower's assets or properties or attempt or contract to do so, except as provided in Section 7.7 or for the sale of inventory in the ordinary course of business.

8.3. Liens. Borrower shall not create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens in favor of DIP Lenders arising pursuant to the DIP Facility Documents or the Final Financing Order;

(b) Liens securing the Prepetition Creditors and other liens existing on the Petition Date and listed in **Schedule 8.3**;

(c) Liens for taxes, assessments or governmental charges, levies or other similar amounts (i) that are not yet due, (ii) that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of Borrower in accordance with GAAP, or (iii) with respect to which Borrower has made adequate payment with respect to the underlying obligation to release such Lien and is awaiting release of such Lien;

(d) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of Borrower;

(e) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions; and

(f) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business;

8.4. **Indebtedness.**

(a) Borrower shall not create, incur, assume or suffer to exist any Indebtedness, except:

(i) Indebtedness under the DIP Facility Documents;

(ii) Indebtedness of Borrower outstanding on the Petition Date and listed in **Schedule 8.4**; and

(iii) Indebtedness incurred as set forth in the Budget.

(iv) Indebtedness owed to depository banks or any of their banking affiliates in respect of any overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with automated clearing house transfers of funds.

(b) Except pursuant to a confirmed plan of reorganization and except as specifically permitted hereunder, Borrower shall not, without the express prior written consent of DIP Lenders or pursuant to an order of the Bankruptcy Court entered after notice and a hearing, make any payment or transfer with respect to any Lien or Indebtedness incurred or arising prior to the filing of the Bankruptcy Case that is subject to the automatic stay provisions of the

Bankruptcy Code, whether by way of “adequate protection” under the Bankruptcy Code or otherwise.

8.5. Restricted Payments. Borrower shall not declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so.

8.6. Revision of Orders; Applications to Bankruptcy Court. Borrower shall not:

(a) seek, consent to or suffer to exist any modification, stay, vacation or amendment of the Final Financing Order except for any modifications and amendments agreed to in writing by DIP Lender; or

(b) apply to the Bankruptcy Court for authority to take any action prohibited by **Section 8** (except to the extent such application and the taking of such action is conditioned upon the receiving the written consent of DIP Lender).

8.7. Claims in the Bankruptcy Case. Borrower shall not incur, create, assume, suffer to exist or permit any administrative expense, unsecured claim, superpriority claim or other claim or Lien which is *pari passu* with or senior to the claims or Liens, as the case may be, of DIP Lenders against Borrower hereunder, or apply to the Bankruptcy Court for authority to do so, except for the Carve-Out. DIP Lenders acknowledges that, so long as no Event of Default shall have occurred and be continuing, Borrower shall be permitted to pay compensation and reimbursement of expenses allowed and payable under 11 U.S.C. §330 and §331, as the same may be due and payable.

IX. TERM

9.1. Termination. Subject to the provisions of **Section 10**, the DIP Loan shall be in effect from the Closing Date until the Maturity Date.

9.2. Survival of DIP Obligations upon Termination of this Agreement. No termination or cancellation of any financing arrangement under this Agreement (regardless of the cause or procedure) shall in any way affect or impair the duties and obligations of Borrower and Borrower or the rights and powers of DIP Lenders relating to any transaction or event occurring prior to such termination and all claims granted to DIP Lenders hereunder shall continue in full force and effect until all DIP Obligations are fully and finally paid in full. All undertakings, agreements, covenants, warranties, and representations of Borrower contained in the DIP Facility Documents shall survive such termination or cancellation and shall continue in full force and effect until such time as all of the DIP Obligations have been fully and finally paid in full in accordance with the terms of the agreements creating such DIP Obligations.

X. EVENTS OF DEFAULT; RIGHTS AND REMEDIES

10.1. Events of Default. Notwithstanding the provisions of Section 362 of the Bankruptcy Code and without application or motion to the Bankruptcy Court or any notice to Borrower, and subject to **Section 10.2(b)**, the occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an “Event of Default” hereunder:

(a) Borrower (i) fails to make any payment of principal of, or interest on, the DIP Loan or any of the other DIP Obligations when due and payable, or (ii) fails to pay or reimburse DIP Lenders for any expense reimbursable hereunder or under any other DIP Facility Document.

(b) Borrower fails or neglects to perform, keep or observe any provision of this Agreement, the Note, or any other DIP Facility Document, in any material respect;

(c) any representation or warranty made by Borrower herein or in any of the DIP Facility Documents, any financial statement, or any statement or representation made in any other certificate, report or opinion delivered in connection herewith or therewith proves to have been incorrect or misleading in any material respect when made;

(d) there occurs any uninsured damage to or loss, theft or destruction of any portion of the Collateral that could reasonably be expected to have a Material Adverse Effect;

(e) Borrower breaches or violates any term of the Final Financing Order;

(f) Borrower uses the proceeds of the DIP Facility for purposes not authorized under the Budget (subject to the Permitted Variance);

(g) the funding of the requested Advance would cause the aggregate outstanding amount of the DIP Loan to exceed the amount then authorized by the Final Financing Order, as the case may be, or any order modifying or vacating the Final Financing Order shall have been entered, or any appeal of the Final Financing Order shall have been timely filed;

(h) the funding of a requested Advance would cause the aggregate outstanding amount of the DIP Loan to exceed either (i) the Maximum Amount, subject to any adjustments in this Agreement, or (ii) any of the limitations set forth in the Budget (subject to the Permitted Variance);

(i) the creation, existence or allowance of any Indebtedness, whether recourse or nonrecourse, and whether superior or junior, resulting from borrowings, DIP Loan, advances, or the granting of credit, whether secured or unsecured, except (i) Indebtedness to DIP Lenders arising under or as a consequence of this Agreement or the other DIP Facility Documents and (ii) Indebtedness existing on the Petition Date or otherwise expressly permitted under this Agreement, the Final Financing Order or the other DIP Facility Documents;

(j) other than potential Liens arising from any unpaid Taxes, the creation, existence or allowance of any Liens on any of Borrower's properties or assets except the Liens existing as of the Petition Date and the Liens created or permitted under this Agreement, the Final Financing Order or the other DIP Facility Documents;

(k) except as occasioned by the commencement of the Bankruptcy Case and the actions, proceedings, and investigations related thereto, any event or circumstance having a Material Adverse Effect shall have occurred since the Closing Date;

(l) any representation or warranty by Borrower contained herein or in any other DIP Facility Document is untrue or incorrect as of such date as determined by DIP Lender, except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted or expressly contemplated by this Agreement; and

(m) The occurrence of any of the following in the Bankruptcy Case:

(i) the bringing of a motion or the filing of any plan of reorganization or disclosure statement attendant thereto by Borrower: (w) to sell assets of Borrower (other than as provided in Section 7.7; (x) to obtain additional financing under Section 364(c) or (d) of the Bankruptcy Code not otherwise permitted pursuant to this Agreement; (y) to grant any Lien upon or affecting any Collateral; or (z) or any other action or actions adverse to DIP Lenders or its rights and remedies hereunder or its interest in the Collateral, unless the DIP Obligations are indefeasibly paid pursuant to such motion, plan of reorganization.

(ii) the entry of an order amending, supplementing, staying, vacating or otherwise modifying the DIP Facility Documents or the Final Financing Order without the written consent of DIP Lender, or the filing of a motion for reconsideration with respect to the Final Financing Order;

(iii) the payment of, or application for authority to pay, any prepetition claim without DIP Lenders' prior written consent or pursuant to an order of the Bankruptcy Court after notice and hearing unless otherwise permitted under this Agreement;

(iv) the appointment of an interim or permanent trustee in the Bankruptcy Case or the appointment of a receiver or an examiner in the Bankruptcy Case with expanded powers to operate or manage the financial affairs, the business, or reorganization of Borrower without DIP Lenders' consent; or the sale without DIP Lenders' consent, of all of Borrower's assets either through a sale under Section 363 of the Bankruptcy Code, through a confirmed plan of reorganization in the Bankruptcy Case, or otherwise that does not provide for payment in full of the DIP Obligations and termination of DIP Lenders' commitment to make the Advances;

(v) the dismissal of the Bankruptcy Case, or the conversion of the Bankruptcy Case from one under Chapter 11 to one under Chapter 7 of the Bankruptcy Code or the filing of a motion or other pleading by Borrower seeking the dismissal of the Bankruptcy Case under Section 1112 of the Bankruptcy Code or otherwise;

(vi) the entry of an order by the Bankruptcy Court granting relief from or modifying the automatic stay of Section 362 of the Bankruptcy Code to allow any creditor to execute upon or enforce a Lien on any Collateral;

(vii) the commencement of a suit or action against DIP Lenders and, as to any suit or action brought by any Person other than Borrower or a subsidiary, officer or employee of Borrower, the continuation thereof without dismissal for thirty (30) days after service thereof on DIP Lender, that asserts by or on behalf of Borrower, the

Environmental Protection Agency, any state environmental protection or health and safety agency, or the Committee in the Bankruptcy Case, any claim or legal or equitable remedy which seeks subordination of the claim or Lien of DIP Lender;

(viii) the failure to file a plan of reorganization or motion for asset sale pursuant to Section 363 of the Bankruptcy Code on or before the Maturity Date;

(ix) the entry of an order in the Bankruptcy Case granting any other superpriority administrative claim or Lien equal or superior to the claims and Liens granted to DIP Lender.

10.2. Remedies.

(a) Notwithstanding the provisions of Section 362 of the Bankruptcy Code, if any Event of Default occurs and is continuing, DIP Lenders holding Credit Exposures representing more than 50% of the aggregate amount of Credit Exposures at that time may take any or all of the following actions without further order of or application to the Bankruptcy Court, following the Cure Period:

(i) declare its commitment to make Advances to be terminated, whereupon such commitments shall be terminated;

(ii) declare the unpaid principal amount of the DIP Loan, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other DIP Facility Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower;

(iii) increase the rate of interest from the Interest Rate to the Default Rate; or

(iv) take any other action or exercise any other right and remedy available to it under the DIP Facility Documents or otherwise available at law or in equity;

provided, that with respect to **Section 10.2(a)(iv)**, such DIP Lender shall provide Borrower (with copies to counsel for the Committee, the United States Trustee for the District of Utah, and all holders of Prepetition Liens with ten (10) days' prior written notice (in any hearing after giving effect to such notice, the only issue that may be raised by any party in opposition thereto being whether, in fact, an Event of Default has occurred and is continuing, provided, however, that notwithstanding any Cure Period, if action is required to be taken by DIP Lenders to preserve the value of their security Collateral pursuant to this Agreement, DIP Lenders may take such action prior to expiration of the Cure Period.

(b) Solely with respect to an Event of Default that occurs and is continuing under **Section 10.1(a)**, any DIP Lender acting on its own or for the benefit of all DIP Lenders, may take the remedial actions set forth in **Section 10.2(a)** following the expiration of the Cure Period unless the Required DIP Lenders have agreed to extend the Cure Period by up to thirty

(30) days. The Required DIP Lenders shall not agree to such an extension unless it is in the best interest of the DIP Lenders and/or necessary to maximize the value of the Borrower's assets. DIP Lenders acknowledge and agree that the Cure Period may not be extended beyond a single thirty (30) day period without the unanimous consent of the DIP Lenders.

(c) Upon the occurrence and during the continuance of an Event of Default, the automatic stay arising pursuant to Bankruptcy Code Section 362 shall be vacated and terminated in accordance with the Final Financing Order so as to permit DIP Lenders' full exercise of all of its rights and remedies based on the occurrence of an Event of Default, including all of its rights and remedies with respect to the Collateral. With respect to DIP Lenders' exercise of its rights and remedies, Borrower agrees and warrants as follows:

(i) Borrower waives and releases and shall be enjoined from attempting to contest, delay, or otherwise dispute the exercise by each DIP Lender of its rights and remedies before the Bankruptcy Court or otherwise; except only as expressly stated in **Section 10.2(b)(ii)**; and

(ii) when a DIP Lender seeks to enforce its rights and remedies based on an Event of Default, and if Borrower disputes that an Event of Default has occurred, Borrower will be entitled to file an emergency motion with the Bankruptcy Court disputing whether an Event of Default has occurred. Unless otherwise agreed in writing by DIP Lender, any such motion shall be heard within ten (10) days after it is filed, subject to the availability of the Bankruptcy Court. At the hearing on the emergency motion, the only issue that will be heard by the Bankruptcy Court will be whether an Event of Default has occurred and has not been cured, and, if an Event of Default has occurred and has not been cured, each DIP Lender will be entitled to continue to exercise all of their rights and remedies without the necessity of any further notice or order. Furthermore, nothing herein shall be construed to impose or reimpose any stay or injunction of any kind against DIP Lender.

(d) If an Event of Default has occurred and is continuing: (i) each DIP Lender shall have, in addition to all of its other rights, the rights and remedies of a secured party under the UCC; (ii) DIP Lenders may, at any time, take possession of the Collateral and keep it on Borrower's premises, at no cost to DIP Lender, or remove any part of it to such other place or places as DIP Lenders may desire, or Borrower shall, upon DIP Lenders' demand, at Borrower's cost, assemble the Collateral and make it available to DIP Lenders at a place or places reasonably convenient to DIP Lenders; and (iii) DIP Lenders may sell and deliver any Collateral at public or private sales, for cash, upon credit or otherwise, at such prices and upon such terms as DIP Lenders deem advisable, in its reasonable discretion, and may, if DIP Lenders deem it reasonable, postpone or adjourn any sale of the Collateral by an announcement at the time and place of sale or of such postponed or adjourned sale without giving a new notice of sale. Without in any way requiring notice to be given in the following manner, Borrower agrees that any notice by DIP Lenders of sale, disposition or other intended action hereunder or in connection herewith, whether required by the UCC or otherwise, shall constitute reasonable notice to Borrower if such notice is mailed by registered or certified mail, return receipt requested, postage prepaid, or is delivered personally against receipt to Borrower, at least ten (10) days prior to such action to Borrower's address specified herein. If any Collateral is sold on

terms other than payment in full at the time of sale, no credit shall be given against the DIP Obligations until DIP Lenders receives payment, and if the buyer defaults in payment, DIP Lender may resell the Collateral without further notice to Borrower. In the event DIP Lender seeks to take possession of all or any portion of the Collateral by judicial process, Borrower irrevocably waives: (A) the posting of any bond, surety or security with respect thereto which might otherwise be required; (B) any demand for possession prior to the commencement of any suit or action to recover the Collateral; and (C) any requirement that DIP Lenders retain possession and not dispose of any Collateral until after trial or final judgment. Borrower agrees that DIP Lenders have no obligation to preserve rights to the Collateral or marshal any Collateral for the benefit of any Person. DIP Lenders are hereby granted a license or other right to use, without charge, Borrower's labels, patents, copyrights, name, trade secrets, trade names, trademarks, and advertising matter, or any similar property, in completing production of, advertising or selling any Collateral, and Borrower's rights under all licenses and all franchise agreements shall inure to DIP Lenders' benefit for such purpose. The proceeds of sale shall be applied first to all expenses of sale, including reasonable attorneys' fees, and then to the DIP Obligations. After the DIP Obligations have been fully and finally satisfied in full in cash, DIP Lenders will return any excess proceeds of the Collateral Borrower or as otherwise directed by the Bankruptcy Court. Borrower shall remain liable for any deficiency.

XI. MISCELLANEOUS

11.1. Complete Agreement. This Agreement, the Final Financing Order and the other DIP Facility Documents constitute the complete agreement between the parties with respect to the subject matter hereof.

11.2. Sale of Interests. Borrower may not sell, assign or transfer this Agreement or any of the other DIP Facility Documents or any portion thereof, including Borrower's duties and obligations thereunder. Borrower hereby consents to each DIP Lender's sale of participation, assignment, transfer or other dispositions, at any time or times, of any of the DIP Facility Documents or of any portion thereof or interest therein, including such DIP Lender's rights, title, interest, remedies, powers, or duties thereunder, whether evidenced by a writing or not. No rights are intended to be created hereunder for the benefit of any third party or creditor or any direct or indirect incidental beneficiary, except as specifically provided herein.

11.3. Modification of Agreement. No amendment, modification or alteration to this Agreement, the Note or any other DIP Facility Document shall be effective unless the same shall be in writing and be signed by each of DIP Lenders and Borrower. No waiver of any provision of this Agreement nor any consent to any departure by a DIP Lender therefrom, shall be effective unless the same shall be in writing and signed by each of DIP Lender and Borrower, and then, such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

11.4. No Waiver by DIP Lenders. The failure of any DIP Lender at any time to require strict performance by Borrower of any provision of this Agreement or the Note or any other DIP Facility Document shall not waive, affect, or diminish any right of DIP Lenders thereafter to demand strict compliance and performance therewith. Any suspension or waiver by DIP Lender of an Event of Default by Borrower under this Agreement, the Note, or any other DIP Facility

Document shall not suspend, waive, or affect any other Event of Default by Borrower under this Agreement, the Note, or any other DIP Facility Document whether the same are prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants, and representations of Borrower contained in this Agreement shall be deemed to have been suspended or waived by DIP Lenders, unless such suspension or waiver is by an instrument in writing signed by DIP Lenders and directed to Borrower specifying such suspension or waiver.

11.5. Additional Remedies. Each DIP Lender's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that DIP Lenders may have under any other agreement, including any other DIP Facility Document or the Final Financing Order, the Bankruptcy Code, by operation of law or otherwise. This Agreement is without prejudice to any rights of DIP Lenders under the Bankruptcy Code or under applicable non-bankruptcy law.

11.6. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

11.7. Parties. This Agreement, the Note, and the other DIP Facility Documents shall be binding upon and the parties hereto and their respective successors, and shall inure to the benefit of the parties and their assigns, transferees and endorsees.

11.8. Conflict of Terms. Except as otherwise provided in this Agreement or the Note by specific reference to the applicable provisions of this Agreement, if any provision contained in this Agreement is in conflict with, or inconsistent with, any provision in the Note, the provision contained in this Agreement shall govern and control.

11.9. Governing Law; Litigation. Except as otherwise expressly provided in any of the DIP Facility Documents, in all respects, including all matters of construction, validity and performance, this Agreement and the DIP Obligations arising hereunder shall be governed by, and be construed and enforced in accordance with, the laws of the State of Utah applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws, and any applicable laws of the United States of America. Service of process on Borrower or a DIP Lender in any action arising out of or relating to any of the DIP Facility Documents shall be effective if mailed to such party at the address listed in **Section 11.11**.

11.10. Venue. Borrower and DIP Lender hereby agree that the Bankruptcy Court or, if the Bankruptcy Case has closed or the Bankruptcy Court refuses or declines jurisdiction for any reason, any state or federal court located in the State of Utah, shall have jurisdiction to hear and determine any claims or disputes between Borrower and DIP Lender, pertaining directly or indirectly to this Agreement, the DIP Loan or to any matter relating thereto. The parties expressly submit and consent in advance to such jurisdiction in any action or proceeding commenced in such courts, hereby waiving personal service of the summons and complaint, or other process or papers issued therein, and agreeing that service of such summons and complaint,

or other process or papers may be made by registered or certified mail addressed to Borrower or DIP Lender, as the case may be, at their respective addresses set forth in **Section 11.11**. Should a party fail to appear or answer any summons, complaint, process or papers so served within thirty (30) days after the mailing thereof, it shall be deemed in default and an order or judgment may be entered against it as demanded or prayed for in such summons, complaint, process or papers. The choice of forum set forth in this section shall not be deemed to preclude the enforcement of any judgment obtained in such forum or the taking of any action under this Agreement to enforce same in any other jurisdiction.

11.11. Notices. All notices, consents, waivers and communications hereunder given by any party to the other shall be in writing (including facsimile transmission and electronic mail) and delivered personally, facsimile, by electronic mail, by a recognized overnight courier, or by dispatching the same by certified or registered mail, return receipt requested, with postage prepaid, in each case addressed:

If to Borrower, to:

CS Mining, LLC
1208 South 200 West
P.O. Box 608
Milford, UT 84751
Attention: David McMullin
Facsimile: (435) 387-5088
Email: dcmullin@csmining.com

with copies to:

Pepper & Hamilton LLP
Hercules Plaza, Suite 5100
1313 N. Market Street
P.O. Box 1709
Wilmington, Delaware 19899-1709
Attention: Donald J. Detweiler, Esq.
Facsimile: (800) 343-6137
Email: detweild@pepperlaw.com

If to Wellington, to:

Wellington Financing Partners, LLC
Attn: Galtney Enterprises, Inc.
820 Gessner Rd, Ste 1850
Houston, TX 77024-4289
Attention: Robert F. Galtney
Email: rgaltney@galtney.com

with a copy to:

Durham Jones & Pinegar, P.C.
111 East Broadway, Suite 900
P O Box 4050
Salt Lake City, UT 84110-4050
Attention: Kenneth L. Cannon II
Facsimile: (801) 297-1201
Email: kcannon@djplaw.com

If to Broadbill, to:

Broadbill Partners, L.P.
527 Madison Avenue, 6th Floor
New York, NY 10022
Attention: Jon Marcus
Email: jmarcus@broadbillpartners.com

If to St. Cloud, to:

St. Cloud Capital Partners, II, L.P.
10866 Wilshire Blvd., Suite 1450
Los Angeles, CA 90024
Attention: Robert Lautz
Facsimile: (310) 475-0550
Email: rlautz@stcloudcapital.com

with a copy to:

Hogan Lovells US LLP
One Tabor Center, Suite 1500
1200 Seventeenth Street
Denver, CO 80202
Attention: Andrew Lillie, Esq.
Facsimile: (303) 899-7333
Email: andrew.lillie@hoganlovells.com

or to such other address or addresses as Borrower or the relevant DIP Lender may from time to time designate by notice as provided herein, except that notices of changes of address shall be effective only upon receipt. All such notices, consents, waivers and communications shall be effective: (a) when posted by certified or registered mail, postage prepaid, return receipt requested, three (3) Business Days after dispatch, (b) when facsimiled or sent by electronic mail, upon transmission, or (c) when delivered by a recognized overnight courier or in person, upon receipt when hand delivered.

11.12. Reimbursement of Expenses other than DIP Lender's Third-Party Advisor Fees. Borrower shall reimburse the DIP Lenders for all reasonable and documented fees, costs and expenses (including the reasonable fees and expenses of all of its counsel, advisors, consultants

and auditors) incurred in connection with the DIP Loan or DIP Facility Documents in an amount not to exceed \$200,000 (the “DIP Lenders’ Fees”). Borrower agrees that DIP Lenders may in their discretion either credit or reserve against DIP Loan disbursements or be paid on demand out of the first proceeds from the sale of Borrower’s assets or, if there is no sale, from funding under a confirmed plan of reorganization and without application to the Bankruptcy Court). The DIP Lenders’ Fees shall include and are limited to:

(a) the negotiation, preparation and filing and/or recordation of the DIP Facility Documents and related documents, motions and filings;

(b) any amendment, modification or waiver of, consent with respect to, or termination of, this Agreement or any other DIP Facility Document;

(c) any litigation, contest, dispute, suit, proceeding or action (whether instituted by DIP Lender, Borrower or any other Person and whether as a party, witness or otherwise) in any way relating to the Collateral, any of the DIP Facility Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against Borrower or any other Person that may be obligated to DIP Lender by virtue of the DIP Facility Documents, including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the DIP Loan during the pendency of one or more Events of Default;

(d) advice in connection with the administration of the DIP Loan made pursuant hereto or its rights hereunder or thereunder;

(e) any attempt to enforce any remedies of DIP Lender against Borrower or any other Person that may be obligated to DIP Lender by virtue of any of the DIP Facility Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the DIP Loan during the pendency of one or more Events of Default; (provided, however, that if the DIP Lenders have to foreclose and are successful in such foreclosure on the Debtor’s assets, fees related thereto are not part of the \$200,000 cap);

(f) any workout or restructuring of the DIP Loan during the pendency of one or more Events of Default;

(g) the obtaining of approval of the DIP Facility Documents by the Bankruptcy Court;

(h) the preparation and review of pleadings, documents and reports related to the Bankruptcy Case and any subsequent case under chapter 7 of the Bankruptcy Code, attendance at meetings, court hearings or conferences related to the Bankruptcy Case and any subsequent case under chapter 7 of the Bankruptcy Code, and general monitoring of the Bankruptcy Case and any subsequent case under chapter 7 of the Bankruptcy Code; and

(i) efforts to (x) monitor the DIP Loan, Budget, Borrower operations or any DIP Obligations, (y) evaluate, observe or assess Borrower or its affairs, and (z) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Collateral;

including, as to each of **Sections 11.12(a)** through **(i)**, all reasonable attorneys' and other professional and service providers' fees arising from such services and other advice, assistance or other representation, including those in connection with any appellate proceedings, and all expenses, costs, charges and other fees incurred by such counsel and others in connection with or relating to any of the events or actions described in this **Section 11.12**, all of which shall be payable as set forth above by Borrower to DIP Lender, on demand out of the first proceeds from the sale of Borrower's assets. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, attorneys, environmental advisors, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram or telecopy charges; secretarial overtime charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services.

The DIP Lenders' Fees shall be payable on the Maturity Date, unless the DIP Loan is refinanced prior to the Maturity Date with a facility in which DIP Lenders provide at least 50% of the refinancing facility, in which event the DIP Lenders' Fees will be paid at the time the DIP Obligations are due.

11.13. Payment of DIP Lenders' Third-Party Advisor Fees. DIP Lenders anticipate engaging an industry-experienced third-party advisor (the "Third-Party Advisor") to monitor the Resource Development Plan and other value-enhancing initiatives of Borrower. The Third-Party Advisor will be entitled to receive a monitoring fee, with part to be paid \$10,000 per month out of the Resource Development line item in the Budget and the other part, of \$100,000, payable as part of the DIP Lenders' Fees *pari passu* with repayment of the DIP Loan on the Maturity Date and secured as part of the DIP Obligations. The amounts payable or reimbursable to the Third-Party Advisor specified in this Section are in addition to any amounts specified in **Section 11.12**.

11.14. Indemnity. Borrower agrees to defend, indemnify, and hold harmless each DIP Lender and such DIP Lender's directors, officers, employees, advisors, affiliates, representatives, attorneys and agents (each an "Indemnified Person") from and against any and all penalties, fines, liabilities, damages, costs, or expenses of whatever kind or nature asserted against any such Indemnified Person, arising out of, or in any way related to this Agreement or any other DIP Facility Document, or the transactions contemplated hereby or thereby, including by reason of the violation of any law or regulation relating to the protection of the environment or the presence, generation, disposal, release, or threatened release of any hazardous materials in connection with Borrower's business on, at or from any property at any time owned or operated by Borrower, including reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses actually incurred. Borrower shall have no obligation to indemnify DIP Lenders, or provide contribution or reimbursement to DIP Lenders, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from any of the DIP Lender's gross negligence, fraud, willful misconduct, breach of fiduciary duty, if any, bad faith or self-dealing; (ii) for a contractual dispute in which the Debtor alleges the breach of any DIP Lender's contractual obligations unless the Court determines that indemnification is permissible; (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by this Court, after notice and a hearing to be a claim or expense for which a DIP Lender should not receive indemnity.

11.15. Reversal of Payments. To the extent that Borrower makes a payment or payments to a DIP Lender that are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver, or any other party under any bankruptcy law, state or federal law, common law, or equitable cause, then, to the extent of such payment or proceeds received, the DIP Obligations or part thereof intended to be satisfied shall be revived and shall continue in full force and effect, as if such payment or proceeds had not been received by such DIP Lender.

11.16. No Control. By agreeing to and executing this Agreement, by making advances or extending financial accommodations of any type, kind or nature under this Agreement, the Budget or the Final Financing Order, DIP Lender shall not be deemed (i) to be in control of Borrower's operations or business or (ii) to be acting as a "responsible person," "managing agent" or "owner or operator" with respect to the operation or maintenance of Borrower.

11.17. Survival. The representations and warranties of Borrower and DIP Lenders in this Agreement shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto.

11.18. Section Titles. The section titles and table of contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever.

11.19. Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall, collectively and separately, constitute one agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement have been duly executed as of the date first written above.

“Borrower”:

CS MINING, LLC

By: _____

Name: _____

Title: _____

“DIP Lenders”

“Wellington”

WELLINGTON FINANCING PARTNERS, LLC

By: _____

Name: _____

Title: _____

“Broadbill”

BROADBILL PARTNERS, L.P.

By: _____

Name: _____

Title: _____

“St. Cloud”

ST. CLOUD CAPITAL PARTNERS II. L.P.

By: _____

Name: _____

Title: _____

Exhibit A: Budget

CS Mining, LLC
6 Month Cash Forecast
As of August 4, 2016

| Care & Maintenance Scenario | | | | | | | | | | | | | | |
|---|----------|----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 13 Week Subtotal |
| | 8/1/2016 | 8/8/2016 | 8/15/2016 | 8/22/2016 | 8/29/2016 | 9/5/2016 | 9/12/2016 | 9/19/2016 | 9/26/2016 | 10/3/2016 | 10/10/2016 | 10/17/2016 | 10/24/2016 | |
| Cash Flows from Operations | | | | | | | | | | | | | | |
| Receipts | 40 | | | | | | | | | | | | | 40 |
| Operating Costs | | | | | | | | | | | | | | |
| Labor | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (38) | (229) |
| Benefits | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (7) |
| Consumables and Supplies | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (60) |
| Holding Costs | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (68) |
| Other | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (45) | (360) |
| Total Operating Costs | (18) | (99) | (603) | (76) | (23) | (95) | (51) | (55) | (44) | (185) | (18) | (55) | (44) | (1,365) |
| Cash Flows from Operations | (18) | (59) | (603) | (76) | (23) | (95) | (51) | (55) | (44) | (185) | (18) | (55) | (44) | (1,325) |
| Cash Flows from Investing Activities | | | | | | | | | | | | | | |
| Capital Expenditures | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transition to C&M | - | - | (220) | - | (220) | (75) | (75) | (75) | (75) | (75) | (75) | (75) | (75) | (600) |
| Exploration Cost | - | - | (220) | - | (220) | (75) | (220) | (220) | (220) | (220) | (220) | (220) | (220) | (1,320) |
| Cash Flows from Investing Activities | - | - | (220) | - | (220) | (75) | (295) | (75) | (295) | (75) | (295) | (75) | (295) | (1,920) |
| Cash Flows from Financing Activities | | | | | | | | | | | | | | |
| DIP Draws | - | 2,000 | - | - | - | 5,000 | - | - | - | - | - | - | - | 7,000 |
| DIP Servicing | - | - | - | - | - | - | - | - | - | - | - | - | - | (27) |
| Equipment Financing | - | (9) | - | - | - | - | (9) | - | - | - | - | (9) | - | (27) |
| Cash Flows from Financing Activities | - | 1,991 | - | - | - | 5,000 | (9) | - | - | - | - | (9) | - | 6,973 |
| Process Related Disbursements | | | | | | | | | | | | | | |
| Utility Deposits / Other | - | - | (50) | - | - | - | - | - | - | - | - | - | - | (50) |
| Professional Fee Funding | (155) | (75) | (35) | (50) | (145) | (80) | (80) | (45) | (135) | (75) | (65) | (45) | (55) | (1,040) |
| US Trustee Fees | - | - | - | - | - | - | - | - | - | - | - | - | - | (30) |
| Cash Flows from Process Related | (155) | (75) | (85) | (50) | (145) | (80) | (80) | (45) | (135) | (75) | (65) | (45) | (85) | (1,120) |
| Net Cash Flows | (173) | 1,857 | (908) | (126) | (388) | 4,750 | (435) | (175) | (474) | (335) | (378) | (184) | (424) | 2,608 |
| <i>Cumulative Cash Flows</i> | (173) | 1,684 | 777 | 651 | 263 | 5,013 | 4,578 | 4,403 | 3,929 | 3,594 | 3,216 | 3,032 | 2,608 | |
| Beginning Cash Balance | (84) | (256) | 1,601 | 693 | 568 | 180 | 4,929 | 4,494 | 4,319 | 3,845 | 3,510 | 3,132 | 2,949 | (84) |
| Net Cash Flows | (173) | 1,857 | (908) | (126) | (388) | 4,750 | (435) | (175) | (474) | (335) | (378) | (184) | (424) | 2,608 |
| Ending Cash Balance | (256) | 1,601 | 693 | 568 | 180 | 4,929 | 4,494 | 4,319 | 3,845 | 3,510 | 3,132 | 2,949 | 2,525 | 2,525 |
| Prefunded Account | | | | | | | | | | | | | | |
| Funding | 155 | 75 | 35 | 50 | 145 | 80 | 80 | 45 | 135 | 75 | 65 | 45 | 55 | 1,040 |
| Payment to Debtor Professionals | (80) | - | - | - | (80) | - | - | - | (305) | - | - | - | (170) | (635) |
| Payment to UCC Professionals | - | - | - | - | - | - | - | - | (20) | - | - | - | (40) | (60) |
| Account Balance | 75 | 150 | 185 | 235 | 300 | 380 | 460 | 505 | 315 | 390 | 455 | 500 | 345 | 345 |

CS Mining, LLC
6 Month Cash Forecast
As of August 4, 2016

| Care & Maintenance Scenario | | | | | |
|---|-------------------|-----------------|-----------------|---------------------|------------------|
| (S'000s) | November | December | January | Nov-Jan Subtotal | 6 Month Total |
| For the week beginning | | | | | |
| Cash Flows from Operations | - | - | - | - | 40 |
| Receipts | | | | | |
| Operating Costs | (76) | (76) | (76) | (229) | (459) |
| Labor | (22) | (22) | (22) | (67) | (140) |
| Benefits | (11) | (11) | (11) | (32) | (62) |
| Consumables and Supplies | (30) | (30) | (75) | (135) | (817) |
| Holding Costs | (57) | (57) | (57) | (171) | (522) |
| Other | (197) | (197) | (242) | (635) | (2,000) |
| Total Operating Costs | (197) | (197) | (242) | (635) | (1,960) |
| Cash Flows from Operations | (197) | (197) | (242) | (635) | (1,960) |
| Cash Flows from Investing Activities | | | | | |
| Capital Expenditures | (150) | - | - | (150) | (750) |
| Transition to C&M | (440) | (440) | - | (880) | (2,200) |
| Exploration Cost | (590) | (440) | - | (1,030) | (2,950) |
| Cash Flows from Investing Activities | (590) | (440) | - | (1,030) | (2,950) |
| Cash Flows from Financing Activities | | | | | |
| DIP Draws | - | - | - | - | 7,000 |
| DIP Servicing | - | - | - | - | - |
| Equipment Financing | - | - | - | - | (27) |
| Cash Flows from Financing Activities | - | - | - | - | 6,973 |
| Process Related Disbursements | | | | | |
| Utility Deposits / Other | (235) | (235) | (330) | (800) | (50) |
| Professional Fee Funding | - | - | (60) | (60) | (1,840) |
| US Trustee Fees | (235) | (235) | (390) | (860) | (90) |
| Cash Flows from Process Related | (235) | (235) | (390) | (860) | (1,980) |
| Net Cash Flows | \$ (1,022) | \$ (872) | \$ (632) | \$ (2,525) | \$ 83 |
| <i>Cumulative Cash Flows</i> | 1,586 | 715 | 85 | | |
| Beginning Cash Balance | \$ 2,525 | \$ 1,503 | \$ 631 | \$ 2,525 | \$ (84) |
| Net Cash Flows | (1,022) | (872) | (632) | (2,525) | 83 |
| Ending Cash Balance | \$ 1,503 | \$ 631 | \$ (0) | \$ (0) | \$ (0) |
| Prefunded Account | | | | | |
| Funding | 235 | 235 | 330 | 800 | 1,840 |
| Payment to Debtor Professionals | (242) | (302) | (174) | (718) | (1,353) |
| Payment to UCC Professionals | (32) | (55) | (32) | (119) | (179) |
| Account Balance | 306 | 184 | 308 | 308 | 308 |

Exhibit B: Schedule of Docs

- 1. DIP Credit Agreement and Schedules to DIP Credit Agreement**
- 2. Budget (Exhibit A to DIP Credit and Security Agreement)**
- 3. DIP Financing Note (Exhibit C to DIP Credit and Security Agreement)**
- 4. Final DIP Financing Order**
- 5. Certification of CRO Requesting DIP Financing Draw**

Exhibit C: Notes

PROMISSORY NOTE

\$2,500,000.00

September __, 2016

FOR VALUE RECEIVED, the undersigned, CS MINING, LLC, a Delaware limited liability company (“Maker”), hereby promises to pay to the order of BROADBILL PARTNERS, L.P., a Delaware limited partnership, or its assigns (“Holder”), the principal amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00) (the “Loan”), together with interest accrued thereon and any additional amounts which may be payable to Holder pursuant to the terms set forth in the Credit Agreement or this Promissory Note (the “Note”). Maker and Holder are each sometimes referred to herein as a “Party” and together, the “Parties.”

1. Delivery of the Note. This Note is a promissory note referred to in, and is entitled to the benefits of, that certain Debtor in Possession Credit and Security Agreement, dated as of September __, 2016 (as the same may be amended, amended and restated, restated, supplemented, modified or otherwise in effect from time to time, the “Credit Agreement”) by and among Maker, Holder and the other parties thereto. Capitalized terms used but not otherwise defined herein shall have the meaning given them in the Credit Agreement.

2. Final Payment; Optional Prepayments.

(a) Final Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under this Note shall be due and payable on the Maturity Date.

(b) Optional Prepayment. Maker may prepay the Loan in whole or in part pursuant to Section 2.3 of the Credit Agreement.

3. Interest.

(a) Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Loan made hereunder shall bear interest at 7% per annum from the date the Loan was made until the Loan is paid in full, whether upon the Maturity Date, by prepayment or otherwise. In no event will the rate of interest hereunder exceed the maximum rate under applicable law.

(b) Interest Payment. Interest on the Loan shall be due and payable in full in arrears on the Maturity Date.

(c) Default Interest. If any amount payable hereunder is not paid when due, such overdue amount shall bear interest at 7.8% per annum from the date of such non-payment until such amount is paid in full.

(d) Computation of Interest. All computations of interest shall be made on the basis of a year of 365 days or 366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Loan on the day on which such Loan is made, and shall not accrue on the Loan on the day on which it is paid.

4. Payment Mechanics.

(a) Manner of Payment. All payments of interest and principal shall be made in lawful money of the United States of America no later than 12:00 p.m., Mountain Time, on the Maturity Date by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to the Maker.

(b) Application of Payments. All payments made hereunder shall be applied first, to the payment of any fees or charges outstanding hereunder, second, to accrued interest and third, to the payment of the principal amount outstanding under the Note. Any payments received by Holder after any default hereunder, shall be applied in such order as Holder may, in its sole discretion, elect.

(c) Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is a Saturday, Sunday or legal holiday in the State of Utah, such payment shall be made on the next succeeding business day and such extension will be taken into account in calculating the amount of interest payable under this Note.

5. Remedies. Upon the occurrence of an Event of Default, the holder of this Note may pursue the remedies set forth in Section 10.2 of the Credit Agreement.

6. Use of Proceeds. Maker shall use the proceeds of the Loan solely in accordance with Section 2.4, Section 11.12 and Section 11.13 of the Credit Agreement.

7. Fees and Expenses. Maker shall reimburse the Holder for all reasonable and documented out-of-pocket costs, expenses and fees (including reasonable expenses and fees of its counsel) incurred by the Holder in connection with the transactions contemplated hereby including the negotiation, documentation and execution of this Note (subject to the limitations set forth in Section 11.2 and Section 11.12 of the Credit Agreement) and the enforcement of the Holder's rights hereunder or under the Credit Agreement.

8. Successors and Assigns. This Note may be assigned, transferred or negotiated by the Holder to (a) any affiliate of Holder at any time without notice to or the consent of Maker and (b) any other person with the prior written consent of Maker. Maker may not assign or transfer this Note or any of its rights hereunder without the prior written consent of the Holder. This Note shall inure to the benefit of and be binding upon the Parties and their permitted assigns.

9. Cumulative Rights. No delay on the part of any holder of this Note in the exercise of any power or right under this Note, or under any document or instrument executed in connection herewith, shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right.

10. Waivers. Maker, and any other party ever liable for the payment of any sum of money payable on this Note, jointly and severally waive demand, presentment, protest, notice of nonpayment, notice of intention to accelerate, notice of acceleration, notice of protest, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur; agree that their liability on this Note shall not be affected by any renewal or extension in the time of

payment hereof, or by any indulgences, and hereby consent to any and all renewals, extensions, indulgences, releases, or changes hereof or hereto, regardless of the number of such renewals, extensions, indulgences, releases, or changes. Waiver of performance of any provision shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision of this Note.

11. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Utah, without regard to conflict of law principles.

12. Severability. If any provision of this Note shall be held to be unenforceable by a court of competent jurisdiction, such provisions shall be severed from this Note and the remainder of this Note shall continue in full force and effect.

13. Notices. Notices shall be given to Holder or Maker pursuant to Section 11.11 of the Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, THE UNDERSIGNED MAKER HAS EXECUTED THIS NOTE AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

“MAKER”

CS MINING, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

“HOLDER”

BROADBILL PARTNERS, L.P.,
a Delaware limited partnership,

By: _____
Name:
Title:

PROMISSORY NOTE

\$500,000.00

September__, 2016

FOR VALUE RECEIVED, the undersigned, CS MINING, LLC, a Delaware limited liability company (“Maker”), hereby promises to pay to the order of ST. CLOUD CAPITAL PARTNERS II. L.P., or its assigns (“Holder”), the principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the “Loan”), together with interest accrued thereon and any additional amounts which may be payable to Holder pursuant to the terms set forth in the Credit Agreement or this Promissory Note (the “Note”). Maker and Holder are each sometimes referred to herein as a “Party” and together, the “Parties.”

1. Delivery of the Note. This Note is a promissory note referred to in, and is entitled to the benefits of, that certain Debtor in Possession Credit and Security Agreement, dated as of September__, 2016 (as the same may be amended, amended and restated, restated, supplemented, modified or otherwise in effect from time to time, the “Credit Agreement”) by and among Maker, Holder and the other parties thereto. Capitalized terms used but not otherwise defined herein shall have the meaning given them in the Credit Agreement.

2. Final Payment; Optional Prepayments.

(a) Final Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under this Note shall be due and payable on the Maturity Date.

(b) Optional Prepayment. Maker may prepay the Loan in whole or in part pursuant to Section 2.3 of the Credit Agreement.

3. Interest.

(a) Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Loan made hereunder shall bear interest at 7% per annum from the date the Loan was made until the Loan is paid in full, whether upon the Maturity Date, by prepayment or otherwise. In no event will the rate of interest hereunder exceed the maximum rate under applicable law.

(b) Interest Payment. Interest on the Loan shall be due and payable in full in arrears on the Maturity Date.

(c) Default Interest. If any amount payable hereunder is not paid when due, such overdue amount shall bear interest at 7.8% per annum from the date of such non-payment until such amount is paid in full.

(d) Computation of Interest. All computations of interest shall be made on the basis of a year of 365 days or 366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Loan on the day on which such Loan is made, and shall not accrue on the Loan on the day on which it is paid.

4. Payment Mechanics.

(a) Manner of Payment. All payments of interest and principal shall be made in lawful money of the United States of America no later than 12:00 p.m., Mountain Time, on the Maturity Date by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to Maker.

(b) Application of Payments. All payments made hereunder shall be applied first, to the payment of any fees or charges outstanding hereunder, second, to accrued interest and third, to the payment of the principal amount outstanding under the Note. Any payments received by Holder after any default hereunder, shall be applied in such order as Holder may, in its sole discretion, elect.

(c) Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is a Saturday, Sunday or legal holiday in the State of Utah, such payment shall be made on the next succeeding business day and such extension will be taken into account in calculating the amount of interest payable under this Note.

5. Remedies. Upon the occurrence of an Event of Default, the holder of this Note may pursue the remedies set forth in Section 10.2 of the Credit Agreement.

6. Use of Proceeds. Maker shall use the proceeds of the Loan solely in accordance with Section 2.4, Section 11.12 and Section 11.13 of the Credit Agreement.

7. Fees and Expenses. Maker shall reimburse the Holder for all reasonable and documented out-of-pocket costs, expenses and fees (including reasonable expenses and fees of its counsel) incurred by the Holder in connection with the transactions contemplated hereby including the negotiation, documentation and execution of this Note (subject to the limitations set forth in Section 11.12 and Section 11.13 of the Credit Agreement) and the enforcement of the Holder's rights hereunder and under the Credit Agreement.

8. Successors and Assigns. This Note may be assigned, transferred or negotiated by the Holder to (a) any affiliate of Holder at any time without notice to or the consent of Maker and (b) any other person with the prior written consent of Maker. Maker may not assign or transfer this Note or any of its rights hereunder without the prior written consent of the Holder. This Note shall inure to the benefit of and be binding upon the Parties and their permitted assigns.

9. Cumulative Rights. No delay on the part of any holder of this Note in the exercise of any power or right under this Note, or under any document or instrument executed in connection herewith, shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right.

10. Waivers. Maker, and any other party ever liable for the payment of any sum of money payable on this Note, jointly and severally waive demand, presentment, protest, notice of nonpayment, notice of intention to accelerate, notice of acceleration, notice of protest, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur; agree that their liability on this Note shall not be affected by any renewal or extension in the time of

Promissory Note

St. Cloud Capital Partners II, L.P.

SLC_2972911.2

payment hereof, or by any indulgences, and hereby consent to any and all renewals, extensions, indulgences, releases, or changes hereof or hereto, regardless of the number of such renewals, extensions, indulgences, releases, or changes. Waiver of performance of any provision shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision of this Note.

11. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Utah, without regard to conflict of law principles.

12. Severability. If any provision of this Note shall be held to be unenforceable by a court of competent jurisdiction, such provisions shall be severed from this Note and the remainder of this Note shall continue in full force and effect.

13. Notices. Notices shall be given to Holder or Maker pursuant to Section 11.11 of the Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Maker has executed this Note as of the day and year first above written.

“MAKER”

CS MINING, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

“HOLDER”

ST. CLOUD CAPITAL PARTNERS II. L.P.

By: _____
Name:
Title:

PROMISSORY NOTE

\$4,700,000.00

September__, 2016

FOR VALUE RECEIVED, the undersigned, CS MINING, LLC, a Delaware limited liability company ("Maker"), hereby promises to pay to the order of WELLINGTON FINANCING PARTNERS, LLC or its assigns ("Holder"), the principal amount of FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$4,700,000.00) (the "Loan"), together with interest accrued thereon and any additional amounts which may be payable to Holder pursuant to the terms set forth in the Credit Agreement or this Promissory Note (the "Note"). Maker and Holder are each sometimes referred to herein as a "Party" and together, the "Parties."

1. Delivery of the Note. This Note is a promissory note referred to in, and is entitled to the benefits of, that certain Debtor in Possession Credit and Security Agreement, dated as of September__, 2016 (as the same may be amended, amended and restated, restated, supplemented, modified or otherwise in effect from time to time, the "Credit Agreement") by and among Maker, Holder and the other parties thereto. Capitalized terms used but not otherwise defined herein shall have the meaning given them in the Credit Agreement.

2. Final Payment; Optional Prepayments.

(a) Final Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under this Note shall be due and payable on the Maturity Date.

(b) Optional Prepayment. Maker may prepay the Loan in whole or in part pursuant to Section 2.3 of the Credit Agreement.

3. Interest.

(a) Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Loan made hereunder shall bear interest at 7% per annum from the date the Loan was made until the Loan is paid in full, whether upon the Maturity Date, by prepayment or otherwise. In no event will the rate of interest hereunder exceed the maximum rate under applicable law.

(b) Interest Payment. Interest on the Loan shall be due and payable in full in arrears on the Maturity Date.

(c) Default Interest. If any amount payable hereunder is not paid when due, such overdue amount shall bear interest at 7.8% per annum from the date of such non-payment until such amount is paid in full.

(d) Computation of Interest. All computations of interest shall be made on the basis of a year of 365 days or 366 days, as the case may be, and the actual number of days

Promissory Note
Wellington Financing Partners, LLC

elapsed. Interest shall accrue on the Loan on the day on which such Loan is made, and shall not accrue on the Loan on the day on which it is paid.

4. Payment Mechanics.

(a) Manner of Payment. All payments of interest and principal shall be made in lawful money of the United States of America no later than 12:00 p.m., Mountain Time, on the Maturity Date by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to Maker.

(b) Application of Payments. All payments made hereunder shall be applied first, to the payment of any fees or charges outstanding hereunder, second, to accrued interest and third, to the payment of the principal amount outstanding under the Note. Any payments received by Holder after any default hereunder, shall be applied in such order as Holder may, in its sole discretion, elect.

(c) Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is a Saturday, Sunday or legal holiday in the State of Utah, such payment shall be made on the next succeeding business day and such extension will be taken into account in calculating the amount of interest payable under this Note.

5. Remedies. Upon the occurrence of an Event of Default, the holder of this Note may pursue the remedies set forth in Section 10.2 of the Credit Agreement.

6. Use of Proceeds. Maker shall use the proceeds of the Loan solely in accordance with Section 2.4, Section 11.12 and Section 11.13 of the Credit Agreement.

7. Fees and Expenses. Maker shall reimburse the Holder for all reasonable and documented out-of-pocket costs, expenses and fees (including reasonable expenses and fees of its counsel) incurred by the Holder in connection with the transactions contemplated hereby including the negotiation, documentation and execution of this Note (subject to the limitations set forth in Section 11.12 and Section 11.13 of the Credit Agreement) and the enforcement of the Holder's rights hereunder or under the Credit Agreement.

8. Successors and Assigns. This Note may be assigned, transferred or negotiated by the Holder to (a) any affiliate of Holder at any time without notice to or the consent of Maker and (b) any other person with the prior written consent of Maker. Maker may not assign or transfer this Note or any of its rights hereunder without the prior written consent of the Holder. This Note shall inure to the benefit of and be binding upon the Parties and their permitted assigns.

9. Cumulative Rights. No delay on the part of any holder of this Note in the exercise of any power or right under this Note, or under any document or instrument executed in connection herewith, shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right.

10. Waivers. Maker, and any other party ever liable for the payment of any sum of money payable on this Note, jointly and severally waive demand, presentment, protest, notice of nonpayment, notice of intention to accelerate, notice of acceleration, notice of protest, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur; agree that their liability on this Note shall not be affected by any renewal or extension in the time of payment hereof, or by any indulgences, and hereby consent to any and all renewals, extensions, indulgences, releases, or changes hereof or hereto, regardless of the number of such renewals, extensions, indulgences, releases, or changes. Waiver of performance of any provision shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision of this Note.

11. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Utah, without regard to conflict of law principles.

12. Severability. If any provision of this Note shall be held to be unenforceable by a court of competent jurisdiction, such provisions shall be severed from this Note and the remainder of this Note shall continue in full force and effect.

13. Notices. Notices shall be given to Holder or Maker pursuant to Section 11.11 of the Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Maker has executed this Note as of the day and year first above written.

“MAKER”

CS MINING, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

“HOLDER”

WELLINGTON FINANCING PARTNERS, LLC,
Delaware limited liability company

By: _____
Name:
Title:

Schedule 5.1(i): Litigation

CS Mining Case No. 16-24818 List of Pending Litigation

| Case Title | Case Number | Jurisdiction |
|--|---|---|
| BRAHMA GROUP, INC., etc.; Ptf. Vs. CS MINING, LLC, etc., et al., Dfts | 160500005 | Fifth Judicial District Court, Beaver County, Beaver Department, UT |
| RE: Parcel ID: 07-0700-0235 // To: CS Mining, LLC | None specified | n/a |
| MATTHEW CHENAULT on behalf of himself and all others similarly situated, Plaintiff, v. CS MINING, LLC, Defendant. | Bankruptcy Case #1624818WTT; Adversary Case #1602095WTT | US Bankruptcy Court, District of Utah |
| COOKE & ROYLANCE, INC., etc.; Ptf. Vs. CS Mining, LLC, et al., Dfts. | 160901635 | Third District Court, Salt Lake County, Salt Lake Department, UT |
| RE: Ferguson Enterprises, Inc., Claimant // To: CS Mining, LLC | None Specified | n/a |
| RE: Pipe Valve and Fitting Co., Claimant // To: CS Mining, LLC | None Specified | n/a |
| RELANCE STEEL & ALUMINUM, etc.; ptf. Vs. CS Mining, LLC, etc., Dft. | 160903484 | Third District Court, Salt Lake County, Salt Lake Department, UT |
| RPS CAMPBELL COMPANIES LLC, etc.; Ptf. Vs. CS Mining LLC, etc., Dft. | 160901612 | Third District Court, Salt Lake County, Salt Lake Department, UT |
| In Re: CS MINING, LLC, Debtor Matthew Chenaunt on behalf of himself and all others similarly situated, Ptf. vs. CS MINING, LLC, Dft. | Bankruptcy Case #1624818WTT; Adversary Case #1602095WTT | US Bankruptcy Court, District of Utah |
| Augusta Fiberglass Coatings, Inc., Ptf. vs. CS Mining, LLC, Dft. | 2016CPO600311 | The Honorable Rhonda Dale McElveen Barmwell County Clerk of Court (SC) |
| J&M STEEL SOLUTIONS, INC., etc.; Ptf. vs. BRAHMA GROUP, INC., et al.; Dfts. // To: CS MINING, LLC | 160500005 | Fifth Judicial District Court, Beaver County, Beaver Department, UT |
| DXS Capital (U.S.) Limited et. al. v. David J. Richards, LLC et. al. | 652681/2016 | N.Y. Sup. Ct. HON. EILEEN ANN RAKOWER |
| Clarify Copper, LLC et. al. v. DXS Capital (U.S.) Limited et. al. | | Beaver County, UT Fifth District |
| DXS Capital (U.S.) Limited v. Skye Mineral Investors, LLC | 12381-VCS | Honorable Joseph R. Slight's III, Delaware Court of Chancery, Kent County Courthouse |
| Waterloo Street Limited v. David J. Richards, LLC | 650741/2016 | N.Y. Sup. Ct. |
| David J. Richards, LLC d/b/a Western US Mineral Investors, LLC | Entry # 258075, Book# 499, Page 292 Entry # 258074, Book# 499, Page 287 Entry # 258077, Book# 499, Page 388 Entry # 258076, Book# 499, Page 296 | Beaver County Corporation |
| Plasticon North America | 01-16-0000-5390 100321 | American Arbitration Association International Centre for Dispute Resolution Ms. Yanett Quiroz, LL.M. Houston, TX 77027 |

Schedule 5.1 (j): Taxes

SCHEDULE 5.1 - TAXES

- 2015 property tax
- 2016 property tax
- Q1 2016 sales and use tax
- Amounts owed from a sales and use tax audit (periods 2012 to 2014)

Schedule 5.1(k): Ownership of Property

SCHEDULE 5.1(k) – OWNERSHIP OF PROPERTY

1. Waterloo Street Limited (All assets of the Debtor)
2. David J. Richards, LLC d/b/a Western US Mineral Investors, LLC (All assets of the Debtor)
3. Skye Mineral Partners, LLC (All assets of the Debtor)
4. Wells Fargo Bank, N.A. (Equipment)
5. Navitas Lease Management Group (Equipment)
6. Caterpillar Financial Services Corporation (Equipment)
7. Komatsu Financial Limited Partnership (Equipment)
8. H&E Equipment Services, Inc. (Equipment)
9. Revco Leasing Corporation (Equipment)
10. Noble Americas Corp. (Potential Claims Re Inventory)
11. Thermo Electron North America, LLC (Equipment)
12. First National Capital, LLC (Equipment)
13. Lexon Insurance Company, as trustee (Cash Collateral Account for Bonding)
14. Mechanics Liens
 - a. Agate, Inc.
 - b. J&M Steel Solutions LLC
 - c. International Lining Technology, Inc. (a Nevada Corp.)
 - d. Brahma Group, Inc.
 - e. Schmueser & Associates, Inc.
 - f. Ferguson Enterprises
 - g. Pipe Valve and Fitting Co.
15. Taxes
 - a. Utah State Tax Commission
 - b. Beaver County Assessor

Schedule 5.1(1)(b): Environmental

Schedule 5.1(l)(b)

To the best of Borrower's knowledge, Borrower is not in violation of any of its approved activities or permits with respect to Environmental Laws, and no conditions exist that would give rise to a violation of any Environmental Laws. In one area of the operation regarding the intermediate tailings dam, the pH of solutions is believed to be markedly below what is allowed by the current permit. However, the regulating entities, Utah Division of Water Quality (DWQ) and Utah Division of Oil, Gas and Mining (UDOGM) are both updated and aware on this issue and have agreed to the proposed Borrower plan to address this issue.

Schedule 8.3: Liens

SCHEDULE 8.3 - PREPETITION LIENS

| Creditor Name and Address | Description of Debtor's Property That is Subject to a Lien | Describe the Lien | Amount of Claim Do Not Deduct the Value of Collateral |
|--|--|-----------------------------------|---|
| Agate, Inc. P.O. Box 117 Scotsdale, AZ 85252 | Phase II Project Assets | Mechanics Lien | \$ 142,386.00 |
| Beaver County Treasurer P.O. Box 432 Beaver, UT 84713 | Property Tax | Tax Lien | \$ 544,478.07 |
| Brahma Group, Inc. 1132 South 500 West Salt Lake City, UT 84101 | Phase II Project Assets | Mechanics Lien | \$ 1,369,915.79 |
| Caterpillar Financial Services Corporation 2120 West End Avenue Nashville, TN 37203 | Cat 777 Haul Trucks | Purchase Money Security Interests | \$ 1,335,477.80 |
| Caterpillar Financial Services Corporation 2120 West End Avenue Nashville, TN 37203 | Cat TL 12, Cat 349 | Purchase Money Security Interests | \$ 308,130.94 |
| Ferguson Enterprises, Inc. 1422 South 4450 West Salt Lake City, UT 84104 | Phase II Project Assets | Mechanics Lien | \$ 55,905.20 |
| International Lining Technology, Inc. (a Nevada Corp.) 850 Maestro Drive, Suite 101 Reno, NV 89511 | Phase II Project Assets | Mechanics Lien | \$ 156,969.00 |
| J&M Steel Solutions LLC 894 West State Street Lehi, UT 84157 | Phase II Project Assets | Mechanics Lien | \$ 20,450.00 |
| Komatsu Financial Lp 1701 West Golf Road Suite1-300 Rolling Meadows, IL 60008 | Manitou Forklift, LK8 Forklift, RS519 Telehandler, S185 Skidsteer, Yale Forklift, GS2632 Scissorlift, 600AJ Boomlift | Purchase Money Security Interests | \$ 94,714.45 |
| Pipe Valve and Fitting Co. 2505 East 79th Avenue P.O. Box 5806 Denver, CO 80217 | Phase II Project Assets | Mechanics Lien | \$ 24,470.04 |

| | | | |
|---|---------------------------|--------------------------------------|-------------------------|
| Schmueser & Associates, Inc. 1901 Railroad Avenue Rifle, CO 81650 | Phase II Project Assets | Mechanics Lien | \$ 310,531.99 |
| Skye Mineral Partners, LLC 500 South Front Street Suite 1200 Columbus, OH 43215 | All Assets of the Company | Subordinated Senior Debt | \$ 27,309,249.78 |
| SMA Surety, Inc. d/b/a Smith Manus, Lexon Insurance Company 2307 River Road Suite 200 Louisville, KY 40206 | Cash Collateral | Surety Bond | \$ 4,944,348.00 |
| Thermo electron North America, LLC 770 Northport Parkway Suite 100 West Palm Beach, FL 33407 | ARL 4460 Metals Analyzer | Purchase Money Security Interests | \$ 77,365.91 |
| Utah Independent Bank 195 North Main Beaver, UT 84713 | 2006 Ford F150 | Equipment Loan | \$ 4,144.57 |
| Waterloo Street Limited 2307 River Road Suite 200 Louisville, KY 40206 | Phase II Project Assets | Senior Debt | \$ 34,755,133.23 |
| Wells Fargo Equipment Finance 300 Tri-State International Suite 400 Lincolnshire, IL 60069 | Cat P5000 forklift | Purchase Money Security Interests | \$ 41,111.03 |
| Western US Mineral Investors, LLC 500 South French Street Suite 1200 Columbus, OH 43215 | Pre-Phase II Assets | Senior Debt | \$ 24,407,274.00 |
| TOTAL | | | \$ 95,902,055.80 |

Schedule 8.4: Indebtedness

SCHEDULE 8.4 - INDEBTEDNESS

| | |
|---|-----------------------------|
| Creditors who have claims Secured by Property | \$ 95,902,055.80 |
| Creditors who have Unsecured Claims | |
| Total claim amounts of priority unsecured claims | 205,749.00 |
| Total amount of claims of nonpriority amounts of unsecured claims | <u>22,199,526.84</u> |
| Total Unsecured Claims | <u>22,405,275.84</u> |
| <hr/> Total Indebtedness | \$ 118,307,331.64 |

EXHIBIT B

CS Mining, LLC
6 Month Cash Forecast
As of August 4, 2016

Care & Maintenance Scenario

| (\$000s) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 13 Week |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| For the week beginning | 8/1/2016 | 8/8/2016 | 8/15/2016 | 8/22/2016 | 8/29/2016 | 9/5/2016 | 9/12/2016 | 9/19/2016 | 9/26/2016 | 10/3/2016 | 10/10/2016 | 10/17/2016 | 10/24/2016 | Subtotal |
| Cash Flows from Operations | | | | | | | | | | | | | | |
| Receipts | - | 40 | - | - | - | - | - | - | - | - | - | - | - | 40 |
| Operating Costs | | | | | | | | | | | | | | |
| Labor | - | (38) | - | (38) | - | (38) | - | (38) | - | (38) | - | (38) | - | (229) |
| Benefits | (1) | - | (1) | (21) | (1) | - | (1) | - | (22) | - | (1) | - | (22) | (73) |
| Consumables and Supplies | (1) | (8) | (1) | (1) | (1) | (4) | (5) | (1) | (1) | (4) | (1) | (1) | (1) | (30) |
| Holding Costs | (8) | (8) | (592) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (8) | (682) |
| Other | (8) | (45) | (8) | (8) | (13) | (45) | (38) | (8) | (13) | (135) | (8) | (8) | (13) | (350) |
| Total Operating Costs | (18) | (99) | (603) | (76) | (23) | (95) | (51) | (55) | (44) | (185) | (18) | (55) | (44) | (1,365) |
| Cash Flows from Operations | (18) | (59) | (603) | (76) | (23) | (95) | (51) | (55) | (44) | (185) | (18) | (55) | (44) | (1,325) |
| Cash Flows from Investing Activities | | | | | | | | | | | | | | |
| Capital Expenditures | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transition to C&M | - | - | - | - | - | (75) | (75) | (75) | (75) | (75) | (75) | (75) | (75) | (600) |
| Exploration Cost | - | - | (220) | - | (220) | - | (220) | - | (220) | - | (220) | - | (220) | (1,320) |
| Cash Flows from Investing Activities | - | - | (220) | - | (220) | (75) | (295) | (75) | (295) | (75) | (295) | (75) | (295) | (1,920) |
| Cash Flows from Financing Activities | | | | | | | | | | | | | | |
| DIP Draws | - | 2,000 | - | - | - | 5,000 | - | - | - | - | - | - | - | 7,000 |
| DIP Servicing | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equipment Financing | - | (9) | - | - | - | - | (9) | - | - | - | - | (9) | - | (27) |
| Cash Flows from Financing Activities | - | 1,991 | - | - | - | 5,000 | (9) | - | - | - | - | (9) | - | 6,973 |
| Process Related Disbursements | | | | | | | | | | | | | | |
| Utility Deposits / Other | - | - | (50) | - | - | - | - | - | - | - | - | - | - | (50) |
| Professional Fee Funding | (155) | (75) | (35) | (50) | (145) | (80) | (80) | (45) | (135) | (75) | (65) | (45) | (55) | (1,040) |
| US Trustee Fees | - | - | - | - | - | - | - | - | - | - | - | - | (30) | (30) |
| Cash Flows from Process Related | (155) | (75) | (85) | (50) | (145) | (80) | (80) | (45) | (135) | (75) | (65) | (45) | (85) | (1,120) |
| Net Cash Flows | \$ (173) | \$ 1,857 | \$ (908) | \$ (126) | \$ (388) | \$ 4,750 | \$ (435) | \$ (175) | \$ (474) | \$ (335) | \$ (378) | \$ (184) | \$ (424) | \$ 2,608 |
| <i>Cumulative Cash Flows</i> | <i>(173)</i> | <i>1,684</i> | <i>777</i> | <i>651</i> | <i>263</i> | <i>5,013</i> | <i>4,578</i> | <i>4,403</i> | <i>3,929</i> | <i>3,594</i> | <i>3,216</i> | <i>3,032</i> | <i>2,608</i> | |
| Beginning Cash Balance | \$ (84) | \$ (256) | \$ 1,601 | \$ 693 | \$ 568 | \$ 180 | \$ 4,929 | \$ 4,494 | \$ 4,319 | \$ 3,845 | \$ 3,510 | \$ 3,132 | \$ 2,949 | \$ (84) |
| Net Cash Flows | (173) | 1,857 | (908) | (126) | (388) | 4,750 | (435) | (175) | (474) | (335) | (378) | (184) | (424) | 2,608 |
| Ending Cash Balance | \$ (256) | \$ 1,601 | \$ 693 | \$ 568 | \$ 180 | \$ 4,929 | \$ 4,494 | \$ 4,319 | \$ 3,845 | \$ 3,510 | \$ 3,132 | \$ 2,949 | \$ 2,525 | \$ 2,525 |
| Prefunded Account | | | | | | | | | | | | | | |
| Funding | 155 | 75 | 35 | 50 | 145 | 80 | 80 | 45 | 135 | 75 | 65 | 45 | 55 | 1,040 |
| Payment to Debtor Professionals | (80) | - | - | - | (80) | - | - | - | (305) | - | - | - | (170) | (635) |
| Payment to UCC Professionals | - | - | - | - | - | - | - | - | (20) | - | - | - | (40) | (60) |
| Account Balance | 75 | 150 | 185 | 235 | 300 | 380 | 460 | 505 | 315 | 390 | 455 | 500 | 345 | 345 |

CS Mining, LLC
6 Month Cash Forecast
As of August 4, 2016

Care & Maintenance Scenario

| For the week beginning | November | December | January | Nov-Jan Subtotal | 6 Month Total |
|---|-------------------|-----------------|-----------------|-------------------|----------------|
| Cash Flows from Operations | | | | | |
| Receipts | - | - | - | - | 40 |
| Operating Costs | | | | | |
| Labor | (76) | (76) | (76) | (229) | (459) |
| Benefits | (22) | (22) | (22) | (67) | (140) |
| Consumables and Supplies | (11) | (11) | (11) | (32) | (62) |
| Holding Costs | (30) | (30) | (75) | (135) | (817) |
| Other | (57) | (57) | (57) | (171) | (522) |
| Total Operating Costs | (197) | (197) | (242) | (635) | (2,000) |
| Cash Flows from Operations | (197) | (197) | (242) | (635) | (1,960) |
| Cash Flows from Investing Activities | | | | | |
| Capital Expenditures | - | - | - | - | - |
| Transition to C&M | (150) | - | - | (150) | (750) |
| Exploration Cost | (440) | (440) | - | (880) | (2,200) |
| Cash Flows from Investing Activities | (590) | (440) | - | (1,030) | (2,950) |
| Cash Flows from Financing Activities | | | | | |
| DIP Draws | - | - | - | - | 7,000 |
| DIP Servicing | - | - | - | - | - |
| Equipment Financing | - | - | - | - | (27) |
| Cash Flows from Financing Activities | - | - | - | - | 6,973 |
| Process Related Disbursements | | | | | |
| Utility Deposits / Other | - | - | - | - | (50) |
| Professional Fee Funding | (235) | (235) | (330) | (800) | (1,840) |
| US Trustee Fees | - | - | (60) | (60) | (90) |
| Cash Flows from Process Related | (235) | (235) | (390) | (860) | (1,980) |
| Net Cash Flows | \$ (1,022) | \$ (872) | \$ (632) | \$ (2,525) | \$ 83 |
| <i>Cumulative Cash Flows</i> | 1,586 | 715 | 83 | | |
| Beginning Cash Balance | \$ 2,525 | \$ 1,503 | \$ 631 | \$ 2,525 | \$ (84) |
| Net Cash Flows | (1,022) | (872) | (632) | (2,525) | 83 |
| Ending Cash Balance | \$ 1,503 | \$ 631 | \$ (0) | \$ (0) | \$ (0) |

| | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|
| Prefunded Account | | | | | |
| Funding | 235 | 235 | 330 | 800 | 1,840 |
| Payment to Debtor Professionals | (242) | (302) | (174) | (718) | (1,353) |
| Payment to UCC Professionals | (32) | (55) | (32) | (119) | (179) |
| Account Balance | 306 | 184 | 308 | 308 | 308 |