

May 17, 2016

Lightstream Resources Ltd.
2800, 525 – 8th Avenue S.W.
Calgary, AB T2P 1G1

Attention: John D. Wright

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Brendan O'Neill

Apollo Capital Management, L.P.
9 West 57th Street
37th Floor
New York, NY 10019

Attention: Michael Tu

GSO Capital Partners LP
345 Park Ave., 31st Floor
New York, New York 10154

Attention: Patrick Fleury

BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") is pleased to confirm its appointment to act as financial advisor to Goodmans LLP in its capacity as counsel ("**Counsel**") to Apollo Capital Management, L.P. and GSO Capital Partners LP (including their affiliates and/or funds managed, advised or sub-advised by any of them who hold Notes, as defined below, and together with other holders of Notes from time to time, collectively, the "**Noteholders**") as significant holders of the 9.875% 2nd Lien Notes due June 2019 (the "**Notes**") issued by Lightstream Resources, Ltd. (the "**Company**").

1. SCOPE OF ENGAGEMENT. The services to be provided by BMO Capital Markets will include, as appropriate, the following advisory services as requested by Counsel from time to time:

- Review the Company's business plans, budgets and financial projections and prepare appropriate sensitivity analysis;
- Advise and make recommendations concerning restructuring strategies and alternatives having regard to the following objectives:
 - Maximizing value to the holders of the Notes;
 - Stabilizing the Company's capital structure and liquidity profile;
 - Successful implementation of a restructuring of the Company's business;
- Advise, make recommendations and provide strategic input concerning restructuring process alternatives;

- Assist Counsel, as requested by Counsel, in discussion and negotiations with the Company and other stakeholders and their respective advisors, and provide tactical and logistical support to Counsel, as needed.

BMO Capital Markets shall take instructions solely from Counsel and/or the Noteholders. Access by Counsel and the Noteholders to advice and information provided by BMO Capital Markets shall be subject to such confidentiality arrangements that may be in effect from time to time.

2. FEES AND EXPENSES. Any amounts payable hereunder to BMO Capital Markets shall be paid solely by the Company, and neither Counsel nor the Noteholders shall have any obligation to pay any amounts payable to BMO Capital Markets hereunder.

For the services hereunder, BMO Capital Markets shall be paid the following fees:

- Work Fee – A fee of US\$150,000 per month or part thereof payable in cash in advance on the 17th day of each month commencing on the 17th day of May 2016 and ending on the date of termination of this agreement.
- Completion Fee – If, during the term of this engagement or within six months following termination of this agreement, a Transaction (as hereinafter defined) is completed or the Company announces, or enters into an agreement in respect of, a Transaction that is subsequently completed, the Company will pay BMO Capital Markets a completion fee (the "**Completion Fee**") equal to US\$2,500,000 in cash upon closing of the Transaction.

As used in this agreement, the term "Transaction" shall mean, collectively:

- any restructuring, reorganization (whether or not pursuant to a plan of arrangement under *Canada Business Corporations Act* ("**CBCA**"), applicable provincial legislation or the *Companies' Creditors Arrangement Act* ("**CCAA**") in Canada or equivalent non-Canadian legislation) and/or recapitalization of the Company that is approved by the Noteholders and is implemented;
- any acquisition of the Company or all or substantially all of the Company's assets by the Noteholders or a group including the Noteholders;
- any sale of the Company or all or substantially all of the Company's assets that is approved by the Noteholders or results in the claims of the Noteholders being paid in full; or
- any combination of the foregoing that is approved by the Noteholders or results in the claims of the Noteholders being paid in full.

The Company will reimburse BMO Capital Markets on request from time to time for its reasonable and documented out-of-pocket expenses incurred by BMO Capital Markets in respect of this engagement, including reasonable travel and document production costs, the reasonable fees and disbursements of counsel, the reasonable fees and disbursements of any consultants engaged by BMO Capital Markets with the Company's prior consent and other customary expenses for engagements of this type; provided, however, that reimbursable out-of-pocket expenses shall not exceed \$25,000 without the consent of Counsel. The reimbursement of expenses will not be dependent on the completion of a Transaction.

Upon the signing of this letter, the Company shall pay to BMO Capital Markets an expense reserve in the amount of US\$25,000 on account of out-of-pocket amounts and applicable taxes to be charged by us pursuant to this paragraph. We will invoice the Company, without applying some or all of our charges against this reserve in order to maintain the reserve at no less than US\$25,000. We may at any time apply all or part of the reserve against our expenses (whether or not yet billed, provided that we will promptly deliver a statement that reconciles any application of the reserve against actual fees and expenses). Any part of the reserve so applied will be promptly replenished by the Company so that at all times the amount of the reserve shall be no less than US\$25,000. Upon completion of the engagement,

any unapplied portion of the expense reserve may be applied to any amounts otherwise due hereunder with the residual (if any) returned to the Company.

Interest on overdue amounts shall be charged at 9.875% per annum, compounded semi-annually from the date that is 14 days after the date of invoice until payment is received by BMO Capital Markets.

3. RELIANCE. All opinions, advice and other materials provided by BMO Capital Markets hereunder will be made available to Counsel and the Noteholders as appropriate; however, the same are to be relied on solely by Counsel and the Noteholders, in considering a possible Transaction and shall not be quoted from or summarized, nor will any reference to BMO Capital Markets or this engagement be made without the prior written consent of BMO Capital Markets.

4. INFORMATION. In order for BMO Capital Markets to carry out its services under this agreement, it will be necessary for us to have access to certain information (financial or otherwise), data, documents or other information and materials available to them respecting the Company, its subsidiaries and any Transaction (collectively, the "Information"). The Company hereby agrees to provide Information that it believes to be relevant on a timely basis and to provide access to the Company's management for the purposes of discussing a Transaction. Counsel and the Noteholders agree to assemble and make available or cause to be made available to BMO Capital Markets on a timely basis all Information available to them as BMO Capital Markets may reasonably require or consider appropriate in carrying out its services under this agreement. Counsel and the Noteholders will also arrange for BMO Capital Markets to have such timely access to their other consultants, as BMO Capital Markets may reasonably request in carrying out this engagement. In addition, Counsel and the Noteholders will keep BMO Capital Markets fully informed with respect to all negotiations regarding any Transaction and will promptly provide BMO Capital Markets with copies of all material documents, draft or final, relating to any Transaction. Where necessary or appropriate, BMO Capital Markets shall be provided such Information pursuant to the terms of a customary confidentiality agreement with the Company, Counsel or the Noteholders, as the case may be.

BMO Capital Markets shall be entitled to rely upon all Information provided to BMO Capital Markets, directly or indirectly, orally or in writing, by the Company, Counsel and the Noteholders and their agents and advisors. BMO Capital Markets is entitled to assume, and is under no obligation to independently verify, the accuracy, completeness or reasonableness of such Information. Further, BMO Capital Markets is under no obligation to investigate any changes to such Information after the date upon which it is provided.

The Company, Counsel and the Noteholders, as applicable, will advise BMO Capital Markets promptly of any material change or change in a material fact, actual or contemplated, and of any material information that the Company, Counsel and the Noteholders, as applicable, become aware of that might reasonably be considered relevant to this engagement.

Counsel and the Noteholders will advise BMO Capital Markets promptly of any communication or notice received by them or that they are aware has been received by the Company from, and of any proceeding initiated before or by, any applicable regulatory authority or court relating to any Transaction or that might otherwise be relevant to this engagement. If requested, BMO Capital Markets will testify or provide reasonable support services before any regulatory authority or court. Such testimony or support services will be provided only in respect of the services performed under this agreement. In connection with any such testimony or support services, BMO Capital Markets will have the right to employ counsel and be paid customary fees and be reimbursed by the Company for its reasonable out-of-pocket costs, charges and expenses, including the reasonable fees and disbursements of such counsel. The Noteholders and BMO Capital Markets agree that in certain circumstances each may be party to communication that is provided to their respective counsel and acknowledge that such communication is for the purposes of sharing specific advice and knowledge necessary for the overall legal considerations of the Transaction and that no waiver of any privilege (including solicitor-client privilege) is intended as a result of such communication.

5. RELATIONSHIP. The Company and Counsel agree that BMO Capital Markets has been retained to act solely as financial advisor to Counsel, as counsel to the Noteholders, and not as an advisor to any other party, including the Company and the Company's other security holders, management or members of the Board of Directors or other holders of Notes or any of the employees of Counsel or the Noteholders and their affiliates in their personal capacities. BMO Capital Markets shall act as an independent contractor and any duties that it has arising out of this engagement shall be owed solely to Counsel and not to any other party. Nothing in this agreement or the nature of the services to be provided by BMO Capital Markets shall be deemed to create a fiduciary or agency relationship between BMO Capital Markets and the Company or its security holders, creditors, employees or any other party. The Company and Counsel acknowledge and understand that: (a) BMO Capital Markets acts as a trader of, and dealer in, securities both as principal and on behalf of clients and that in the ordinary course of its trading and dealing activities, BMO Capital Markets and its affiliates at any time may hold long or short positions in the securities of one or more parties to a Transaction or any of their respective related entities and, from time to time, may have executed or may execute transactions on behalf of such persons; (b) BMO Capital Markets conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to any such person and/or Transaction; and (c) BMO Capital Markets or its controlling shareholder Bank of Montreal, may extend loans or provide other financial services in the ordinary course of business to any such person (collectively, "**BMO Business**"). BMO Capital Markets has in place specific procedures designed to ensure that the flow of confidential and proprietary information supplied by its clients in relation to engagements such as this one are separated from those areas within BMO Capital Markets that carry out the BMO Business. Counsel agrees not to seek to restrict or challenge the ability of BMO Capital Markets, Bank of Montreal or their affiliates to conduct BMO Business that is not directly related to the Transaction. Counsel acknowledge and agrees that if a potential acquirer of the Company or any of its subsidiaries or other assets seeks financing for such an acquisition, BMO Capital Markets, Bank of Montreal or their affiliates, may act as underwriter, agent or lender in respect of such financing provided that BMO Capital Markets and any of its affiliates who are involved in such financing implement reasonable procedures to ensure that no confidential information relating to the proposed Transaction or the acquisition financing, as applicable, is exchanged between the respective teams of employees and agents who are involved in the separate engagements. Neither BMO Capital Markets nor any of its affiliates will act as mergers and acquisitions adviser to any potential purchaser in respect of a possible Transaction.

Counsel acknowledge that BMO Capital Markets is not advising it or any person related to the Company as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. Counsel and the Noteholders should consult with their own advisors concerning such matters and be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and BMO Capital Markets has no liability to Counsel, the Noteholders or the Company with respect thereto.

In performing its responsibilities under this agreement, BMO Capital Markets may use the services of its affiliates provided that it will be responsible for ensuring that such affiliates comply with the terms of this agreement. For the purposes of this agreement, "BMO Capital Markets" will include such affiliates where appropriate.

BMO Capital Markets acknowledges and agrees that the work product produced by BMO Capital Markets pursuant to this agreement is for the purposes of facilitating the rendering by Counsel of legal advice to the Noteholders and constitutes attorney work product, and that any communication to Counsel, including, without limitation, any correspondence, analyses, reports and related materials that BMO Capital Markets prepares, constitutes confidential and privileged communications and BMO Capital Markets will not disclose the same or any of the Information provided by Counsel to any person except as requested or authorized by Counsel.

6. ANNOUNCEMENTS. The Company, Counsel and the Noteholders agree that following a public announcement of a Transaction, BMO Capital Markets may, at its own expense, place advertisements or announcements in any newspapers, periodicals or other publications, or otherwise disclose to third parties, that it has acted as financial advisor in connection with a Transaction; provided, however, that BMO Capital Markets shall not disclose the individual identity of any of the Noteholders.

7. INDEMNIFICATION. The Company agrees to indemnify BMO Capital Markets and certain other parties in accordance with the provisions contained in Schedule A hereto, which Schedule forms part of this agreement, and the consideration for which is the entering into of this agreement.

8. OTHER MATTERS. This agreement will continue in effect in accordance with its terms for the benefit of and be binding upon the parties hereto and their respective successors. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws applicable therein and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of Ontario. All financial references in this agreement are to Canadian dollars unless otherwise expressly indicated. This agreement incorporates the entire agreement between the parties, and no waiver, amendment or other modification of this agreement will be effective unless in writing and signed by both BMO Capital Markets, Counsel, the Noteholders and the Company. If any provision of this agreement shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision in this agreement. Unless otherwise defined herein, terms which are used in this agreement which are defined in the *Securities Act* (Ontario) shall have the meaning set forth therein.

9. TERMINATION AND SURVIVAL. This agreement shall terminate on the earliest of: (a) the date a Transaction is completed; (b) two business days following the date on which any of the Company, Counsel or BMO Capital Markets gives written notice of termination to the other parties; and (c) November 17, 2016. The provisions of section 1 (Scope of Engagement), section 2 (Fees and Expenses), section 3 (Reliance), section 4 (Information), section 6 (Announcements), section 7 and Schedule A (Indemnification), section 8 (Other Matters) and section 9 (Termination and Survival) will survive such termination; provided, however, that if this agreement is terminated by Counsel or BMO Capital Markets for any reason other than a material breach by the Company of its obligations herein, then the Company shall not be obligated to pay the Completion Fee provided for in Section 2.

10. GENERAL. This agreement may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Delivery of an executed signature page of this agreement by email or facsimile shall be effective as delivery of a manually executed counterpart.

If the foregoing is in accordance with Counsel's, the Noteholders' and the Company's understanding, please sign and return the enclosed duplicate copy of this letter, which shall thereupon constitute a binding agreement between Counsel, the Noteholders, the Company and BMO Capital Markets.

Yours sincerely,

BMO NESBITT BURNS INC.

by _____

Name: Glenn Saunty

Title: Vice Chair

by _____

Name: Mark Caiger

Title: Managing Director

Accepted and agreed to as of the date first set out above.

GOODMANS LLP

by _____

Name: Brendan O'Neill

Title: Partner

APOLLO CAPITAL MANAGEMENT, L.P.

**BY APOLLO CAPITAL MANAGEMENT GP, LLC,
ITS GENERAL PARTNER**

by _____

Name: ■

Title: ■

GSO CAPITAL PARTNERS LP

by _____

Name: ■

Title: ■

LIGHTSTREAM RESOURCES LTD.

by


Name: John D. Wright

Title: President and Chief Executive
Officer

Schedule A – Indemnification

As consideration for BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") agreeing to provide the services described in the engagement letter to which this Schedule is attached (the "**Engagement**"), Lightstream Resources Ltd. (the "**Indemnitor**") agrees to indemnify and hold harmless BMO Capital Markets and its affiliates, and each of their respective current or former directors, officers, employees and agents (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**"), to the full extent lawful, from and against all expenses, losses, damages and liabilities of any nature (including the reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, "**Losses**") incurred in investigating, defending, settling and/or satisfying a judgment in any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or to which an Indemnified Party may become subject or otherwise involved in any capacity (collectively, the "**Claims**") insofar as the Claims arise out of or are based upon, directly or indirectly, the Engagement, together with any Losses incurred in enforcing this indemnity. This indemnity will not be available to an Indemnified Party in respect of Losses incurred to the extent a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted primarily from the fraud, negligence or willful misconduct of the Indemnified Party.

If for any reason (other than, a judicial determination that the loss resulted primarily from the fraud, negligence or willful misconduct of the Indemnified Party as described above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor will contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that an Indemnified Party will never be responsible for more than the amount of the fees received by BMO Capital Markets, if any, under the Engagement.

The Indemnitor agrees that in case any legal proceeding is brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or required to respond to procedures designed to discover information regarding, in connection with or by reason of the Engagement, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with disbursements and out-of-pocket expenses incurred by the personnel in connection therewith) shall be paid by the Indemnitor as they occur.

After receiving notice of a Claim against any Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, BMO Capital Markets: (a) will promptly notify the Indemnitor, in writing, of such Claim or investigation, stating the particulars thereof; (b) will provide copies of all relevant documentation to the Indemnitor; and (c) unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress and will discuss all significant proposed actions. Failure to notify the Indemnitor will not relieve the Indemnitor of any liability that the Indemnitor may have to an Indemnified Party except, and only to the extent, that any such delay in giving or failure to give such notice results in the loss of substantive rights or defences in connection with such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would not otherwise have incurred had BMO Capital Markets given the required notice.

The Indemnitor will be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by experienced and competent counsel. Upon the Indemnitor notifying BMO Capital Markets in writing of its election to assume the defence and retain counsel, the Indemnitor will not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant

documentation to BMO Capital Markets, will keep BMO Capital Markets advised of the progress thereof and will discuss with BMO Capital Markets all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if:

- a) the employment of such counsel has been authorized by the Indemnitor;
- b) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of such Claim; or
- c) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that:
 - i. there may be legal defences available to the Indemnified Party that are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf);
 - ii. there is a conflict of interest between the Indemnitor and the Indemnified Party; or
 - iii. the subject matter of the Claim may not fall within the indemnity set forth herein

in each case the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf, provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.

No admission of liability and no settlement of any Claim shall be made by the Indemnitor or an Indemnified Party without the prior written consent of the Indemnified Parties affected or the Indemnitor (as applicable) (which consent may not be unreasonably withheld or delayed) unless such settlement includes an unconditional release of each Indemnified Party or the Indemnitor (as applicable) from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by any Indemnified Party or Indemnitor (as applicable).

The Indemnitor hereby acknowledges that BMO Capital Markets acts as trustee for the other Indemnified Parties of the Indemnitor's covenants under this indemnity and BMO Capital Markets agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The Indemnity and contribution obligations of the Indemnitor hereunder shall be in addition to any liability the Indemnitor may otherwise have (including under the Engagement), shall extend upon the same terms and conditions herein to the Indemnified Parties and shall be binding upon and continue in effect in accordance with the terms and conditions herein for the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor, BMO Capital Markets and any other Indemnified Party. The foregoing provisions shall survive any termination of the Engagement.

6579163