

8-K - 2020-06-26

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8-K

8-K 1 cei-8k\_062520.htm CURRENT REPORT

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **June 25, 2020**

**Camber Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

**001-32508**

**20-2660243**

(State or other jurisdiction of  
incorporation)

(Commission File Number)

(I.R.S. Employer Identification No.)

**1415 Louisiana, Suite 3500, Houston, Texas 77002**

(Address of principal executive offices)

**(210) 998-4035**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ? Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ? Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ? Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ? Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.001 Par Value Per Share	CEI	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ?

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ?



## **Item 1.01. Entry into a Material Definitive Agreement.**

### ***Viking Secured Note Purchase***

As previously disclosed in the [Current Report on Form 8-K](#) filed by Camber Energy, Inc. (the “Company”, “Camber”, “we” and “us”) with the Securities and Exchange Commission on February 5, 2020, on February 3, 2020, the Company entered into an Agreement and Plan of Merger (as amended to date, the “Merger Agreement”) with Viking Energy Group, Inc. (“Viking”). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a newly-formed wholly-owned subsidiary of the Company (“Merger Sub”) will merge with and into Viking (the “Merger”), with Viking surviving the Merger as a wholly-owned subsidiary of the Company.

A requirement of the entry into the Merger Agreement was that the Company make a \$5,000,000 investment in Viking’s Rule 506(c) offering, in consideration for among other things, a 25% interest in Viking’s subsidiary Elysium Energy, LLC (“Elysium”), which investment and which assignment of a 25% interest in Elysium to the Company was made on February 3, 2020, and which \$5 million loan was evidenced by a 10.5% Secured Promissory Note (the “February 2020 Secured Note”).

On June 25, 2020, the Company loaned Viking an additional \$4.2 million, pursuant to the terms of a Securities Purchase Agreement, which was entered into on the same date (the “June 2020 SPA”). The \$4.2 million loan was evidenced by a 10.5% Secured Promissory Note (the “June 2020 Secured Note”), the repayment of which was secured by the terms of a Security and Pledge Agreement (the “June 2020 Pledge”).

The June 2020 Secured Note, accrues interest at the rate of 10.5% per annum, payable quarterly and is due and payable on February 3, 2022. The note includes standard events of default, including certain defaults relating to the trading status of Viking’s common stock and change of control transactions involving Viking. Additionally, the termination of the Merger for any reason constitutes an event of default under the June 2020 Secured Note. The June 2020 Secured Note can be prepaid at any time with prior notice as provided therein, and together with a pre-payment penalty equal to 10.5% of the original amount of the June 2020 Secured Note.

The June 2020 Secured Note is convertible into common shares of Viking at a conversion price of \$0.24 per share at any time beginning 30 days after the date of the note (June 25, 2020), until the 15<sup>th</sup> day after Viking’s common stock has traded at an average daily price of at least \$0.55 for 15 consecutive business days, provided that we are restricted from converting any portion of the June 2020 Secured Note into Viking’s common stock if upon such conversion we would beneficially own more than 4.99% of Viking’s common stock (which percentage may be increased or decreased to up to 9.99%, with 61 days prior written notice to Viking).

In addition to our other conversion rights under the June 2020 Secured Note, we also have the right to convert the June 2020 Secured Note (principal and interest) into the securities offered by Viking in connection with Viking’s first public offering following the date of the June 2020 Secured Note, at a conversion price equal to eighty-five percent (85%) of the offering price of the applicable security (representing a fifteen percent (15%) discount) in such public offering.

The June 2020 Pledge provides the Company, para passu with the other investors in Viking’s Secured Note offering, a security interest (subject to certain pre-requisites) in Viking’s 70% ownership of Elysium and 100% of Ichor Energy Holdings, LLC (“Ichor”). Additionally, pursuant to a separate Amended and Restated Security and Pledge Agreement entered into on June 25, 2020, Viking provided the Company a security interest in the membership, common stock and/or ownership interests of all of Viking’s existing and future, directly owned or majority owned subsidiaries, to secure the repayment of the June 2020 Secured Note and the February 2020 Secured Note (the “June 2020 Second Pledge”).

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As additional consideration for the Company making the loan to Viking, Viking assigned the Company an additional 5% of Elysium pursuant to the terms of an Assignment of Membership Interests dated June 25, 2020 (the “June 2020 Assignment”), which brings the Company’s current total ownership of Elysium up to 30% (when including the 25% ownership which was assigned to the Company in partial consideration for making the February 3, 2020 \$5 million loan to Viking).

As described below, all or a portion of the Company’s current 30% ownership in Elysium will be retained by Camber and/or returned to Viking under different circumstances relating to the termination of the Merger Agreement and repayment obligations associated with the February 2020 Secured Note and June 2020 Secured Note.

***Third Amendment to Merger Agreement***

Concurrently with Camber’s entry into the June 2020 SPA and the loan of the funds evidenced by the June 2020 Secured Note, Camber and Viking entered into a Third Amendment to Agreement and Plan of Merger (the “Third Amendment”), which amended the Merger Agreement to:

- (1) Provide for the entry into the June 2020 SPA and the loan of the \$4.2 million evidenced by the June 2020 Secured Note;
- (2) Confirm that such February 2020 Secured Note and June 2020 Secured Note (collectively, the “Viking Secured Notes”) will be forgiven by the Company in the event the Merger closes, and will be due 90 days after the date that the Merger Agreement is terminated by any party for any reason. If the Merger Agreement is terminated prior to the closing of the Merger, Viking will owe the Company an additional amount equal to (i) 115.5% of the original principal amount of the Viking Secured Notes, minus (ii) the amount due to Camber pursuant to the terms of the Viking Secured Notes upon repayment thereof (the “Additional Payment”). As an example, if when the Merger Agreement is terminated, \$9,200,000 were due to the Company under the Viking Secured Notes (assuming all interest due thereunder had been paid as of the date due), Viking would owe the Company (i) \$9,200,000 multiplied by 1.155 = \$10,626,000, minus (ii) \$9,200,000, or a total Additional Payment of \$1,426,000, in addition to the amount due under the Viking Secured Notes;
- (3) Confirm that the Additional Payment is considered a break-up fee in connection with the termination of the Merger Agreement;
- (4) To update the required percentage of Elysium that the Company is required to return to Viking upon the termination of the Merger Agreement in certain circumstances, as summarized below:

<b>Reason for Termination</b>	<b>Percentage of Elysium Retained by Camber</b>
The reasonable likelihood that the combined company will not meet the initial listing requirements of the NYSE American, required regulatory approvals will not be obtained, or the registration statement on Form S-4 will not be declared effective, through no fault of the Company or Viking	20%*
Termination of the Merger Agreement by either party, through no fault of Camber	25%*
Termination of the Merger Agreement due to a material breach of the Merger Agreement by Camber or its disclosure schedules	0%*
Termination of the Merger Agreement for any reason and in the event the Viking Secured Notes are not repaid within 90 days of the date of termination and the Additional Payment (defined above) is not made.	30%

\*Assumes the payment of Viking Secured Notes within 90 days of the date of termination of the Merger Agreement and that the Additional Payment (defined below) is made;

- (5) Confirm that none of the funds loaned by the Company to Viking will affect the merger ratios set forth in the Merger Agreement; and
- (6) Allow for the Company's Board of Directors to authorize the payment to the officers and directors of the Company, of consideration of up to \$150,000 each (\$600,000 in aggregate), for past services rendered and services to be rendered by such individuals through the closing date of the Merger, which compensation has not been formally authorized by the Board of Directors to date, but which is expected to be authorized and documented in the coming weeks.

As previously disclosed in the [Current Report on Form 8-K](#) filed by the Company with the Securities and Exchange Commission on June 23, 2020, we agreed that if the Merger does not close by the required date approved by the parties thereto (as such may be extended from time to time), we are required, at the option of the institutional investor which purchased \$6 million of Series C Redeemable Convertible Preferred Stock from the Company on June 22, 2020 (the "Investor"), to immediately repurchase from the Investor a total of 630 shares of Series C Redeemable Convertible Preferred Stock, by paying to the Investor 110% of the aggregate face value of such shares, which totals \$6,930,000 (the "Redemption Amount").

The amount of the Additional Payment which would be due in connection with the June 2020 Secured Note (and \$1.8 million of the February 2020 Note) corresponds to the additional amount which the Company would owe to the Investor, when aggregated with the amount of principal and interest due in connection with the repayment of \$6 million of the Viking Secured Notes, in the event the Merger is terminated.

The foregoing description of the Third Amendment, June 2020 SPA, June 2020 Secured Note, June 2020 Pledge, June 2020 Second Pledge and June 2020 Assignment above, is subject to, and qualified in its entirety by, the Third Amendment, the June 2020 SPA, June 2020 Secured Note, June 2020 Pledge, June 2020 Second Pledge and June 2020 Assignment, attached as [Exhibits 2.4, 10.1, 10.2, 10.3, 10.4 and 10.5](#) hereto, which are incorporated in this [Item 1.01](#) by reference in their entirety.

As disclosed in greater detail in the February 5, 2020 Current Report on Form 8-K, completion of the Merger is subject to various closing conditions, and required regulatory and other consents, which may not be able to be met or obtained, on a timely basis, if at all.

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**Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
2.1#	Agreement and Plan of Merger, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on February 5, 2020, and incorporated by reference herein)(File No. 001-32508)
2.2	First Amendment to Agreement and Plan of Merger, dated as of May 27, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.2 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on June 1, 2020, and incorporated by reference herein)(File No. 001-32508)
2.3	Second Amendment to Agreement and Plan of Merger, dated as of June 15, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.3 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on June 16, 2020, and incorporated by reference herein)(File No. 001-32508)
2.4*	Third Amendment to Agreement and Plan of Merger, dated as of June 25, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc.
10.1*+	Securities Purchase Agreement dated as of June 25, 2020 by and Between Camber Energy, Inc. (Purchaser) and Viking Energy Group, Inc.
10.2*	\$5,000,000 10.5% Secured Promissory Note Issued by Viking Energy Group, Inc. to Camber Energy, Inc. Dated June 25, 3020
10.3*	Security and Pledge Agreement, dated as of June 25, 2020 by and among Viking Energy Group, Inc. and Camber Energy, Inc.
10.4*	Amended and Restated Security and Pledge Agreement, dated as of June 25, 2020 by and among Viking Energy Group, Inc. and Camber Energy, Inc.
10.5*	Assignment of Membership Interests by Viking Energy Group, Inc. in favor of Camber Energy, Inc. dated June 25, 2020

\* Filed herewith.

# Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or Exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that Camber Energy, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or Exhibit so furnished.

+ Certain schedules, annexes and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that Camber Energy, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or exhibit so furnished.

## Forward-Looking Statements

Certain of the matters discussed in this communication which are not statements of historical fact constitute forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “would,” “will,” “estimates,” “intends,” “projects,” “goals,” “targets” and other words of similar meaning are intended to identify forward-looking statements but are not the exclusive means of identifying these statements.

Important factors that may cause actual results and outcomes to differ materially from those contained in such forward-looking statements include, without limitation, the occurrence of any event, change or other circumstances that could give rise to the parties failing to complete the merger on the terms disclosed, if at all, the right of one or both of Viking or Camber to terminate the merger agreement and the result of such termination; the outcome of any legal proceedings that may be instituted against Viking, Camber or their respective directors; the ability to obtain regulatory approvals and other consents, and meet other closing conditions to the merger on a timely basis or at all, including the risk that regulatory approvals or other consents required for the merger are not obtained on a timely basis or at all, or which are obtained subject to conditions that are not anticipated or that could adversely affect the combined company or the expected benefits of the transaction; the ability to obtain approval by Viking stockholders and Camber stockholders on the expected schedule; required closing conditions which may not be able to be met and/or consents which may not be able to be obtained; difficulties and delays in integrating Viking’s and Camber’s businesses; prevailing economic, market, regulatory or business conditions, or changes in such conditions, negatively affecting the parties, including, but not limited to, as a result of the recent volatility in oil and gas prices and the status of the economy (both US and global) due to the Covid-19 pandemic and actions taken to slow the spread of Covid-19; risks that the transaction disrupts Viking’s or Camber’s current plans and operations; failing to fully realize anticipated cost savings and other anticipated benefits of the merger when expected or at all; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; the ability of Camber to obtain the approval of its Series C Preferred Stock holder to close the Merger; the ability of Viking or Camber to retain and hire key personnel; the diversion of management’s attention from ongoing business operations; uncertainty as to the long-term value of the common stock of the combined company following the merger; the continued availability of capital and financing, prior to, and following, the merger; the business, economic and political conditions in the markets in which Viking and Camber operate; and the fact that Viking’s and Camber’s reported earnings and financial position may be adversely affected by tax and other factors.

Other important factors that may cause actual results and outcomes to differ materially from those contained in the forward-looking statements included in this communication are described in the Form S-4 (defined below), and Viking’s and Camber’s publicly filed reports, including Viking’s Annual Report on Form 10-K for the year ended December 31, 2019, Camber’s Annual Report on Form 10-K for the year ended March 31, 2019 and subsequently filed Quarterly Reports on Form 10-Q and Annual Report on Form 10-K.

Viking and Camber caution that the foregoing list of important factors is not complete, and they do not undertake to update any forward-looking statements that either party may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Viking, Camber or any person acting on behalf of either party are expressly qualified in their entirety by the cautionary statements referenced above.

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## **Additional Information and Where to Find It**

In connection with the planned merger, on June 4, 2020, Camber filed with the Securities and Exchange Commission (SEC), a preliminary draft of a registration statement on Form S-4 to register the shares of Camber's common stock to be issued in connection with the merger (the "Form S-4"). The registration statement includes a preliminary joint proxy statement/prospectus which, when finalized, will be sent to the respective stockholders of Viking and Camber seeking their approval of their respective transaction-related proposals. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE FINAL REGISTRATION STATEMENT ON FORM S-4 AND THE RELATED JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE FINAL REGISTRATION STATEMENT ON FORM S-4, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PLANNED MERGER, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VIKING, CAMBER AND THE PLANNED MERGER.

Investors and security holders may obtain copies of these documents free of charge through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or from Viking at its website, [www.vikingenergygroup.com](http://www.vikingenergygroup.com), or from Camber at its website, [www.camber.energy](http://www.camber.energy). Documents filed with the SEC by Viking will be available free of charge by accessing Viking's website at [www.vikingenergygroup.com](http://www.vikingenergygroup.com) under the heading "Investors" – "SEC Filings", or, alternatively, by directing a request by telephone or mail to Viking Energy Group, Inc. at 15915 Katy Freeway, Suite 450, Houston, Texas, 77094, (281) 404-4387, and documents filed with the SEC by Camber will be available free of charge by accessing Camber's website at [www.camber.energy](http://www.camber.energy) under the heading "Investors" – "SEC Filings" or, alternatively, by directing a request by telephone or mail to Camber Energy, Inc. at 1415 Louisiana, Suite 3500, Houston, Texas, 77002, (210) 998-4035.

## **Participants in the Solicitation**

Viking, Camber and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective stockholders of Viking and Camber in respect of the planned merger under the rules of the SEC. Information about Viking's directors and executive officers is available in Viking's Annual Report on Form 10-K for the year ended December 31, 2019. Information about Camber's directors and executive officers is available in Camber's Annual Report on Form 10-K for the year ended March 31, 2019 and its definitive proxy statement for its 2020 annual meeting of shareholders, and will be available in its Annual Report on Form 10-K for the year ended March 31, 2020. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the final joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the final joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Viking or Camber using the sources indicated above.

## **No Offer or Solicitation**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CAMBER ENERGY, INC.**

By: /s/ Robert Schleizer  
Name: *Robert Schleizer*  
Title: Chief Financial Officer

Date: June 26, 2020

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## EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1#	<a href="#"><u>Agreement and Plan of Merger, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on February 5, 2020, and incorporated by reference herein)(File No. 001-32508)</u></a>
2.2	<a href="#"><u>First Amendment to Agreement and Plan of Merger, dated as of May 27, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.2 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on June 1, 2020, and incorporated by reference herein)(File No. 001-32508)</u></a>
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\* Filed herewith.

# Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or Exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that Camber Energy, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or Exhibit so furnished.

+ Certain schedules, annexes and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that Camber Energy, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or exhibit so furnished.

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**THIRD AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This Third Amendment to Agreement and Plan of Merger (this “**Agreement**”), dated and effective as of June 25, 2020 (the “**Effective Date**”), amends that certain Agreement and Plan of Merger dated February 3, 2020<sup>1</sup>, as amended by the First Amendment thereto dated on or around May 27, 2020<sup>2</sup> and the Second Amendment thereto dated on or around June 15, 2020<sup>3</sup> (as amended to date, the “**Plan of Merger**”), by and between Viking Energy Group, Inc., a Nevada corporation (“**Viking**”), and Camber Energy, Inc., a Nevada corporation (“**Camber**”). Certain capitalized terms used below but not otherwise defined shall have the meanings given to such terms in the Plan of Merger. References in the quoted paragraphs of Section 1 hereof to “**Agreement**” refer to the Plan of Merger, whereas references to “**Agreement**” in the other Sections of this Agreement refer to this Third Amendment to Agreement and Plan of Merger.

**WHEREAS**, Camber and Viking desire to amend the Plan of Merger on the terms and conditions set forth below.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants, agreements, and considerations herein contained, and other good and valuable consideration, which consideration the parties hereby acknowledge and confirm the receipt and sufficiency thereof, the parties hereto agree as follows:

**1. Amendments to Plan of Merger.**

A. Effective as of the Effective Date, Section 7.1(o) of the Plan of Merger is amended and restated to provide as follows:

“(o) Purchase of Interest In Elysium Acquisition. Camber shall, subject to approval of Camber’s Series C Preferred Stock holders, have acquired 30% of Elysium as part of a \$9,200,000 investment in Viking’s Rule 506(c) offering (the “**Pre-Merger Acquisition**”), and in connection therewith shall have received promissory notes issued by Viking, accruing interest at 10.5% per annum, in the aggregate principal amount of \$9,200,000 (collectively, the “**Acquisition Note**”). The Acquisition Note shall be forgiven in the event the Merger closes, and the Acquisition Note shall be due 90 days after the date that this Agreement is terminated by any party for any reason, at which time an additional payment shall also be due to Camber and payable by Viking in an amount equal to (i) 115.5% of the original principal amount of the Acquisition Note, minus (ii) the amount due to Camber pursuant to the terms of the Acquisition Note upon repayment thereof (the “**Additional Payment**”). As an example for clarity, if when this Agreement is terminated, \$9,200,000 were due to Camber under the Acquisition Note (assuming all interest due thereunder had been paid as of the date due), Viking would owe Camber (i) \$9,200,000 multiplied by 1.155 = \$10,626,000, minus (ii) \$9,200,000, or a total Additional Payment of \$1,426,000, in addition to the amount due under the Acquisition Note. The Additional Payment shall be considered a break-up fee, and not as interest or other amounts payable under the terms of, or in connection with, the Acquisition Note. Upon payment in full of the Acquisition Note and the Additional Payment in accordance with this Section 7.1(o), Camber and its respective representatives and affiliates, on the one hand, and Viking and its respective representatives and affiliates, on the other hand, will be deemed to have fully released and discharged each other from any liability resulting from the termination of this Agreement and neither Camber and its respective representatives and affiliates, on the one hand, and Viking and its respective representatives and affiliates, on the other hand, nor any other person will have any other remedy or cause of action under or relating to this Agreement or any applicable Law, including for reimbursement of expenses. Both Camber and Viking agree and confirm that the Additional Payment has been negotiated at arms-length, and that such obligation to pay the Additional Payment is fair and reasonable.”

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<sup>1</sup> <https://www.sec.gov/Archives/edgar/data/1309082/000158069520000068/ex2-1.htm>

<sup>2</sup> <https://www.sec.gov/Archives/edgar/data/1309082/000158069520000211/ex2-2.htm>

<sup>3</sup> <https://www.sec.gov/Archives/edgar/data/1309082/000158069520000219/ex2-3.htm>

B. Effective as of the Effective Date, Sections 8.2(c) through (f) of the Plan of Merger are amended and restated to provide as follows:

“(c) Notwithstanding anything to the contrary herein, in the event of termination of this Agreement by mutual agreement of the parties because the conditions in Sections 7.1(b)-(d) have a reasonable likelihood of not being satisfied, through no fault of Camber or Viking, Camber will retain a 20% interest in Elysium if the Acquisition Note is repaid on or prior to the 90th day following the termination of this Agreement (and the additional payment is made in connection therewith as described in Section 7.1(o)), and it will return a 10% interest in Elysium to Viking.

(d) Except as otherwise set forth in Section 8.2(c) above or Section 8.2(e) or Section 8.2(f) below, in the event of termination of this Agreement by either party, pursuant to the termination provisions of this Agreement as set forth above, through no fault of Camber, Camber will retain a 25% interest in Elysium if the Acquisition Note is repaid on or prior to the 90th day following the termination of this Agreement (and the additional payment is made in connection therewith as described in Section 7.1(o)), and it will return a 5% interest in Elysium to Viking.

(e) Notwithstanding anything to the contrary herein, in the event of termination of this Agreement due to either (i) a Camber Material Adverse Item, or (ii) Camber’s determination not to proceed with the Merger even though Viking has substantially performed its obligations pursuant to this Agreement, and if the Acquisition Note is repaid on or prior to the 90th day following the termination of this Agreement (and the additional payment is made in connection therewith as described in Section 7.1(o)), Camber will return the 30% interest in Elysium to Viking.

(f) Notwithstanding anything to the contrary herein, if the Acquisition Note is not repaid on or prior to the 90th day following the termination of this Agreement (or the additional payment is not made in connection therewith as described in Section 7.1(o)), Camber will retain the entire 30% interest in Elysium.”

**2. Compensation Approval.**

- a. Subject to subsection 2 (b) below, Viking agrees that it is contemplated that the Camber Board of Directors will approve and authorize consideration of up to \$150,000 payable to each of Camber’s officers and directors (\$600,000 in total), in consideration for past services rendered and services to be rendered by such individuals through the Closing Date, subsequent to the date of this Agreement, which compensation may be payable at or immediately prior to, the Closing (the “**Camber Management and Board Compensation**”). Viking approves and consents to the Camber Management and Board Compensation and confirms that the authorization of, and payment of, such Camber Management and Board Compensation is excepted from, and allowed under, the terms of the Plan of Merger, including, but not limited to, Sections 5.1 and 5.2 thereof.

b. Notwithstanding subsection 2 (a) above,

Viking and Camber agree that none of the funds available to pay the Camber Management and Board Compensation shall be deemed Camber Unencumbered Cash or Camber Surplus Cash under Section 1.5(b) of the Plan of Merger.

**3. Clarification and Acknowledgment.** For the sake of clarity, Viking and Camber agree that none of the funds loaned by Camber to Viking prior to the Closing (including, but not limited to funds loaned prior to the date hereof) shall be deemed Viking Unencumbered Cash or Viking Surplus Cash under Section 1.5(b) of the Plan of Merger.

**4. Consideration.** Each of the parties agrees and confirms by signing below that they have received valid consideration in connection with this Agreement and the transactions contemplated herein.

**5. Mutual Representations, Covenants and Warranties.** Each of the parties, for themselves and for the benefit of each of the other parties hereto, represents, covenants and warranties that:

(a) Such party has all requisite power and authority, corporate or otherwise, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and thereby. This Agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general equitable principles;

(b) The execution and delivery by such party and the consummation of the transactions contemplated hereby and thereby do not and shall not, by the lapse of time, the giving of notice or otherwise: (i) constitute a violation of any law; or (ii) constitute a breach of any provision contained in, or a default under, any governmental approval, any writ, injunction, order, judgment or decree of any governmental authority or any contract to which such party is bound or affected; and

(c) Any individual executing this Agreement on behalf of an entity has authority to act on behalf of such entity and has been duly and properly authorized to sign this Agreement on behalf of such entity.

**6. Further Assurances.** The parties agree that, from time to time, each of them will take such other action and to execute, acknowledge and deliver such contracts, deeds, or other documents as may be reasonably requested and necessary or appropriate to carry out the purposes and intent of this Agreement and the transactions contemplated herein.

**7. Effect of Agreement.** Upon the effectiveness of this Agreement, each reference in the Plan of Merger to “Agreement,” “hereunder,” “hereof,” “herein” or words of like import shall mean and be a reference to such Plan of Merger as modified or amended hereby.

**8. Plan of Merger to Continue in Full Force and Effect.** Except as specifically modified or amended herein, the Plan of Merger and the terms and conditions thereof shall remain in full force and effect.

**9. Entire Agreement.** This Agreement sets forth all of the promises, agreements, conditions, understandings, warranties and representations among the parties with respect to the transactions contemplated hereby and thereby, and supersedes all prior agreements, arrangements and understandings between the parties, whether written, oral or otherwise.

**10. Construction.** In this Agreement words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders.

**11. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to conflicts of law principles except to the extent that United States federal law preempts Nevada law, in which case United States federal law (including, without limitation, copyright, patent and federal trademark law) shall apply, without reference to conflicts of law principles.

**12. Heirs, Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns. Neither party shall be able to assign this Agreement without the prior written consent of the other party; provided, that, either party can assign this Agreement to a successor to all or substantially all of its business to which this Agreement relates, whether by asset sale, merger, reorganization or otherwise.

**13. Counterparts and Signatures.** This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .jpeg or similar attachment to electronic mail (any such delivery, an “**Electronic Delivery**”) shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

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

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written to be effective as of the Effective Date.

**“Camber”**

**CAMBER ENERGY, INC.**

/s/ Louis G. Schott

Name: Louis G. Schott

Title: Interim Chief Executive Officer

**“Viking”**

**VIKING ENERGY GROUP, INC.**

/s/ James A. Doris

Name: James A. Doris

Title: Chief Executive Officer

**EX-10.1**

EX-10.1 3 ex10-1.htm SECURITIES PURCHASE AGREEMENT

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[Camber Energy, Inc. 8-K](#)

**Exhibit 10.1**

**SECURITIES PURCHASE AGREEMENT**

dated as of June 25, 2020

by and between

**CAMBER ENERGY, INC. (PURCHASER)**

and

**VIKING ENERGY GROUP, INC. (COMPANY)**

Securities Purchase Agreement – Viking – February, 2020

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## SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the “Agreement?”) is made as of June 25, 2020, by and between VIKING ENERGY GROUP, INC., a Nevada corporation, (the “Company?”), and CAMBER ENERGY, INC., a Nevada corporation, (the “Purchaser?”).

### RECITALS

- A. The Company owns a majority of the issued and outstanding membership units and/or ownership interests (such membership and/or ownership interests owned by the Company collectively the “Transaction Subsidiary Membership Interests?”) in the following entities (each a “Transaction Subsidiary?” and collectively the “Transaction Subsidiaries?”):
  - a. Elysium Energy Holdings, LLC, a limited liability company organized under the laws of the State of Nevada (“Elysium?”); and
  - b. Ichor Energy Holdings, LLC, a limited liability company organized under the laws of the State of Nevada (“Ichor?”).
- B. The Transaction Subsidiaries are engaged in the business of acquiring and developing oil and natural gas properties, and own working interests and/or overriding royalty interests in various oil and gas leases (collectively, the “Transaction Subsidiary Assets?”) in Texas and Louisiana.
- C. The Company is desirous of raising capital through the sale of an aggregate of 250 Units on a reasonable efforts basis, each Unit consisting of a Note with a face value of \$100,000 (100% of the principal amount of each Note shall be convertible into common shares of the Company at a conversion price of \$0.24 per share at any time 30 days after the closing date). The Purchaser together with all other purchasers of the Units shall collectively be referred to as the “Purchasers?” and the Purchasers of the Units other than the Purchaser shall collectively be referred to as the “Other Purchasers?”.
- D. The Purchaser has previously purchased 50 Units in the offering on February 3, 2020.
- E. The proceeds of the sale of the Units will be used for various purposes, including, without limitation, to acquire additional oil and gas assets and for working capital. As security for the Notes purchased pursuant to this Agreement, the Purchasers will receive security interests, as more particularly set out in the Security and Pledge Agreement (as defined herein), against the Transaction Subsidiary Membership Interests.
- F. The Company has engaged several FINRA member broker-dealers (collectively, the “Placement Agents?”) to arrange the sale of the Units.

- G. The Purchaser wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, the number of Units (including fractions of a Unit) and for the price set forth on the signature page hereto.
- H. The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(c) of Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission under the Securities Act.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser hereby agree as follows:

## ARTICLE 1 DEFINITIONS

1.1 Defined Terms. In addition to terms defined elsewhere in this Agreement or in any Supplement, Amendment or Exhibit hereto, when used herein, the following terms shall have the following meanings:

(a) Affiliate means any Person which, directly or indirectly, owns or controls, on an aggregate basis, a ten (10%) percent or greater interest in any other Person, or which is controlled by or is under common control with any other Person.

(b) Acquisition means the acquisition of interests in oil and gas properties or entities owning oil and gas properties from 5Jabor, LLC, a Texas limited liability company, Bass Petroleum, L.L.C., a Delaware limited liability company, Bodel Holdings, LLC, a Texas limited liability company, Delbo Holdings, L.L.C., a Texas limited liability company, James III Investments, L.L.C., a Texas limited liability company, JamSam Energy, LLC, a Texas limited liability company, Lake Boeuf Investments, LLC, a Delaware limited liability company, Oakley Holdings, L.L.C., a Texas limited liability company, and Plaquemines Holdings, L.L.C., a Delaware limited liability company, pursuant to that certain Purchase and Sale Agreement filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on October 11, 2019, as such purchase agreement may be amended from time to time as disclosed in the Company's SEC Reports.

(c) Business Day means any day other than a Saturday or Sunday or any other day on which the Federal Reserve Bank of New York is not open for business.

(d) Closing means the time of issuance and sale by the Company of one or more Units, or a part of a Unit, to the Purchaser.

(e) Closing Date means the date a Unit is purchased by the Purchaser from the Company and the proceeds from the sale of such Unit are released to the Company in accordance with the terms of this Agreement.

- (f) Collateral means all of the Transaction Subsidiary Membership Interests (as defined in Recital A).
- (g) Common Stock means (i) the Company's common stock, \$0.001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.
- (h) Contingent Obligation means as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.
- (i) Dollar(s) and "\$" means lawful money of the United States.
- (j) Environmental Laws means any and all laws, rules, orders, regulations, statutes, ordinances, guidelines, codes, decrees, or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect.
- (k) Equity Interests means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such Equity Interest.
- (l) Event of Default shall have the meaning set forth in the Notes or any other Transaction Document.
- (m) Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (n) GAAP means generally accepted accounting principles in the United States of America as in effect from time to time.
- (o) Indebtedness means, with respect to any Person at any date, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services, (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) 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 the Purchasers under such agreement in the event of default are limited to repossession or sale of such property), (v) all capital lease obligations of such Person, (vi) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit, surety bond or similar facilities, (vii) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any capital stock of such Person, (viii) all obligations for any earn-out consideration, (ix) the liquidation value of preferred capital stock of such Person, (x) all guarantee obligations of such Person in respect of obligations of the kind referred to in clauses (i) through (ix) above, (xi) all obligations of the kind referred to in clauses (i) through (ix) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any lien on property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation and all obligations of such Person in respect of hedge agreements; and (xii) all Contingent Obligations in respect to indebtedness or obligations of any Person of the kind referred to in clauses (i)-(xi) above. The Indebtedness of any Person shall include, without duplication, the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

(p) “Liens” or “lien” means a lien, mortgage, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction, or other clouds on title.

(q) “Liabilities” means all direct or indirect liabilities, Indebtedness and obligations of any kind of Company to the Purchasers, howsoever created, arising or evidenced, whether now existing or hereafter arising (including those acquired by assignment), absolute or contingent, due or to become due, primary or secondary, joint or several, whether existing or arising through discount, overdraft, purchase, direct loan, participation, operation of law, or otherwise, including, but not limited to, pursuant to the Notes, this Agreement and/or any of the other Transaction Documents, all accrued but unpaid interest on the Notes, the principal of the Notes, any letter of credit, any standby letter of credit, and/or outside attorneys’ and paralegals’ fees or charges relating to the preparation of the Transaction Documents and the enforcement of Purchasers’ rights, remedies and powers under this Agreement, the Notes and/or the other Transaction Documents.

(r) “Material Adverse Effect” means a material adverse effect on (a) the business, assets, property, operations, condition (financial or otherwise), or prospects of Company, (b) the validity or enforceability of this Agreement, the Notes, and/or any of the other Transaction Documents, or (c) the rights or remedies of the Purchaser hereunder or thereunder.

(s) “Notes” means that series of the 10.5% Secured Promissory Notes of the Company owned by the Purchasers, which, subject to the terms and conditions set forth in this Agreement, Purchaser shall purchase from the Company pursuant to this Agreement, with the form of such Note annexed hereto as Exhibit A.

(t) “OFAC” means the United States Department of the Treasury’s Office of Foreign Assets Control.

(u) “OFAC Regulations” means the regulations promulgated by OFAC, as amended from time to time.

(v) “Over-Allotment Option” means the Company’s ability to issue up to a total of fifty (50) additional Units pursuant to Section 2.4 of this Agreement.

(w) “Permitted Indebtedness” means (i) Indebtedness of the Company referenced in the SEC Reports, including the Indebtedness referenced in the Company’s Quarterly Report on Form 10-Q for the three months ended March 31, 2020, the Notes, this Agreement and/or any other Document in favor of the Purchasers including all Liabilities, (ii) Indebtedness of the Company to its President and C.E.O., (iii) Indebtedness secured by Permitted Liens, (iv) any Indebtedness of the Company, the Transaction Subsidiaries, or a subsidiary of any Transaction Subsidiary, provided such Indebtedness is unsecured or, if secured, where such security does not include a security interest in or against the Transaction Subsidiary Membership Interests, and (v) general trade or accounts payable incurred in the ordinary course of business.

(x) “Permitted Liens” means (i) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (iii) any Lien created by operation of law, such as materialmen’s liens, mechanics’ liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that are being contested in good faith by appropriate proceedings, (iv) Liens (A) upon or in any equipment acquired or held by the Company to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment, and (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment, (v) any Liens for Permitted Indebtedness perfecting security interests in the Permitted Indebtedness set forth in clauses (i)-(v) of the definition of Permitted Indebtedness, (vi) one or more mortgages or other Liens against the Transaction Subsidiary Assets in favor of one or more senior secured lenders, not to exceed a principal amount of \$130,000,000 unless proceeds above such amount are used to pay all or a portion of the amount owing under the Notes on a dollar for dollar basis.

(y) “Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (whether national, federal, state, county, city, municipal or otherwise including, without limitation, any instrumentality, division, agency, body or department thereof).

(z) “Pledged Securities” has the meaning set forth in the definition of “Transaction Documents”.

(aa) “Principal Market” means the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

(bb) “Purchase Price” means the price to be paid by a Purchaser to purchase such Purchaser’s Units (or a fraction thereof) at a price of \$100,000 per Unit.

(cc) “SEC” or “Commission” means the United States Securities and Exchange Commission.

(dd) “SEC Reports” has the meaning set forth in Section 3.1(y) hereof.

(ee) “Securities” means the Note purchased pursuant to this Agreement and any securities of the Company issued in replacement, substitution and/or in connection with any exchange, conversion and/or any other transaction pursuant to which all or any of such securities of the Company are issued to the Purchaser.

(ff) “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(gg) “Security and Pledge Agreement” means the Security and Pledge Agreement dated on or about the date hereof by and among the Company and the Purchaser as hereinafter amended and/or supplemented altogether with all exhibits, schedules and annexes to such Security and Pledge Agreement, pursuant to which all Liabilities and Indebtedness of the Company to the Purchaser under the Transaction Documents including, but not limited to, the Notes are secured by the Collateral, which security interest in the Collateral shall be perfected by the Purchaser’s UCC-1, filed with the Secretary of State of the State of Nevada, to the extent perfectable by the filing of a UCC-1 Financing Statement and such other documents and instruments related thereto, which form of Security and Pledge Agreement is annexed hereto as Exhibit B.

(hh) “Shares” means shares of Common Stock.

(ii) “Solvent” means, with respect to any Person, as of any date of determination, (i) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (ii) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (iii) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (iv) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, and (ii) “claim” means any (a) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

(jj) Subsidiary means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

(kk) Trading Day means any day on which the Common Stock is traded on the Trading Market, provided that Trading Day shall not include any day on which the Common Stock is scheduled to trade on the Trading Market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on the Trading Market (or if the Trading Market does not designate in advance the closing time of trading on the Trading Market, then during the hour ending at 4:00:00 p.m., New York City time) unless such day is otherwise designated as a Trading Day in writing by the Purchaser.

(ll) Trading Market means any of the following markets or exchanges on which the Common Stock (or any other common stock of any other Person that references the Trading Market for its common stock) is listed or quoted for trading on the date in question: the OTC Bulletin Board; The NASDAQ Global Market; The NASDAQ Global Select Market; The NASDAQ Capital Market, the New York Stock Exchange; NYSE Arca; the NYSE MKT; or the OTCQX Marketplace, the OTCQB Marketplace; the OTC Pink Marketplace or any other tier operated by OTC Markets Group Inc. (or any successor to any of the foregoing).

(mm) Transaction Documents means collectively, this Agreement, the Notes, the Security and Pledge Agreement (the Security Agreement) with respect to all of the issued and outstanding capital stock of the Transaction Subsidiaries (the Pledged Securities), such other Security Agreement entered into with the Purchaser by the Company, such other agreements entered into by the parties on or around the date hereof, relating to the matters set forth herein, all documents distributed by the Company in connection with the offering of the Units hereunder, the UCC-1 Financing Statement(s) for the Purchaser on the Transaction Subsidiary Membership Interests (collectively, the Purchaser's UCC-1s) to be filed with the Secretary of the State of Nevada on or about the Closing Date (the Purchaser's UCC-1s together with the Security Agreement collectively the Pledge Transaction Documents), and such other documents, instruments, certificates, supplements, amendments, exhibits and schedules required and/or attached pursuant to this Agreement and/or any of the above documents, and/or any other document and/or instrument related to the above agreements, documents and/or instruments, and the transactions hereunder and/or thereunder and/or any other agreement, documents or instruments required or contemplated hereunder or thereunder, whether now existing or at any time hereafter arising.

(nn) UCC means the Uniform Commercial Code as in effect from time to time in the State of Nevada; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to the Purchaser's Liens on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Nevada, the term UCC shall mean the Uniform Commercial code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

(oo) Unit means one Note with a face value of \$100,000 (100% of the principal amount of each Note shall be convertible into common shares of the Company at a conversion price of \$0.24 per share).

## 1.2 Other Definitional Provisions.

(a) Use of Defined Terms. Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Transaction Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) Accounting Terms. As used herein and in the other Transaction Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to Company not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts referred to herein shall be made without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Company at “fair value”, as defined therein, and (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof).

(c) Construction. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) UCC Terms. Terms used in this Agreement which are defined in the UCC shall, unless the context indicates otherwise or are otherwise defined in this Agreement, have the meanings provided for by the UCC.

## ARTICLE 2 PURCHASE OF NOTES

2.1 Offering. The purchase and sale of the Units is (a) structured on an “any-or-all” basis and, subject to the conditions to purchase set forth in Section 5.1 hereof, there is no minimum number of Units necessary to be sold and accepted by the Company in order to close any sale of the Units being offered hereby, and (b) intended as a private placement made without registration of the Units under the Securities Act or any securities law of any state or other jurisdiction, pursuant to the exemption from registration provided in Rule 506(c) of Regulation D promulgated by the SEC under the Securities Act, as well as those applicable state securities laws and regulations, and is being made only to “accredited investors” (as defined in Rule 501 of Regulation D), the reliance on such exemptions which is predicated in part upon the truth and accuracy of the statements by the Purchaser contained in this Agreement. No purchase shall be valid or binding unless and until it has been accepted by the Company (as evidenced by its counter-signature to this Agreement), and the Company reserves the right, in its sole and absolute discretion, to reject any proposed purchase hereunder, in whole or in part.

2.2 Closing. The Closing shall occur at 10:00 am (EST) on the Closing Date, on the first (1<sup>st</sup>) Trading Day on which the conditions to Closing set forth in Section 5 hereof are satisfied or waived in writing as provided elsewhere herein, or on such other date and time as agreed to by the Company and the Purchaser. There may be one or more subsequent closings of sales of the Units to the Other Purchasers. The proceeds of the sale of the Units to the Purchaser shall be used to complete the Acquisition. The proceeds of the sale of the Units to the Other Purchasers shall be used as follows:

- a. To repay short-term borrowings; and
- b. To pay transaction costs, commissions and for working capital.

2.3 Conditions to Purchase of Units. Subject to the terms and conditions of this Agreement, the Purchaser will at the Closing, on the Closing Date, purchase from the Company the Units in the amounts and for the Purchase Price as set forth on the signature page hereto, provided that (i) no Event of Default (or event that with the passage of time or the giving of notice, or both, would become an Event of Default), shall have occurred or would result therefrom; and (ii) the conditions in Section 5.1 have been satisfied. Subject to Section 2.5, the Company shall be permitted to sell up to one hundred sixty-five (165) Units pursuant to this Agreement. Purchase of the Units involves numerous risks, including those risks described in Article 8 hereof and in the Company's SEC Reports.

2.4 Purchase Price and Payment of the Purchase Price for the Units. The Purchase Price for the Units to be purchased by the Purchaser shall be as set forth on the signature page hereto and shall be paid by the Purchaser to the Company. Upon (and subject to) receipt of the Purchase Price by the Company, the Company shall deliver or cause to be delivered the Units to the Purchaser.

2.5 Issuance of Additional Notes. Notwithstanding anything to the contrary herein, the Purchaser acknowledges and agrees that the Company may, without notice to or consent from the Purchaser, issue additional Notes to the Other Purchasers in the aggregate principal amount up to \$20,000,000, in which case the indebtedness incurred by the issuance of such additional Notes shall be considered and included as Permitted Indebtedness, and such indebtedness shall be secured by security interests granted by the Company to the Other Purchasers equal in ranking to the security interests granted to the Purchaser pursuant to the Security and Pledge Agreement.

ARTICLE 3  
REPRESENTATIONS AND WARRANTIES; OTHER ITEMS

3.1 Representation and Warranties. Company (which for purposes of this Section 3 means the Company and all of its Subsidiaries), represents and warrants to the Purchaser that on the Closing Date:

(a) Transaction Subsidiaries. The Company owns, directly or indirectly, the Membership Units of each Transaction Subsidiary (75% of Elysium Energy Holdings, LLC) free and clear of any Liens, other than Permitted Liens, and all of the issued and outstanding membership units of each Transaction Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Organization, Etc. Each of the Company and the Transaction Subsidiaries are duly organized, validly existing and in good standing under the laws of the state of their respective organization and are duly qualified and in good standing or has applied for qualification as a foreign corporation authorized to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

(c) Authorization: No Conflict. The execution, delivery and performance of the Transaction Documents and the transactions contemplated thereby by the Company, including, but not limited to, the sale and issuance of the Units for the Purchase Price (i) are within Company's corporate powers, (ii) have been duly authorized by all necessary action by or on behalf of the Company (and/or its shareholders to the extent required by law), (iii) the Company has received all necessary and/or required governmental, regulatory and other approvals and consents (if any shall be required), (iv) do not and shall not contravene or conflict with any provision of, or require any consents under (A) any law, rule, regulation or ordinance, (B) Company's organizational documents; and/or (C) any agreement binding upon Company or any of Company's properties, and (v) do not result in, or require, the creation or imposition of any Lien and/or encumbrance on any of Company's properties or revenues pursuant to any law, rule, regulation or ordinance or otherwise.

(d) Validity and Binding Nature. The Transaction Documents to which the Company is a party are the legal, valid and binding obligations of Company, enforceable against the Company in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting the rights and remedies of creditors and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(e) Title to Assets. The Company and each Transaction Subsidiary has good and marketable title and is in lawful possession of, or has valid leasehold interests in, all properties and other assets (real or personal, tangible, intangible or mixed) purported or reported to be owned or leased (as the case may be) by the Company and the Transaction Subsidiary, as applicable.

(f) No Violations of Laws. Neither the Company nor any Transaction Subsidiary is in violation of any law, ordinance, rule, regulation, judgment, decree or order of any federal, state or local governmental body or court and/or regulatory or self-regulatory body.

(g) Burdensome Obligations. Neither the Company nor any Transaction Subsidiary is a party to any indenture, agreement, lease, contract, deed or other instrument, or subject to any partnership restrictions or has any knowledge of anything which could have a Material Adverse Effect.

(h) Taxes. All taxes due and payable by Company have been timely paid.

(i) Employee Benefit Plans. The term “Plan” means an “employee pension benefit plan” (as defined in Section 3 of Employee Retirement Income Security Act of 1974, as amended from time to time (“ERISA”)) which is or has been established or maintained, or to which contributions are or have been made, by Company or by any member of the Controlled Group. Each Plan maintained by Company complies in all material respects with all applicable requirements of law and regulations and all payments and contributions required to be made with respect to such Plans have been timely made.

(j) Federal Laws and Regulations. Company is not (i) an “investment Company” or a Company “controlled”, whether directly or indirectly, by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended; or (ii) engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System).

(k) Fiscal Year. The fiscal year of Company ends on December 31 of each year.

(l) Officers and Ownership. As of the date hereof, the officers of the Company are James Doris (President & CEO), Frank Barker Jr. (CFO), and Mark Finckle (EVP), and the directors of the Company are James Doris, Lawrence Fisher and David Herskovits.

(m) Rule 506(d) Bad Actor Disqualification Representations and Covenants.

(i) No Disqualification Events. Neither the Company, nor any of its predecessors, affiliates, any manager, executive officer, other officer of the Company participating in the offering, any beneficial owner (as that term is defined in Rule 13d-3 under the Exchange Act) of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, nor any “promoter” (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity as of the date of this Agreement and on the Closing Date (each, a “Company Covered Person” and, together, “Company Covered Persons”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a “Disqualification Event”). The Company has exercised reasonable care to determine (i) the identity of each person that is a Company Covered Person; and (ii) whether any Company Covered Person is subject to a Disqualification Event. The Company will comply with its disclosure obligations under Rule 506(e). The Company is not for any other reason disqualified from reliance upon Rule 506 of Regulation D under the Securities Act for purposes of the offer and sale of the Purchased Securities.

(ii) Other Covered Persons. The Company is not aware of any person (other than any Company Covered Person) that has been or will be paid (directly or indirectly) remuneration in connection with the Units that is subject to a Disqualification Event (each an “Other Covered Person?”).

(iii) Reasonable Notification Procedures. With respect to each Company Covered Person, the Company has established procedures reasonably designed to ensure that the Company receives notice from each such Company Covered Person of (i) any Disqualification Event relating to that Company Covered Person, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to that Company Covered Person; in each case occurring up to and including the Closing Date.

(iv) Notice of Disqualification Events. The Company will notify the Purchaser immediately in writing upon becoming aware of (i) any Disqualification Event relating to any Company Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Company Covered Person and/or Other Covered Person.

(n) Accuracy of Information, etc. No statement or information contained in this Agreement, the SEC Reports, any other Transaction Document or any other document, certificate or statement furnished to the Purchaser by or on behalf of Company in writing for use in connection with the transactions contemplated by this Agreement and/or the other Transaction Documents, contained as of the date such statement, information, document or certificate was made or furnished, as the case may be, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein, taken as a whole, not materially misleading. There are no facts known to Company that could have a Material Adverse Effect that have not been expressly disclosed herein, the SEC Reports, in the other Transaction Documents, or in any other documents, certificates and statements furnished to the Purchaser for use in connection with the transactions contemplated hereby and by the other Transaction Documents.

(o) Solvency. The Company is as of the date hereof Solvent; and shall be Solvent immediately prior to, and immediately following the Closing, after giving effect to the incurrence of all Indebtedness and all other obligations being incurred by the Company pursuant hereto and the other Transaction Documents including, but not limited to, all Liabilities and pursuant to the other Transaction Documents and the use of the Purchase Prices as provided elsewhere herein.

(p) Affiliate Transactions. Other than as disclosed in the SEC Reports, the Company has not purchased, acquired or leased any property from, or sold, transferred or leased any property to, or entered into any other transaction, other than loans to the Company from the Company’s President & C.E.O., with (i) any Affiliate, (ii) any officer, director, manager, shareholder or member of Company or any Affiliate of any thereof, or (iii) any member of the immediate family of any of the foregoing, except on terms comparable to the terms which would prevail in an arms-length transaction between unaffiliated third parties and have been disclosed to the Purchaser in writing.

(q) Intellectual Property. The Company has, or has rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with its business and which the failure to so have could have a Material Adverse Effect (collectively, the “Intellectual Property Rights?”). The Company has not received a notice (written or otherwise) that any of the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned. The Company has not received, since the date hereof, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All Intellectual Property Rights of the Company are set forth in the SEC Reports.

(r) USA Patriot Act. Company is in compliance, in all material respects, with (a) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the “Act?”). No part of the proceeds of the sale of the Units will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(s) Foreign Asset Control Laws. Company is not a Person named on a list published by OFAC or a Person with whom dealings are prohibited under any OFAC Regulations.

(t) Indebtedness; Liens, Etc. Except for Permitted Indebtedness and Permitted Liens, the Company has no Indebtedness nor any Liens.

(u) Authorization; Enforcement. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of the Transaction Documents and the performance of all obligations of the Company under the Transaction Documents, have been taken on or prior to the date hereof. Each of the Transaction Documents has been duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(v) Valid Issuance of the Units, Etc. Each of the Units has been duly authorized and, when issued and paid for in accordance with this Agreement, will be duly and validly issued, fully paid and non-assessable, free and clear of all Liens and all restrictions on transfer other than those expressly imposed by the federal securities laws and vest in the Purchaser full and sole title and power to the Units purchased hereby by the Purchaser, free and clear of all Liens, and restrictions on transfer other than those imposed by the federal securities laws. The Units shall sometimes be collectively referred to as the “Securities?”.

(w) Offering. The offer and sale of the Units as contemplated by this Agreement are exempt from the registration requirements of the Securities Act, and the qualification or registration requirements of state securities laws or other applicable blue sky laws. Neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemptions.

(x) Capitalization and Voting Rights. The authorized capital stock of the Company and all securities of the Company issued and outstanding, or which are issuable, are set forth in the SEC Reports as of the dates reflected therein, and there has been no material change in the respective amounts of such outstanding securities since then. All of the outstanding shares of Common Stock and other securities of the Company have been duly authorized and validly issued, and are fully paid and non-assessable. Except for customary transfer restrictions contained in agreements entered into by the Company to sell restricted securities and/or as set forth in the SEC Reports, the Company is not a party to, and it has no knowledge of, any agreement restricting the voting or transfer of any shares of the capital stock and/or other securities of the Company. Except as set forth in the SEC Reports, the offer and sale of all capital stock, convertible or exchangeable securities, rights, warrants, options and/or any other securities of the Company when any such securities of the Company were issued complied with all applicable federal and state securities laws, and no current and/or prior holder of any securities of the Company has any right of rescission or damages or any “put?” or similar right with respect thereto that would have a Material Adverse Effect.

(y) Shell Company Status; SEC Reports; Financial Statements. The Company is an issuer subject to Rule 144(i) under the Securities Act pursuant to clause (ii) thereunder. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “**SEC Reports?**”). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and to the knowledge of the Company, none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(z) Placement Agent Compensation. The Placement Agents engaged by the Company in connection with the sale of the Units may receive commission compensation for their services, which will include a cash fee and may also include an equity fee. The cash fee payable to each Placement Agent will be an amount up to 8% of the Purchase Price for the Units sold to Purchaser(s) introduced to the Company by such Placement Agent. The equity fee payable to each Placement Agent will consist of either (i) a number of shares of Common Stock equal to 6% of the Purchase Price for the Units sold to Purchaser(s) introduced to the Company by such Placement Agent divided by \$0.20/share; or (ii) 5-year warrants to purchase a number of shares of Common Stock equal to 10% of the Purchase Price for the Units sold to Purchaser(s) introduced to the Company by such Placement Agent divided by \$0.20/share, at an initial exercise price \$0.20/share, subject to adjustment for splits, stock dividends, and similar corporate transactions, and exercisable on a cashless basis.

(aa) Interests of Certain Parties. Two of the Placement Agents, Fusion Analytics Securities LLC and The Benchmark Company LLC, have a preexisting pecuniary interest in raising funds for the Company as they and/or certain of their representatives or principals, received common shares in the capital stock of the Company as compensation for previous engagements by the Company. Jeff Morfit, an associated person of Advisory Group Equity Services, Ltd. d/b/a RHK Capital, owned approximately 1.406% of the Company's outstanding Common Stock as of October 31, 2019, which stock was received in connection with services previously provided to the Company by Mr. Morfit.

(bb) Sarbanes-Oxley Act. The Company is in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof.

(cc) Arbitration, Absence of Litigation. Except as set forth in the SEC Reports, there is no action, suit or proceeding before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company, the Common Stock or any of the Company's officers or directors or 5% or greater shareholders in their capacities as such.

(dd) Material Changes; Undisclosed Events, Liabilities or Developments. Except as disclosed in the SEC Reports, since the date of the audited Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as amended: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company's Financial Statements pursuant to GAAP or (C) liabilities disclosed in the Company's Quarterly Reports on Form 10-Q, as amended, for the periods subsequent to December 31, 2019, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or affiliate, except pursuant to existing Company stock option plans. Except for the issuance of the Securities contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its business, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one Trading Day prior to the date that this representation is made.

(ee) Disclosure. The Company understands and confirms that the Purchaser will rely on the Transaction Documents, the information included therein, and the SEC Reports in purchasing the Units. All of the disclosure furnished by or on behalf of the Company to the Purchaser in the Transaction Documents and/or in the SEC Reports regarding, among other matters relating to the Company, its business and the transactions contemplated in the Transaction Documents, are true and correct in all material respects as of the date made and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that the Purchaser do not make nor have they made any representations or warranties with respect to the transactions contemplated in the Transaction Documents other than those specifically set forth in Section 7 hereof.

(ff) No Integrated Offering. Assuming the accuracy of the representations and warranties set forth in Section 7, neither the Company, nor any of its affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause the issuance and/or sale of the Securities to be integrated with prior offerings of securities by the Company for purposes of (i) the Securities Act which would require the registration of any such Securities and/or securities of the Company under the Securities Act, or (ii) any shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed, eligible for quotation and/or designated.

(gg) Bankruptcy Status; Indebtedness. The Company has no current intention or expectation to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the applicable representation date. All outstanding secured and unsecured Indebtedness (as defined below) of the Company, or for which the Company has commitments, is set forth in the SEC Reports.

(hh) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company.

(ii) No Consents, Etc. Except for Board of Director approval which has been received, no direct or indirect consent, approval, authorization or similar item is required to be obtained by the Company to enter into this Agreement, the Note, and/or the other Transaction Documents to which it is a party and to perform or undertake any of the transactions contemplated pursuant to this Agreement, the Note and/or any of the other Transaction Documents to which it is a party.

(jj) Listing of Securities. To the extent required, all Shares have been approved for listing or quotation on the Trading Market, subject only to notice of issuance.

(kk) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's Articles of Incorporation or the laws of the jurisdiction of its formation which is or could become applicable to the Purchaser as a result of the transactions contemplated by this Agreement and/or the other Transaction Documents, including, without limitation, the Company's issuance of the Securities and Purchaser's ownership of the Securities. The Company has not adopted a stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Stock or a change in control of the Company.

(ll) Manipulation of Price. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result, or that could reasonably be expected to cause or result, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(mm) DTC Eligible. The Common Stock is DTC eligible, and DTC has not placed a "freeze?" or a "chill?" on the Common Stock and the Company has no reason to believe that DTC has any intention to make the Common Stock not DTC eligible, or place a "freeze?" or "chill?" on the Common Stock.

(nn) No Delisting from Trading Market. The Common Stock is eligible for quotation on the Principal Market, and the Company has no reason to believe that the Principal Market has any intention of delisting the Common Stock from the Principal Market.

(oo) Acknowledgment Regarding Purchaser's Purchase of Units. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the other Transaction Documents and the transactions contemplated hereby and thereby and that the Purchaser is not (i) an officer or director of the Company, (ii) an Affiliate of the Company or (iii) to the knowledge of the Company, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the Exchange Act) of more than 10% of the shares of Common Stock. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by the Purchaser or any of their representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Purchaser's purchase of the Securities. The Company further represents to the Purchaser that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives.

(pp) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its Exchange Act filings and is not so disclosed or that otherwise would be reasonably likely to have a Material Adverse Effect.

(qq) Subsidiary Rights. The Company has the unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of the Transaction Subsidiaries as owned by the Company or any Subsidiary of any Transaction Subsidiary.

(rr) Internal Accounting and Disclosure Controls. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure.

ARTICLE 4  
COVENANTS

4.1 Affirmative Covenants. Commencing on the Closing Date and until all the Liabilities are paid in full, the Company covenants and agrees that:

(a) SEC Reports. While any amounts are owed to the Purchaser from the Company (including, but not limited to, any Liability), the Company shall file all required SEC Reports.

(b) Insurance. The Company shall maintain such insurance as may be required by law and such other insurance to the extent and against such hazards and liabilities as is customarily maintained by companies similarly situated.

(c) Taxes and Liabilities. The Company shall pay when due all material taxes, assessments and other liabilities except as contested in good faith and by appropriate proceedings and for which adequate reserves in conformity with GAAP have been established.

(d) Maintenance of Business. The Company shall (i) keep all property and systems useful and necessary in its business in good working order and condition, (ii) preserve its existence, rights and privileges in the jurisdiction of its organization or formation, as set forth in the SEC Reports and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, (iii) not operate in any business other than a business substantially the same as the business as in effect on the date of this Agreement; provided, however, that it may change its jurisdiction of organization or formation establishment upon thirty (30) days prior written notice to the Purchaser.

(e) Employee Benefit Plans, Etc. The Company shall (i) maintain each plan and/or each employee benefit plan as to which it may have any liability in substantial compliance with all applicable requirements of law and regulations, and (ii) make all payments and contributions required to be made pursuant to such Plans and/or plans in a timely manner.

(f) Good Title. The Company shall at all times maintain good and marketable title to all of its assets necessary for the operation of its business.

(g) Maintenance of Intellectual Property Rights. The Company will take all reasonable action necessary or advisable to maintain all of the Intellectual Property Rights of the Company that are necessary or material to the conduct of its business in full force and effect.

(h) Locations. The Company shall give the Purchaser thirty (30) days prior written notice of a change in its jurisdiction of organization or the city of its principal executive office.

(i) Securities Law Disclosure; Publicity. (i) Within the time required by the Exchange Act, the Company shall issue a Current Report on Form 8-K (the "Current Report?") disclosing the material terms of the transactions contemplated hereby, and including the Transaction Documents required to be included in such Current Report as exhibits thereto. From and after the issuance of the Current Report. (ii) Other than provision of the Transaction Documents to the Purchaser, the Company confirms that neither it nor any other person acting on its behalf shall provide the Purchaser or their agents or counsel with any information that constitutes or might constitute material, non-public information, unless a simultaneous public announcement thereof is made by the Company in the manner contemplated by Regulation FD. In the event of a breach of the foregoing covenant by the Company or any person acting on its behalf (as determined in the reasonable good faith judgment of the Purchaser), in addition to any other remedy provided herein or in the other Transaction Documents, if the Purchaser are holding any securities of the Company at the time of the disclosure of material, non-public information, the Purchaser shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such material, non-public information without the prior approval by the Company; provided such Purchaser shall have first provided notice to the Company that they believe they have received information that constitutes material, non-public information, the Company shall have 48 hours publicly to disclose such material, non-public information prior to any such disclosure by the Purchaser or demonstrate to the Purchaser in writing why such information does not constitute material, non-public information, and (assuming the Purchaser and Purchaser's counsel disagree with the Company's determination) the Company shall have failed to publicly disclose such material, non-public information within such time period. The Purchaser shall not have any liability to the Company, any of its Subsidiaries, or any of their respective directors, officers, employees, stockholders or agents, for any such disclosure. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenants and obligations in effecting transactions in securities of the Company.

(j) Notices. The Company shall, after receipt of knowledge thereof, give prompt written notice to the Purchaser of:

(i) the occurrence of any Event of Default or any event which with the passage of time or the giving of notice or both would become an Event of Default;

(ii) any litigation proceeding which may exist at any time between the Company and any governmental authority, that in either case, if not cured or if adversely determined, as the case may be, could have a Material Adverse Effect;

(iii) any litigation or proceeding affecting the Company (A) in which the amount involved is \$250,000 or more, (B) in which injunctive and/or other equitable relief is sought and/or (C) which relates to the Purchaser, any Transaction Document and/or any of the transactions contemplated by any Transaction Document;

(iv) any Lien (other than security interests created hereby or Permitted Liens) and/or any Indebtedness other than Indebtedness related to the Transaction Documents or Permitted Indebtedness; and

(v) any matter, development and/or event that has resulted or could reasonably be expected to result in a Material Adverse Effect, including any such matter arising from: any breach or non-performance of, or any default, terms of default or event of default under the Transaction Documents, and/or any other material agreements that the Company is a party to and/or any of its property is bound by;

Each notice pursuant to this Section 4.1(j) shall be accompanied by a statement of the Company setting forth details of the occurrence referred to therein and stating what action the Company proposes to take with respect thereto.

(k) Environmental Laws. The Company shall (i) comply in all material respects with, and endeavor to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and endeavor to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, and (ii) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all governmental authorities regarding Environmental Laws.

(l) Further Assurances. The Company shall, from time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, such as a confession of judgment, and take such actions, as the Purchaser may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Transaction Documents. Upon the exercise by the Purchaser of any power, right, privilege or remedy pursuant to this Agreement or the other Transaction Documents which requires any consent, approval, recording, qualification or authorization of any governmental authority, the Company will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Purchaser may be required to obtain from the Company for such governmental consent, approval, recording, qualification or authorization.

(m) Equal Treatment of Purchasers; Priority Repayment of Large Purchasers. No consideration (including any modification of any Transaction Documents) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration is also offered to all of the parties to this Agreement. ***Notwithstanding anything to the contrary herein or in the Notes, the Company shall not make any payment of principal or interest on the Notes in amounts which are disproportionate to the respective principal amounts outstanding on the Notes at any applicable time, except that the Company shall be permitted at any time to repay any Purchaser holding Notes with an aggregate principal amount of at least \$3,000,000 without also repaying other Purchasers.*** For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

(n) Reservation of Shares Issuable Upon Conversion. The Company shall at all times beginning 30 days after February 3, 2020, reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Purchaser (and the other holders of the Notes), not less than such aggregate number of shares of the Common Stock as shall be issuable upon the conversion of the then-outstanding principal amount of the Notes and payment of interest thereunder. All shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

4.2 Negative Covenants. Until all the Liabilities are paid in full, the Company covenants and agrees that:

(a) Restriction on Transfer of Transaction Subsidiary Membership Interests. The Company shall not, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of the Transaction Subsidiary Membership Interests, and the Company shall cause each Transaction Subsidiary not to, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any assets or rights of such Transaction Subsidiary owned or hereafter acquired whether in a single transaction or a series of related transactions, other than sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by such Transaction Subsidiary in the ordinary course of business. Any proceeds received from the sale of assets of an Transaction Subsidiary outside the ordinary course of business shall be held in the accounts of such Transaction Subsidiary and used, firstly, to repay amounts owing by the Transaction Subsidiary to the senior secured lender of the Transaction Subsidiary and, secondly, to repay amounts outstanding under the Notes.

(b) Change in Nature of Business. The Company shall not, directly or indirectly, engage in any business substantially different from the business conducted by the Company on the Closing Date or any business substantially related or incidental thereto.

(c) Senior Secured Bank Indebtedness. Except to service obligations in connection with the Notes issued pursuant to this offering, the Company shall not permit the total drawdown amount under the credit facilities provided to the subsidiaries of the Transaction Subsidiaries to exceed \$130,000,000, in the aggregate, without the prior written consent of sixty-seven percent (67%) of the Note holders, based on then-outstanding principal amounts of Notes at the time of such determination (Note holders holding at least 67% of the outstanding principal under the Notes at such time).

(d) Liens. The Company shall not create or permit to exist any Liens or security interest with respect to any assets whether now owned or hereafter acquired and owned, except for Permitted Liens.

(e) Guarantees. The Company shall not become or be a guarantor or surety of, or otherwise become or be responsible in any manner with respect to any Indebtedness of a Transaction Subsidiary, excluding guarantees provided to the Transaction Subsidiaries' senior secured lender(s).

(f) Violation of Law. The Company shall not violate any law, statute, ordinance, rule, regulation, judgment, decree, order, writ or injunction of any federal, state or local authority, court, agency, bureau, board, commission, department or governmental body.

(g) Unconditional Purchase Obligations. The Company shall not enter into or be a party to any contract for the purchase of materials, supplies or other property or services if such contract requires that payment be made by it regardless of whether or not delivery is ever made of such materials, supplies or other property or services.

(h) Use of Proceeds. The Company shall use the proceeds of the sale of the Units for the following purposes, and shall not use such proceeds for any other purpose: payment of transactions costs, including payment of commissions to the Placement Agents described in Section 3.1(z) hereof, acquisition and development of oil and gas assets, repayment of existing loans, and for general working capital purposes. The Company shall not permit any proceeds of the sale of the Units to be used either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing or carrying any margin stock? within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time.

(i) Sale of Membership Interests. The Company shall not dispose of, nor issue, any Equity Interests in any Transaction Subsidiary to any Person.

(j) Form D; Blue Sky Filings. The Company shall timely file a Form D with respect to the Securities as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Units for, sale to the Purchaser at each Closing under applicable securities or "Blue Sky? laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

## ARTICLE 5 CLOSING CONDITIONS

5.1 Closing Conditions of the Purchaser. The Purchaser's obligation to enter into the Transaction Documents and purchase the Units is subject to the fulfillment of each and every one of the following conditions prior to or contemporaneously with the Purchaser entering into the Transaction Documents and purchasing the Units (unless waived by Purchaser in writing in their sole and absolute discretion):

(a) Delivery of Transaction Documents. Prior to the Closing, the Collateral Agents for the Purchaser shall have received from the Company each of the following (together with all Exhibits, Schedules, annexes to each of the following), in form and substance reasonably satisfactory to the Purchaser and their counsel, and where applicable, duly executed and recorded (to the extent required):

(i) certificates of the Chief Executive Officer and Secretary of Company and certifying as to (A) copies of the Articles of Incorporation and by-laws of the Company, as restated or amended as of the date of this Agreement; (B) all actions taken and consents made by the Company and its Board of Directors and shareholders, as applicable to authorize the transactions provided for or contemplated under this Agreement and the other Transaction Documents and the execution, delivery and performance of the Transaction Documents; (C) the names of the directors and officers of the Company authorized to sign the Transaction Documents, together with a sample of the true signature of each such Person and (D) that all representations and warranties of the Company made herein and/or in any of the other Transaction Documents are true and correct in all respects;

(ii) this Agreement;

(iii) the Notes;

(iv) the Security and Pledge Agreement;

(v) the Amended and Restated Security and Pledge Agreement dated on or around the date hereof;

(vi) the Third Amendment to Agreement and Plan of Merger, dated on or around the date hereof;

(vii) the Assignment of Membership Interests, dated on or around the date hereof;

(viii) certificates of good standing for the Company and each Transaction Subsidiary in the jurisdiction of each of such entity's incorporation or formation, in the principal places in which Company conducts business and in places in which each such Person owns real estate; and

(ix) Such other documents, certificates, opinions, instruments and/or other items reasonably requested by the Purchaser and/or their legal counsel.

(b) Approvals. The receipt by the Purchaser of all governmental and third-party approvals necessary in connection with the continuing operations of Company, the execution and performance of the Transaction Documents and the transactions contemplated thereby, all of which consents/approvals shall be in full force and effect.

(c) New Acquisition. The Company or any of the Transaction Subsidiaries shall, before or concurrent with the first Closing, have closed the Acquisition.

(d) Representations and Warranties. Each of the representations and warranties made by the Company in or pursuant to the Transaction Documents and all Schedules and/or Exhibits to this Agreement and/or any of the other Transaction Documents shall be true and correct in all material respects on and as of the Closing Date as if made (or given) on and as of such date (except where such representation and warranty speaks of a specific date in which case such representation and warranty shall be true and correct as of such date).

5.2 Closing Conditions of Company. The obligation of the Company to sell and issue the Units to the Purchaser at the Closing is subject to the fulfillment, to the Company's reasonable satisfaction, prior to or contemporary at the Closing, of each of the following conditions (unless waived by the Company):

(a) Representations and Warranties. Each of the representations and warranties made by the Purchaser in or pursuant to the Transaction Documents and all Schedules and/or Exhibits to this Agreement and/or any of the other Transaction Documents shall be true and correct in all material respects on and as of the Closing Date as if made (or given) on and as of such date (except where such representation and warranty speaks of a specific date in which case such representation and warranty shall be true and correct as of such date).

(b) No Injunction. No statute, regulation, order, decree, writ, ruling or injunction shall have been enacted, entered, promulgated, threatened in writing or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of or which would materially modify or delay any of the transactions contemplated by the Transaction Documents.

(c) Receipt of the Purchase Price. The Company shall receive at or substantially simultaneously with the Closing, the Purchase Price of the Purchaser set forth on the signature page hereto.

#### ARTICLE 6 MISCELLANEOUS

6.1 No Waiver; Modifications In Writing. No failure or delay on the part of the Purchaser in exercising any right, power or remedy pursuant to the Transaction Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification, supplement, termination or waiver of any provision of the Transaction Documents, nor any consent by the Purchaser to any departure by the Company therefrom, shall be effective unless the same shall be in writing and signed by the Purchaser. Any waiver of any provision of the Transaction Documents and any consent by the Purchaser to any departure by the Company from the terms of any provision of the Transaction Documents shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

6.2 Set-Off. The Purchaser shall have the right to set-off, appropriate and apply toward payment of any of the Liabilities, in such order of application as the Purchaser may from time to time and at any time elect, any cash, credit, deposits, accounts, securities and any other property of Company which is in transit to or in the possession, custody or control of Purchaser, or any agent, bailee, or Affiliate of the Purchaser. The Company hereby grants to the Purchaser a security interest in all such property.

6.3 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex, facsimile or e-mail if sent during normal business hours of the recipient; if not, then on the next Trading Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt:

If to Company:

Viking Energy Group, Inc.  
15915 Katy Freeway, Suite 450  
Houston, Texas 77094  
Attn: James A. Doris

Fax: (646) 356-7034  
Telephone: 281.404.4387  
Email: [jdoris@vikingenergygroup.com](mailto:jdoris@vikingenergygroup.com)

If to the Purchaser:

As set forth on the signature page hereto.

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

6.4 Costs, Expenses and Taxes. Notwithstanding anything to the contrary provided herein or elsewhere, the Company agrees to pay following the Closing Date, all fees and expenses incurred by the Purchaser (including, but not limited to, outside counsel to the Purchaser) in connection with the administration and enforcement of the Transaction Documents and/or and the Notes. In addition, the Company shall pay any and all stamp, transfer and other similar taxes payable or determined to be payable in connection with the execution and delivery of the Transaction Documents and agrees to hold the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes. If any suit or proceeding arising from any of the foregoing is brought against the Purchaser, the Company, to the extent and in the manner directed by Purchaser, will resist and defend such suit or proceeding or cause the same to be resisted and defended by counsel approved by Purchaser. If the Company shall fail to do any act or thing which each has covenanted and/or agreed to do under this Agreement and/or any other Document or any representation or warranty on the part of the Company contained in this Agreement and/or any other Document shall be breached, the Purchaser may, in their sole and absolute discretion, do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; and any and all amounts so expended by the Purchaser shall be repayable to the Purchaser by the Company immediately upon the Purchaser's demand therefor, with interest at a rate equal to eighteen (18%) percent during the period from and including the date funds are so expended by the Purchaser to the date of repayment in full, and any such amounts due and owing to the Purchaser shall be deemed to be part of the Liabilities secured hereunder and under the other Transaction Documents. The obligations of the Company under this Section 6.4 shall survive the termination of this Agreement and the discharge of the other obligations of the Company under the Transaction Documents.

6.5 Indemnity, Etc. In addition to the payment of expenses pursuant to this Agreement, whether or not all and/or any of the transactions contemplated hereby shall be consummated, the Company agrees to indemnify, pay and hold the Purchaser, and the Purchaser's assignees and affiliates and their respective officers, directors, employees, agents, consultants, auditors, and attorneys of any of them (collectively called the "Indemnities?") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) that may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of the SEC Reports, this Agreement and/or the other Transaction Documents, the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, the statements contained in any term sheet delivered by the Purchaser, the Purchaser's agreement to purchase the Units, the use or intended use of the proceeds from the sale of the Units or the exercise of any right or remedy hereunder or under the other Transaction Documents (the "Indemnified Liabilities?"); provided that the Company shall have no obligation to an Indemnitee hereunder with respect to Indemnified Liabilities directly resulting from the gross negligence or willful misconduct of that Indemnitee, as determined by a court of competent jurisdiction by a final and non-appealable judgment. In no event shall the Purchaser and/or any of their respective employees, agents, partners, affiliates, members, equity and/or debt holders, managers, officers, directors and/or other related or similar type of Person, have any liability to the Company and/or any of its officers, directors, employees, agent, attorneys, affiliates, consultants, equity and/or debt holders except for any actions or lack of actions of such persons that are found by a court of competent jurisdiction after the time for all appeals has passed to have resulted directly from Purchaser's intentional misconduct or gross negligence.

6.6 Counterparts; Signatures. This Agreement may be executed in any number of counterparts, each of which counterparts, once they are executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement. This Agreement and the Transaction Documents may be executed by any party to this Agreement or any of the Transaction Documents by original signature, facsimile and/or electronic signature.

6.7 Binding Effects; Assignment. This Agreement shall be binding upon, and inure to the benefit of, the Purchaser, Company and their respective successors, assigns, representatives and heirs. The Company shall not assign any of its rights nor delegate any of its obligations under Transaction Documents without the prior written consent of the Purchaser. Each Purchaser may delegate any of its obligations under the Transaction Documents without the prior written consent of the Company, each Purchaser may assign any of its rights, hereunder, and/or in any of the other Transaction Documents, subject only to compliance with the federal securities laws.

6.8 Headings. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provision of this Agreement and shall not affect the construction of this Agreement.

6.9 Entire Agreement. This Agreement, together with the other Transaction Documents, contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and therein and supersedes all prior representations, agreements, covenants and understandings, whether oral or written, related to the subject matter of this Agreement and the other Transaction Documents. The Purchaser makes no covenants to the Company, including, but not limited to, any commitments to provide any additional financing to the Company.

6.10 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED EXCLUSIVELY IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEVADA WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS.

6.11 Severability Of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.12 Conflict. In the event of any conflict between this Agreement and any of the other Transaction Documents, the terms and provisions of the Transaction Documents so chosen by the Purchaser shall govern and control.

6.13 JURISDICTION; WAIVER. COMPANY ACKNOWLEDGES THAT THIS AGREEMENT IS BEING SIGNED BY THE PURCHASER IN PARTIAL CONSIDERATION OF THE PURCHASER'S RIGHT TO ENFORCE IN THE JURISDICTION STATED BELOW THE TERMS AND PROVISION OF THIS AGREEMENT AND THE DOCUMENTS. COMPANY IRREVOCABLY CONSENTS TO THE EXCLUSIVE AND SOLE JURISDICTION IN NEVADA AND VENUE IN ANY FEDERAL OR STATE COURT IN NEVADA FOR SUCH PURPOSES AND WAIVES ANY AND ALL RIGHTS TO CONTEST SAID JURISDICTION AND VENUE AND ANY OBJECTION THAT NEVADA IS NOT CONVENIENT. COMPANY WAIVES ANY RIGHTS TO COMMENCE ANY ACTION AGAINST THE PURCHASER IN ANY JURISDICTION EXCEPT NEVADA. THE PURCHASER AND COMPANY HEREBY EACH EXPRESSLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY WITH RESPECT TO ANY MATTER WHATSOEVER RELATING TO, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE SECURITIES, THE TRANSACTION DOCUMENTS AND/OR THE TRANSACTIONS WHICH ARE THE SUBJECT OF THE TRANSACTION DOCUMENTS.

6.14 SERVICE OF PROCESS. COMPANY AGREES THAT SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO COMPANY AT THE ADDRESS SET FORTH IN SECTION 6.3 OR AT SUCH OTHER ADDRESS OF WHICH THE PURCHASER SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. COMPANY AGREES THAT SUCH SERVICE, TO THE FULLEST EXTENT PERMITTED BY LAW (i) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON COMPANY IN ANY SUIT, ACTION OR PROCEEDING, AND (ii) SHALL BE TAKEN AND HELD TO BE VALID PERSONAL SERVICE UPON AND PERSONAL DELIVERY TO COMPANY. SOLELY TO THE EXTENT PROVIDED BY APPLICABLE LAW, SHOULD COMPANY, AFTER BEING SERVED, FAIL TO APPEAR OR ANSWER TO ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE NUMBER OF DAYS PRESCRIBED BY LAW AFTER THE DELIVERY OR MAILING THEREOF, COMPANY SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY THE COURT AGAINST COMPANY AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. NOTHING HEREIN SHALL AFFECT THE PURCHASER'S RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

6.15 Survival. The representations, and warranties of the Company herein and/or in the other Transaction Documents shall survive the execution and delivery hereof and the Closing Date; the obligations, Liabilities, agreements and covenants of the Company set forth herein and/or in the other Transaction Documents shall survive the execution and delivery hereof and the Closing Date, as shall all rights and remedies of the Purchaser set forth in this Agreement and/or in any of the other Transaction Documents.

6.16 No Integration. Neither the Company, nor any of its affiliates, nor any person acting on behalf of the Company or such affiliate, will sell, offer for sale, or solicit offers to buy or otherwise negotiate with respect to any security (as defined in the Securities Act) which will be integrated with the sale and/or issuance of any of the Securities in a manner which would require the registration of the Securities under the Securities Act, or require stockholder approval, under the rules and regulations of the Trading Market for the Common Stock. The Company will take all action that is appropriate or necessary to assure that its offerings of other securities will not be integrated for purposes of the Securities Act or the rules and regulations of the Trading Market, with the issuance of Securities contemplated herein.

6.17 No Frustration. From and after the date hereof and so long as the Notes are outstanding, neither the Company nor any of its respective officers, employees, directors, agents or other representatives, will, without the prior written consent of the Purchaser (which consent may be withheld, delayed or conditioned in the Purchaser's sole discretion), effect, enter into, announce or recommend to its stockholders any agreement, plan, arrangement or transaction (or issue, amend or waive any security) that would or would reasonably be expected to restrict, delay, conflict with or impair the ability or right of the Company to timely perform its obligations under the Transaction Documents.

6.18 Finders' Fees. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction, except for the commissions owed by the Company to the Placement Agents described in Section 3.1(z) hereof. The Company shall indemnify and hold harmless the Purchaser from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

6.19 Rule 144 Availability; Public Information. At all times from the date hereof through and including the date the Securities are no longer held by the Purchaser (the “Required Period?”), the Company shall ensure the Purchaser can sell any shares in the capital of the Company issued to a Purchaser pursuant to this Agreement, pursuant to and in accordance with Rule 144 under the Securities Act, by (i) ensuring that the Company shall satisfy the current public information requirement under Rule 144(c) under the Securities Act (a “Public Information Failure?”), and (b) providing such consent or certificates (excluding legal opinions which must be obtained by the Purchaser at the Purchaser’s cost) as may be reasonably requested by the Purchaser to enable the Purchaser to sell any of the Securities pursuant to Rule 144 under the Securities Act.

ARTICLE 7  
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Each Purchaser hereby represents and warrants, severally and not jointly, to the Company as follows:

7.1 Authorization. Such Purchaser has full power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and has taken all action necessary to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby.

7.2 Accredited Investor Status. Such Purchaser is an “accredited investor?” as that term is defined in Rule 501(a) of Regulation D, and such Purchaser has verified its “accredited investor?” status with the Company or one of its Placement Agents within three months of the date hereof.

7.3 Reliance on Exemptions. Such Purchaser understands that the Unit(s) are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Purchaser’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of each Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of each Purchaser to acquire the Unit(s).

7.4 Information. Such Purchaser has been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Units which have been requested by such Purchaser. Neither such inquiries nor any other due diligence investigations conducted by the Purchaser shall modify, amend or affect the Purchaser’s right to rely on the Company’s representations and warranties contained herein. The Purchaser understands that this investment in the Units involves a high degree of risk. Such Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of its respective Units.

Additionally, such Purchaser acknowledges that (i) the Transaction Documents contain material non-public information regarding the Company (the “Confidential Information?”); (ii) information is considered “material?” if a reasonable investor, given the total mix of available information regarding the Company, would consider the information important in deciding whether to buy, hold, or sell securities of the Company on the basis of the information, and (iii) insider trading (trading on the basis of material, non-public information) violates both federal and state law. Such Purchaser covenants and agrees that until the Company has publicly disclosed the Confidential Information (via press release or filing in an SEC Report), or until the Confidential Information is no longer considered “material?” in the sole discretion of the Company, such Purchaser shall keep the Confidential Information confidential and shall not buy or sell securities (or puts, calls or options on the securities) of the Company, or engage in any other action to use, take advantage of, or pass on to others, the Confidential Information, except that such Purchaser shall be permitted disclose the Confidential Information (i) if required to do so by law, or (ii) to its directors, officers, employees, legal and financial advisors, who agree to keep the Confidential Information confidential and treat the Confidential Information in accordance with the terms of this Agreement as if they were parties hereto.

7.5 No Governmental Review. Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Units or the fairness or suitability of the investment in the Units nor have such authorities passed upon or endorsed the merits of the offering of the Units.

7.6 Validity; Enforcement; No Conflicts. This Agreement and each Transaction Document to which the Purchaser is a party have been duly and validly authorized, executed and delivered on behalf of such Purchaser and shall constitute the legal, valid and binding obligations of such Purchaser enforceable against such Purchaser in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors’ rights and remedies.

7.7 Organization and Standing. Such Purchaser, if an entity, is duly organized, validly existing and in good standing under the laws of the State of where it was formed.

7.8 Brokers or Finders. Such Purchaser represents and warrants, to the best of its knowledge, that except for the Placement Agents, no finder, broker, agent, financial advisor or other intermediary, nor any purchaser representative or any broker-dealer acting as a broker, are entitled to any compensation in connection with the transactions contemplated by this Agreement or the transactions contemplated hereby.

7.9 Ability to Perform. There are no actions, suits, proceedings or investigations pending against any of such Purchaser or any such Purchaser’s assets before any court or governmental agency (nor is there any threat thereof) which would impair in any way such Purchaser’s ability to enter into and fully perform the Purchaser’s commitments and obligations under this Agreement or the transactions contemplated hereby.

7.10 Short Positions. Such Purchaser covenants and agrees that, so long as such Purchaser owns any Securities of the Company, such Purchaser, shall not maintain a net short position in the Common Stock (as determined under Regulation SHO under the Exchange Act (“Regulation SHO?”) taking into account all positions of the Purchaser whether or not the Purchaser otherwise would constitute an independent trading unit under Regulation SHO).

7.11 Transfer or Resale. Such Purchaser understands that (a) the Securities have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (i) subsequently registered thereunder, (ii) such Purchaser shall have delivered to the Company an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (iii) such Purchaser provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Securities Act, as amended, (or a successor rule thereto) (collectively, “Rule 144?”); (b) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) except as otherwise provided in the Transaction Documents, neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder. Notwithstanding the foregoing, the Securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and the Purchaser in effecting a pledge of Securities shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including, without limitation, this Section 7.11.

7.12 Legends. Such Purchaser understands that the certificates or other instruments representing the Notes and any Shares shall bear any legend as required by the “blue sky” laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of the Securities upon which it is stamped or issue to such holder by electronic delivery at the applicable balance account at DTC, if, unless otherwise required by state securities laws, (a) such Securities are registered for resale under the Securities Act, (b) in connection with a sale, assignment or other transfer, such holder provides the Company with an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the Securities Act, or (c) the Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A. The Company shall be responsible for the fees of its transfer agent and all DTC fees associated with such issuance.

7.13 Advisors and Legal Counsel. Such Purchaser represents that it has been represented by independent legal counsel of its choosing, and no inference shall be drawn in favor of or against any party by virtue of the fact that such party's counsel was or was not the principal draftsman of this Agreement. Purchaser understands that it shall be solely responsible to pay the costs and expenses of its own legal counsel in connection with the preparation and review of this Agreement and related documentation. Such Purchaser agrees and acknowledges that it should seek its own legal, business, financial and other professional advisors for advice and due diligence with respect to all matters relevant to Purchaser's investment in the Company, including, without limitation, the perfection of any security interests granted by the Company to the Purchaser(s) in connection with their investment.

## ARTICLE 8 RISK FACTORS

An investment in the Company involves significant risk and is suitable only for investors who are capable of bearing significant risks, including the risk of loss of a substantial part or all of their investment. Careful consideration of the following risk factors provided by the Company, as well as other information in this Agreement and in the Company's SEC Reports, is advisable prior to investing. Prospective Purchasers acknowledge and agree that they have reviewed the Company's SEC Reports, understand the risk factors contained therein, including the risk factors and Legal Proceedings disclosure contained in the Company's Quarterly and Annual Reports filed with the SEC, have read all sections of this Agreement, and acknowledge that they have been advised to consult their own legal and financial advisers before investing in the Units.

8.1 There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors could lose all or part of their investment.

8.2 There is doubt about our ability to continue as a going concern due to our operating history of net losses, negative working capital and insufficient cash flows, and lack of liquidity to pay our current obligations, all of which means that we may not be able to continue operations.

8.3 There is no minimum number of Units that must be sold prior to any Closing hereunder. Since there is no minimum, if only a few Units are sold, we may not have enough capital to execute our business plans, and any investment in us may be lost. As such, proceeds from this offering may not be sufficient to meet the objectives we have, or other corporate milestones that we may set.

8.4 We may issue shares of preferred stock in the future that may adversely impact your rights as holders of our common stock. Our Articles of Incorporation authorize our Board of Directors to determine the relative rights and preferences of preferred shares without further stockholder approval. As a result, our Board of Directors could authorize the issuance of a series of preferred stock that would grant to holders preferred rights to our assets upon liquidation, the right to receive dividends before dividends are declared to holders of our common stock, and the right to the redemption of such preferred shares, together with a premium, prior to the redemption of the common stock. In addition, shares of preferred stock could be issued with terms calculated to delay or prevent a change in control or make removal of management more difficult, which may not be in your interest.

8.5 We may seek to raise additional funds, finance acquisitions or develop strategic relationships by issuing capital stock. We may finance our operations and develop strategic relationships by issuing equity or debt securities, which could significantly reduce the percentage ownership of our existing stockholders. Furthermore, any newly issued securities could have rights, preferences and privileges senior to those of our existing stock. Moreover, any issuances by us of equity securities may be at or below the prevailing market price of our stock and in any event may have a dilutive impact on existing shareholders, which could cause the market price of our stock to decline.

8.6 Our current CEO, James Doris, holds shares of a series of our Preferred Stock, which, among other rights and preferences, have a weighted vote which currently allows him to control approximately over 75% of the outstanding votes on all matters to be voted on by the holders of the Company's issued and outstanding capital stock as of October 7, 2019. By virtue of these voting rights, the CEO of the Company can cause the Company to take actions that require a shareholder vote, without the affirmative vote of any other shareholders. Additionally, the Company's CEO is one of only three members of the Company's Board of Directors, therefore allowing the CEO to exert control over the Company.

8.7 The purchase price of the Units hereunder was arbitrarily determined by the Company and is unrelated to specific investment criteria, such as market value, book value, or any other established valuation criteria. We did not obtain an independent appraisal opinion on the valuation of the securities being purchased hereunder. The Units purchased hereunder may have a value significantly less than the purchase price, and the securities constituting the Units may never obtain a value equal to or greater than the purchase price for the Units. In determining the purchase price for the Units, the Company considered such factors as the Company's historical fundraising efforts, the prospects, if any, of similar companies, the previous experience of management, the Company's anticipated results of operations, and the likelihood of purchase hereunder. Please review any financial or other information in relation to your prospective purchase of our securities with qualified persons to determine their suitability as an investment before purchasing any securities being offered by the Company.

8.8 The Company and its other subsidiaries have entered into various loan and security agreements pursuant to which various lenders have security against assets of the Company or the other subsidiaries. The loan and security agreements contain various financial and other covenants of the Company and/or subsidiaries which, if not satisfied, may result in an event of default under the loan agreement(s) and other security agreements which may cause the particular lender(s) to enforce upon their security. The security granted to the aforementioned lenders effectively has priority over the security being granted to the Purchaser pursuant to the Security and Pledge Agreement.

8.9 One or both of the Transaction Subsidiaries, or subsidiaries of either or both of the Transaction Subsidiaries, have entered, or will enter, into various loan and security agreements (“Loan Agreement(s)?”) pursuant to which various lenders have, or will have, security interests in and liens against (the “Lender’s Security?”) assets of the Transaction Subsidiaries or their subsidiaries (the “Loan Parties?”). The Loan Agreement(s) contain or will contain various financial and other covenants of each of the Loan Parties, which, if not satisfied, may result in an event of default under the Loan Agreement(s) in favor of the applicable lender, which may cause the lender to enforce their rights against the Lender’s Security. The Lender’s Security in the Transaction Subsidiary Assets will effectively have priority over the security interest being granted to the Purchaser pursuant to the Security and Pledge Agreement.

8.10 In April of 2019, the staff (the “Staff?”) of the SEC’s Division of Enforcement notified the Company that the Staff had made a preliminary determination to recommend that the SEC file an enforcement action against the Company, as well as against its CEO and its CFO, for alleged violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder during the period from early 2014 through late 2016. The Staff’s notice was not a formal allegation or a finding of wrongdoing by the Company, and the Company submitted a formal response to the Staff on or about May 3, 2019, articulating why the SEC should not file an enforcement action against the Company. On September 17, 2019, the SEC filed an enforcement action against the Company’s former officer and director, Tom Simeo, who resigned from all positions with the Company in May 2017, but the enforcement action did not name the Company or any of its current officers and directors as a defendant. The SEC may still file an enforcement action against the Company and its CEO and CFO, and while the Company believes it has adequate defenses and intends to vigorously defend any enforcement action that may be initiated by the SEC, those defenses may not be sufficient. If they were not, the Company would likely have to pay fines to the SEC, and the reputation and business of the Company, and its ability to raise capital, would be harmed.

8.11 Oil and gas price fluctuations in the market may adversely affect the results of our operations.

8.12 Our profitability, cash flows and the carrying value of our oil and natural gas properties are highly dependent upon the market prices of oil and natural gas. Substantially all of our sales of oil and natural gas, if any, are made in the spot market, or pursuant to contracts based on spot market prices, and not pursuant to long-term, fixed-price contracts. Accordingly, the prices received for our oil and natural gas production are dependent upon numerous factors beyond our control. These factors include the level of consumer product demand, governmental regulations and taxes, the price and availability of alternative fuels, the level of foreign imports of oil and natural gas and the overall economic environment.

8.13 Historically, the oil and natural gas markets have proven cyclical and volatile as a result of factors that are beyond our control. Any additional declines in oil and natural gas prices or any other unfavorable market conditions could have a material adverse effect on our financial condition.

8.14 Actual quantities of recoverable oil and gas reserves and future cash flows from those reserves most likely will vary from our estimates.

8.15 Estimating accumulations of oil and gas is complex. The process relies on interpretations of available geological, geophysical, engineering and production data. The extent, quality and reliability of this data can vary. The process also requires certain economic assumptions, some of which are mandated by the SEC, such as oil and gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. The accuracy of a reserve estimate is a function of:

- a. the quality and quantity of available data;
- b. the interpretation of that data;
- c. the accuracy of various mandated economic assumptions; and
- d. the judgment of the persons preparing the estimate.

8.16 Shares of our common stock are subject to the “Penny Stock” rules of the SEC, and the trading market in our securities will likely be limited, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock or debt instruments convertible into our stock. The Securities and Exchange Commission has adopted Rule 15c-9 which establishes the definition of a “penny stock,” for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

1. That a broker or dealer approve a person’s account for transactions in penny stocks; and
2. The broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quality of the penny stock to be purchased.

In order to approve a person’s account for transactions in penny stocks, the broker or dealer must:

1. Obtain financial information and investment experience objectives of the person; and

- ? Make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

- ? Sets forth the basis on which the broker or dealer made the suitability determination; and
- ? That the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the “penny stock” rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

8.17 State securities laws may limit secondary trading of our securities, which may restrict the states in which and conditions under which you could sell any shares into which the securities being purchased hereunder are convertible. Secondary trading in our common stock will not be possible in any state until the common stock is qualified for sale under the applicable securities laws of the state or there is confirmation that an exemption, such as listing in certain recognized securities manuals, is available for secondary trading in the state. If we fail to register or qualify, or to obtain or verify an exemption for the secondary trading of, the common stock in any particular state, the common stock could not be offered or sold to, or purchased by, a resident of that state. In the event that a significant number of states refuse to permit secondary trading in our common stock, the liquidity for the common stock could be significantly impacted thus causing you to realize a loss on your investment.

**[BALANCE OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]**

PURCHASER SIGNATURE PAGE TO  
VIKING ENERGY GROUP, INC. SECURITIES PURCHASE AGREEMENT

IN WITNESS WHEREOF, the undersigned have caused this SECURITIES PURCHASE AGREEMENT to be duly executed by its respective authorized signatories as of the date first indicated above, for the number of Units and subscription amount below:

Number of Units Purchased: 42  
Subscription Amount: \$4,200,000  
EIN Number: 20-2660243

FINRA Licensed Placement Agent: \_\_\_\_\_

Name of Purchaser: Camber Energy, Inc.

*Signature of Authorized Signatory of Purchaser:* \_\_\_\_\_/s/ Louis G. Schott\_\_\_\_\_

Name of Authorized Signatory: Louis G. Schott

Title of Authorized Signatory: Interim Chief Executive Officer

Email Address of Authorized Signatory: [xxxxxxxxxxxxx]

Facsimile Number of Authorized Signatory: \_\_\_\_\_

Telephone Number of Authorized Signatory: \_\_\_\_\_

Address for Notice to Purchaser:

1415 Louisiana, Suite 3500, Houston, Texas 77002

Address for Delivery of Securities to Purchaser (if not same as address for notice):

1415 Louisiana, Suite 3500, Houston, Texas 77002

Securities Purchase Agreement – Viking – June, 2018

IN WITNESS WHEREOF, the undersigned has caused this SECURITIES PURCHASE AGREEMENT to be duly executed by its authorized signatory as of the date first indicated above.

**VIKING ENERGY GROUP, INC.**

By: /s/ James A. Doris

Name: James A. Doris

Title: President & CEO

**EXHIBIT A**

**Form of Note**

**EXHIBIT B**

**Security and Pledge Agreement**

NEITHER THIS SECURITY NOR THE SECURITIES TO BE ISSUED PURSUANT TO THIS AGREEMENT HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND ANY SECURITIES ISSUABLE PURSUANT TO THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date: June 25, 2020

Original Principal Amount: \$4,200,000

Note: 10.5% SPN-No – B\_\_\_

**10.5% SECURED PROMISSORY NOTE  
(PARTIAL CONVERSION ENTITLEMENT)  
DUE FEBRUARY 3, 2022**

THIS 10.5% SECURED PROMISSORY NOTE is one of a series of duly authorized and validly issued 10.5% Promissory Notes of Viking Energy Group, Inc., a Nevada corporation, (the "Company"), having its principal place of business at 15915 Katy Freeway, Suite 450, Houston, Texas, 77094, designated as its 10.5% Secured Promissory Note due February 3, 2022, subject to the extension rights set out herein (this "Note", or the "Note" and collectively with the other Notes of such series, the "Notes").

FOR VALUE RECEIVED, the Company promises to pay to **Camber Energy, Inc.** or its registered assigns (the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$4,200,000 (the "Original Principal Amount") on February 3, 2022, (the "Maturity Date"), or such earlier date as this Note is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate then outstanding principal amount of this Note in accordance with the provisions hereof. This Note is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement, dated the date hereof (the "Purchase Agreement"), by and between the Company and the purchasers therein and (b) the following terms shall have the following meanings:

"Bankruptcy Event" means any of the following events: (a) the Company or any Transaction Subsidiary (as defined in the Purchase Agreement), commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Transaction Subsidiary, (b) there is commenced against the Company or any Transaction Subsidiary any such case or proceeding that is not dismissed within 60 days after commencement, (c) the Company or any Transaction Subsidiary is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company or any Transaction Subsidiary suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 calendar days after such appointment, (e) the Company or any Transaction Subsidiary makes a general assignment for the benefit of creditors, (f) the Company or any Transaction Subsidiary calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (g) the Company or any Transaction Subsidiary, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

“Change of Control Transaction” means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 51% of the voting securities of the Company or any Transaction Subsidiary, (b) the Company or any Transaction Subsidiary merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 51% of the aggregate voting power of the Company or the successor entity of such transaction, (c) the Company or any Transaction Subsidiary sells or transfers all or substantially all of its assets to another Person and the stockholders of the Company immediately prior to such transaction own less than 51% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) the execution by the Company or any Transaction Subsidiary of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (c) above.

“Event of Default” shall have the meaning set forth in Section 6(a).

“Late Fees” shall have the meaning set forth in Section 2(c).

“Mandatory Default Amount” means the outstanding principal amount of this Note and accrued and unpaid interest hereon, in addition to the payment of all other amounts, costs, expenses, late fees, and liquidated damages due in respect of this Note.

“Nevada Courts” shall have the meaning set forth in Section 8(d).

“Note Register” shall have the meaning set forth in Section 2(b).

“Original Issue Date” means the date of the first issuance of this Note, regardless of any transfers of any Note and regardless of the number of instruments which may be issued to evidence such Notes.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Trading Market” means any of the following markets or exchanges on which the Common Stock (or any other common stock of any other Person that references the Trading Market for its common stock) is listed or quoted for trading on the date in question: The NASDAQ Global Market; The NASDAQ Global Select Market; The NASDAQ Capital Market; the New York Stock Exchange; NYSE Arca; the NYSE MKT or the OTCQX Marketplace; the OTCQB Marketplace; the OTC Pink Marketplace or any other tier of the OTC Link ATS operated by OTC Markets Group Inc. (or any successor to any of the foregoing).

“Transaction Subsidiary” means Elysium Energy Holdings, LLC, a limited liability company organized under the laws of the State of Nevada; and Ichor Energy Holdings, LLC, a limited liability company organized under the laws of the State of Nevada.

Section 2.        Interest.

a)        Payment of Interest. Subject to Section 9 of this Note, the Company shall pay interest to the Holder on the outstanding principal amount of this Note equal to ten and ½ percent (10.5%) per annum. All interest hereunder will be payable quarterly (based on calendar quarters). All accrued but unpaid interest hereunder shall be due and payable in cash on the Maturity Date, or the Prepayment Date (including deemed Prepayment Date(s) resulting from conversion(s) of Note principal pursuant to Section 9 herein), as applicable.

b)        Interest Calculations. Interest hereunder will be paid to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note (the “Note Register”).

c)        Late Fee. All overdue accrued and unpaid principal and interest to be paid hereunder shall, if not paid within three (3) business days following the applicable due date, entail a late fee at an interest rate equal to eighteen percent (18%) per annum (the “Late Fees”) which shall accrue daily from the date such interest is due hereunder through and including the date of actual payment in full.

Section 3.        Registration of Transfers and Exchanges.

a)        Different Denominations. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

b)        Reliance on Note Register. Prior to due presentment for transfer to the Company of this Note, the Company and any agent of the Company may treat the Person in whose name this Note is duly registered on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue. In the event the Holder assigns the Holder’s rights and entitlements under this Note to another Person (the “Assignee”), the Company shall amend the Note Register only upon receiving authorization to do so from each of the Holder and the Assignee.

Section 4.        Security. The Note shall be secured by the Security and Pledge Agreement dated as of June 25, 2020, by and between the Company and the Holder, and the security interest granted to the Holder thereunder shall rank equal to the security interests granted to the holders of the other Notes and such other security agreements entered into between the Company and the Holder from time to time.

Section 5.        Intentionally Omitted.

Section 6.        Events of Default.

a)        “Event of Default” means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

        i.        any default in the payment of (A) the principal amount of any Note or (B) interest, liquidated damages, Late Fees and other amounts owing to a Holder on any Note, as and when the same shall become due and payable (whether on the Maturity Date or by acceleration or otherwise) which default, solely in the case of an interest payment or other default under clause (B) above, is not cured within three (3) Trading Days;

        ii.        the Company shall fail to observe or perform any other material covenant or agreement contained in the Notes which failure is not cured, if possible to cure, within the earlier to occur of (A) five (5) Trading Days after notice of such failure sent by the Holder or by any other Holder to the Company and (B) ten (10) Trading Days after the Company has become or should have become aware of such failure;

        iii.        a default or event of default (subject to any grace or cure period provided in the applicable agreement, document or instrument) shall occur under (A) any of the Transaction Documents or (B) any other material agreement, lease, document or instrument to which the Company or any Transaction Subsidiary is obligated and/or which any of their respective assets are subject to or bound by (and not covered by clause (vi) below);

        iv.        any representation or warranty made in this Note, any other Transaction Documents, any written statement pursuant hereto or thereto or any other report, financial statement or certificate made or delivered to the Holder or any other Holder shall be untrue or incorrect in any material respect as of the date when made or deemed made;

        v.        the Company or any Transaction Subsidiary shall be subject to a Bankruptcy Event;

vi. the Company or any Transaction Subsidiary shall default on any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (a) involves an obligation greater than \$500,000, whether such indebtedness now exists or shall hereafter be created, and (b) such default is not fully cured by the Company or the Transaction Subsidiary prior to the expiration of any applicable grace or cure period;

vii. the Common Stock shall not be eligible for listing or quotation for trading on a Trading Market and shall not be eligible to resume listing or quotation for trading thereon within five (5) Trading Days or the transfer of shares of Common Stock through the Depository Trust Company System is no longer available, “frozen” or “chilled”;

viii. the Company or any Transaction Subsidiary shall be a party to any Change of Control Transaction, or any Transaction Subsidiary shall agree to sell or dispose of all or a portion of its assets in one transaction or a series of related transactions, without the approval of the Holder or Holders (whether or not such sale would constitute a Change of Control Transaction);

ix. the Company fails to file with the Commission any required reports under Section 13 or 15(d) of the Exchange Act such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable);

x. the Company or any Transaction Subsidiary shall: (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or be the subject of an order for relief under Title 11 of the United States Code or any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute of any other jurisdiction or foreign country, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (vi) take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

xi. if any order, judgment or decree shall be entered, without the application, approval or consent of the Company or any Transaction Subsidiary, by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of the Company or any Transaction Subsidiary, or appointing a receiver, trustee, custodian or liquidator of the Company or any Transaction Subsidiary, or of all or any substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days;

xii. the occurrence of any levy upon or seizure or attachment of, or any uninsured loss of or damage to, any property of the Company or any Transaction Subsidiary having an aggregate fair value or repair cost (as the case may be) in excess of \$500,000 individually or in the aggregate, and any such levy, seizure or attachment shall not be set aside, bonded or discharged within thirty (30) days after the date thereof;

xiii. any monetary judgment, writ or similar final process shall be entered or filed against the Company or any Transaction Subsidiary or any of their respective property or other assets for more than \$500,000, and such judgment, writ or similar final process shall remain unvacated, unbonded or unstayed for a period of forty five (45) calendar days;

xiv. any Transaction Subsidiary, without the written consent of the Holders, shall enter into, create, incur, assume, guarantee or suffer to exist any indebtedness for borrowed money of any kind, including but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom, except Permitted Indebtedness (as defined in the Purchase Agreement);

xv. the termination of that certain Agreement and Plan of Merger by and between the Company and the Holder dated February 3, 2020, as amended from time to time, for any reason prior to the closing of the transactions contemplated therein; or

xvi. any Transaction Subsidiary, without the written consent of the Holders, shall enter into, create, incur, assume or suffer to exist any liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom, except Permitted Liens (as defined in the Purchase Agreement).

b) Remedies Upon Event of Default. If any Event of Default occurs, then the outstanding principal amount of this Note, plus accrued but unpaid interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the Mandatory Default Amount. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 7.        Prepayment. At any time upon not less than 10 days and not more than 30 days prior written notice to the Holder, the Company may prepay any portion of the principal amount of this Note, all accrued and unpaid interest relating to such prepaid portion of the principal and all other amounts due under this Note, provided that if such prepayment occurs prior to the date that is one (1) year following the Original Issue Date, the Company shall pay a prepayment penalty to the Holder equal to the amount of additional interest that would have been paid to the Holder had the Company not prepaid the Note until one (1) year following the Original Issue Date such that the total of the Holder's interest payments, if any, and the prepayment penalty shall equal to 10.5% of the Original Principal Amount of this Note. The written notice shall, among other items, state the date such Prepayment Amount (as defined below) is to be paid to the Holder, which shall not in any event be less than 10 days and not more than 30 days from the date of mailing of the prepayment notice to the Holder (the "Prepayment Date"). If the Company exercises its right to prepay the Note, the Company shall make payment to the Holder of an amount in cash equal to the sum of (x) the then outstanding principal amount of this Note, (y) all accrued but unpaid interest and (z) all other amounts owed pursuant to this Note including, but not limited to the prepayment penalty described above and all Late Fees, if applicable (collectively the "Prepayment Amount"). If the entire Prepayment Amount is not received by the Holder in immediately available funds by wire transfer pursuant to wire transfer instructions provided to the Company by the Holder, on or before the Prepayment Date, such shall, (at the election of the Holder) be an Event of Default of the payment of principal pursuant to Section 6(a)(1) hereof.

Section 8.        Miscellaneous.

a)        Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Company, at its registered office address, or such other facsimile number or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 8(a). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 12:00 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 12:00 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, liquidated damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company.

c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the principal amount of this Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Company.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of Las Vegas, Nevada (the "Nevada Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Nevada Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Nevada Courts, or such Nevada Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Note, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder.

g) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note.

h) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

i) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

Section 9.            Conversion.

a)            Voluntary Conversion. At any time after the Original Issue Date until the earlier of (i) the date that all amounts due under this Note have been paid in full, or (ii) the date that is fifteen (15) business days following the date that the Company's Common Stock has traded at an average daily price of at least fifty-five cents (\$0.55) for fifteen (15) consecutive business days (as reported by OTCMarkets.com), up to one hundred percent (100%) of the principal amount of this Note in the aggregate shall be convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time (subject to the conversion limitations set forth in Section 9(e) hereof). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Note and/or any other amounts due under this Note to be converted and the date on which such conversion shall be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion amount. The Holder and the Company shall maintain a Conversion Schedule showing the principal amount(s) and/or any other amounts due under this Note converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within one (1) Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, (i) following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof, and (ii) this Note shall not be convertible pursuant to this Section 9(a) after the date that is fifteen (15) business days following the date that the Company's Common Stock has traded at an average daily price of at least fifty-five cents (\$0.55) for fifteen (15) consecutive business days.**

b)            Conversion Price. The conversion price in effect on any Conversion Date shall be equal to twenty-four cents (\$0.24) per share (the "Conversion Price"), subject to adjustment as set forth herein. The Conversion Price will be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock.

c)            Mechanics of Conversion.

i.            Conversion Shares Issuable Upon a Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the principal amount of the Note to be converted (up to 100%) by (y) the Conversion Price.

ii. Delivery of Certificate Upon Conversion. Not later than two (2) Trading Days after each Conversion Date (the “Share Delivery Date”), the Company shall deliver, or cause to be delivered, to the Holder (A) a certificate or certificates representing the Conversion Shares, which, on or after the date on which if the resale of such Conversion Shares are covered by and are being sold pursuant to an effective registration statement under the Securities Act or such Conversion Shares are eligible to be sold under Rule 144 promulgated under the Securities Act without the need for current public information, the Company has received an opinion of counsel to such effect reasonably acceptable to the Company, shall be free of restrictive legends and trading restrictions representing the number of Conversion Shares being acquired or being sold, as the case may be, upon the conversion of this Note, and (B) a bank check in the amount of accrued and unpaid interest (if the Company has elected to pay accrued interest in cash). All certificate or certificates required to be delivered by the Company under this Section 9(c) shall be delivered electronically through DTC or another established clearing corporation performing similar functions, unless the Company or its Transfer Agent does not have an account with DTC and/or is not participating in the DTC Fast Automated Securities Transfer Program, then the Company shall issue and deliver to the address as specified in such Conversion Notice, a certificate (or certificates), registered in the name of the Holder or its designee, for the number of Conversion Shares to which the Holder shall be entitled. If the Conversion Shares are not being sold pursuant to an effective registration statement under the Securities Act or if the Conversion Date is prior to the date on which such Conversion Shares are eligible to be sold under Rule 144 promulgated under the Securities Act without the need for current public information, the Conversion Shares shall bear a restrictive legend in the following form, as appropriate:

**“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.”**

Notwithstanding the foregoing, commencing on such date that the Conversion Shares are eligible for sale under Rule 144 subject to current public information requirements, the Company, upon request and at the Holder’s expense, shall obtain a legal opinion to allow for such sales under Rule 144.

iii. Failure to Deliver Certificates. If, in the case of any Notice of Conversion, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Note delivered to the Company and the Holder shall promptly return to the Company the Common Stock certificates issued to such Holder pursuant to the rescinded Conversion Notice.

iv. Obligation Absolute; Partial Liquidated Damages. The Company's obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Note shall elect to convert any or all of the outstanding principal or interest amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion of all or part of this Note shall have been sought. If the injunction is not granted, the Company shall promptly comply with all conversion obligations herein.

v. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times beginning 30 days after the Original Issue Date, reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock at least equal to 100% of the eligible conversion amount for the sole purpose of issuance upon conversion of this Note, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Notes), not less than such aggregate number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of Section 5, but ignoring any Beneficial Ownership Limitations or other restrictions and/or limitations on conversions set forth herein or elsewhere) upon the conversion of the then outstanding principal amount of this Note and payment of interest hereunder. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

vi. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

vii. Transfer Taxes and Expenses. The issuance of certificates for shares of the Common Stock on conversion of this Note shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, provided that, the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of this Note so converted and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion.

d) Holder's Conversion Limitations. The Company shall not effect any conversion of principal of this Note, and a Holder shall not have the right to convert any principal of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other Notes) beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 9(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 9(d) applies, the determination of whether this Note is convertible (in relation to other securities owned by the Holder together with any Affiliates) and of which principal amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other securities owned by the Holder together with any Affiliates) and which principal amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 9(d), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note held by the Holder. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 9(d), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Note held by the Holder and the Beneficial Ownership Limitation provisions of this Section 9(d) shall continue to apply. Any such increase or decrease will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 9(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements

necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Note.

e) Interest Payments upon Conversion. Any Share Delivery Date pursuant to this Section 9 shall be considered a “Prepayment Date” with respect to the payment of interest pursuant to Section 2(a).

f) Optional Conversion upon Public Offering of Common Stock. In addition to Holder’s other conversion rights hereunder and notwithstanding anything to the contrary herein, all or any portion of the outstanding principal amount of this Note shall, at the option of the Holder, be convertible into the securities offered by the Company in connection with the Company’s first public offering following the execution of this Note, at the closing of such public offering, at a conversion price equal to eighty-five percent (85%) of the offering price of the applicable security (representing a fifteen percent (15%) discount) in such public offering.

*[signature page follows]*

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

**VIKING ENERGY GROUP, INC.**

By: /s/ James A. Doris

Name: James A. Doris

Title: President & C.E.O.

Facsimile No. for Delivery of Notices: (646) 356-7034

**SECURITY AND PLEDGE AGREEMENT**

This SECURITY AND PLEDGE AGREEMENT, dated as of June 25, 2020 (this "Agreement"), is among Viking Energy Group, Inc., a Nevada corporation ("Viking"), and Camber Energy, Inc., a Nevada corporation ("Camber") and is agreed and consented to by the Subsidiaries named in Recital A and signatory hereto.

**WITNESSETH:**

**RECITALS**

- A. Viking and Camber are parties to that certain Agreement and Plan of Merger, dated effective as of February 3, 2020 (as amended to date, and from time to time, the "**Merger Agreement**"), relating to the proposed merger of Viking and Camber (the "**Merger**").
- B. In exchange for, inter alia, Camber advancing, on June 25, 2020, USD\$4,200,000, for working capital (the "**Investment Amount**"), Viking has agreed to execute and deliver to Camber this Agreement and to grant Camber a security interest in the membership, common stock and/or ownership interests (such membership and/or ownership interests owned by the Company collectively the "**Subsidiary Membership Interests**") of all of Viking's existing and future, directly owned or majority owned subsidiaries (each a "**Subsidiary**" and collectively, the "**Subsidiaries**"), including, without limitation, the following subsidiaries: Mid-Con Petroleum, Inc., Mid-Con Drilling, LLC, Mid-Con Development, LLC, Petrodome Energy, LLC, Ichor Energy Holdings, LLC and Elysium Energy Holdings, LLC.
- C. This Agreement is subject to the terms and conditions of the Merger Agreement, and shall be terminated upon completion of the Merger or upon repayment or satisfaction of the Investment Amount plus interest in accordance with the terms of the Acquisition Note (as defined in the Merger Agreement).

**NOW, THEREFORE**, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "account", "chattel paper", "commercial tort claim", "deposit account", "document", "equipment", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "proceeds" and "supporting obligations") shall have the respective meanings given such terms in Article 9 of the UCC.

(a) "Collateral" means the collateral in which Camber are granted a security interest by this Agreement and which shall include the following personal property of Viking, whether presently owned or existing or hereafter acquired or coming into existence, wherever situated, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Securities (as defined below):

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(i) **Viking's ownership and/or membership interest in the Subsidiaries.**

Without limiting the generality of the foregoing, the "Collateral" shall include all certificates representing such shares and/or equity interests and, in each case, all rights, options, warrants, stock, other securities and/or equity interests that may hereafter be received, receivable or distributed in respect of, or exchanged for, any of the foregoing and all rights arising under or in connection with the Pledged Securities, including, but not limited to:

(i) all other or additional interests, shares, or other securities paid or distributed by way of dividend or otherwise in respect of any of the Pledged Securities;

(ii) all other or additional interests, shares, or other securities paid or distributed in respect of any of the Pledged Securities by way of stock-split, reclassification, combination of shares or similar rearrangement; and

(iii) all other or additional shares, interests, or other securities which may be paid in respect of any of the Pledged Securities by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar reorganization provided such consolidation.

Notwithstanding the foregoing, nothing herein shall be deemed to constitute an assignment of any asset which, in the event of an assignment, becomes void by operation of applicable law or the assignment of which is otherwise prohibited by applicable law (in each case to the extent that such applicable law is not overridden by Sections 9-406, 9-407 and/or 9-408 of the UCC or other similar applicable law); provided, however, that to the extent permitted by applicable law, this Agreement shall create a valid security interest in such asset and, to the extent permitted by applicable law, this Agreement shall create a valid security interest in the proceeds of such asset.

(b) "Intellectual Property" [intentionally deleted].

(c) "Majority in Interest" [intentionally deleted].

(d) "Necessary Endorsements" means undated stock powers endorsed in blank or other proper instruments of assignment duly executed and such other instruments or documents as Camber (as that term is defined below) may reasonably request.

(e) "Organizational Documents" means, the documents by which Viking was organized (such as a articles of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such entity (such as bylaws, a partnership agreement or an operating, limited liability or members agreement).

(f) “Permitted Liens” means the following:

(i) Liens imposed by law for taxes that are not yet due or are being contested in good faith, which in each case, have been appropriately reserved for;

(ii) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing Secured Obligations that are not overdue by more than thirty (30) days or are being contested in good faith;

(iii) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(iv) deposits to secure the performance of bids, trade contracts, leases, statutory Secured Obligations, surety and appeal bonds, performance bonds and other Secured Obligations of a like nature, in each case in the ordinary course of business;

(v) Liens under this Agreement;

(vi) “Permitted Liens” as such term defined in the Securities Purchase Agreement in connection with the Acquisition Note;

(vi) any other liens in favor of Camber;

(vii) pledges made and/or security interests granted against or in respect of any of the Subsidiary Membership Interests by Viking: (a) prior to the date hereof; and/or (b) in connection with the acquisition of oil and gas assets in Texas and Louisiana by Elysium Energy, LLC (the **“Acquisition”**).

(g) “Pledged Securities” means all of the Subsidiary Membership Interests.

(h) “Secured Obligations” means all of the liabilities and obligations (primary, secondary, direct, contingent, sole, joint or several) due or to become due, or that are now or may be hereafter contracted or acquired, or owing to, of Viking to Camber, including, without limitation, all obligations under this Agreement, the Merger Agreement, and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of Camber as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term **“Secured Obligations”** shall include, without limitation: (i) principal of, and interest on the Acquisition Note (as amended from time to time) and the loans extended pursuant thereto; (ii) any and all other fees, indemnities, costs, obligations and liabilities of Viking from time to time under or in connection with this Agreement, the Acquisition Note, the Merger Agreement and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith; and (iii) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the Secured Obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Viking.

(j) “UCC” means the Uniform Commercial Code of the State of Nevada and or any other applicable law of any state or states which has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that defined terms in the UCC should be construed in their broadest sense so that the term “Collateral” will be construed in its broadest sense. Accordingly, if there are, from time to time, changes to defined terms in the UCC that broaden the definitions, they are incorporated herein and if existing definitions in the UCC are broader than the amended definitions, the existing ones shall be controlling.

2. **Grant of Security Interest in Collateral.** As an inducement for Camber to extend the loans evidenced by the Acquisition Note, execute the Merger Agreement and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Secured Obligations, Viking hereby unconditionally and irrevocably pledges, grants and hypothecates to Camber a perfected, security interest in and to, and a lien upon and a right of set-off against all of its respective right, title and interest of whatsoever kind and nature in and to, the Collateral (a “**Security Interest**” and, collectively, the “**Security Interests**”). The Security Interest shall be a second priority security interest in and to, and a lien upon and a right of set-off against all of Viking’s right, title and interest of whatsoever kind and nature in and to, the Collateral.

3. **Perfection Certain Collateral.** The Security Interests can be perfected by the filing of UCC-1 Financing Statement(s) in the State of Nevada. The parties acknowledge and agree that (a) there are no membership interest or stock certificates or instruments representing the Collateral, (b) Viking has no plan to, and has not agreed to, issue certificates representing the Pledged Securities after the date hereof, (c) Viking will not be delivering any certificates or other instruments representing the Pledged Securities to Camber prior to or contemporaneous with the execution of this Agreement. Viking is, contemporaneously with the execution hereof, delivering to Camber, or has previously delivered to Camber, a true and correct copy of each of the Organizational Documents governing the issuer of any of the Pledged Securities. The parties acknowledge that it is the intention of the parties to provide Camber control over the Pledged Securities as described and defined in the UCC and that Viking will, without any required consent or approval of any party, including Viking, comply with any instructions of Camber relating to the Pledged Securities, pursuant to the terms of this Agreement.

4. **Representations, Warranties, Covenants and Agreements of Viking.** Viking represents and warrants to, and covenants and agrees with, Camber as follows:

(a) Viking has the requisite corporate, partnership, limited liability company or other power and authority to enter into this Agreement and otherwise to carry out its Secured Obligations hereunder. The execution, delivery and performance by Viking of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of Viking and no further action is required by Viking. This Agreement has been duly executed by Viking. This Agreement constitutes the legal, valid and binding obligation of Viking, enforceable against Viking in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors and by general principles of equity.

(b) Viking has no place of business or offices where its books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where Collateral is stored or located, except as set forth in set forth on Schedule 4(b). Except as disclosed in the Securities Purchase Agreement or SEC Reports, none of such Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor.

(c) Viking is the sole owner of the Collateral, free and clear of any liens, security interests, encumbrances, rights or claims, except for Permitted Liens, and is fully authorized to grant the Security Interests. Except with respect to Permitted Liens or set forth on Schedule 4(c), there is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of Camber pursuant to this Agreement) covering or affecting any of the Collateral. As long as this Agreement shall be in effect, Viking shall not execute and shall not knowingly permit to be on file in any such office or agency any other financing statement or other document or instrument (except to the extent filed or recorded in favor of Camber pursuant to the terms of this Agreement) purporting to grant a security interest in the Collateral except as to Permitted Liens.

(d) No written claim has been received that any Collateral or Viking's use of any Collateral violates the rights of any third party. There has been no adverse decision to Viking's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to Viking's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of Viking, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) Viking shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and its Collateral at the location designated by Camber, and may not relocate such books of account and records or tangible Collateral unless it delivers to Camber at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements under the UCC and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interests to create in favor of Camber a valid, perfected and continuing perfected lien in the Collateral, subject to the priority requirements set forth in Section 2 of this Agreement.

(f) This Agreement creates, except as set forth in Section 2 herein, in favor of Camber a valid second priority security interest in the Collateral securing the payment and performance of the Secured Obligations. Upon making the filings described in the immediately following paragraph, all security interests created hereunder in any Collateral which may be perfected by filing Uniform Commercial Code financing statements shall have been duly perfected. Except for (i) the filing of the Uniform Commercial Code financing statements referred to in the immediately following paragraph, no action is necessary to create, perfect or protect the security interests created hereunder. Without limiting the generality of the foregoing, except for the foregoing, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (x) the execution, delivery and performance of this Agreement, (y) the creation or perfection of the Security Interests created hereunder in the Collateral or (z) the enforcement of the rights of Camber and Camber hereunder.

(g) Viking hereby authorizes Camber to file one or more financing statements under the UCC, with respect to the Security Interests, with the proper filing and recording agencies in any jurisdiction deemed proper by it.

(h) The execution, delivery and performance of this Agreement by Viking does not (i) violate any of the provisions of any Organizational Documents of Viking or any judgment, decree, order or award of any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to Viking or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing Viking's debt or otherwise) or other understanding to which Viking is a party or by which any property or asset of Viking is bound or affected. If any, all required consents (including, without limitation, from stockholders or creditors of Viking) necessary for Viking to enter into and perform its Secured Obligations hereunder have been obtained.

(i) All of the Pledged Securities are validly issued, fully paid and non-assessable, and Viking is the legal and beneficial owner of the Pledged Securities, free and clear of any lien, security interest or other encumbrance except for the security interests created by this Agreement.

(j) Viking shall at all times maintain the liens and Security Interests provided for hereunder as valid and perfected, second priority (except as set forth in Section 2 of this Agreement) liens and security interests in the Collateral in favor of Camber until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 15 hereof. Viking hereby agrees to defend the same against the claims of any and all persons and entities. Viking shall safeguard and protect all Collateral for the account of Camber. At the request of Camber, but subject to rights under Permitted Liens, Viking will sign and deliver to Camber on behalf of Camber at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to Camber and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by Camber to be, necessary or desirable to effect the rights and Secured Obligations provided for herein. Without limiting the generality of the foregoing, Viking shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interests hereunder, and Viking shall obtain and furnish to Camber from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interests hereunder.

(k) Viking shall not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral.

(l) Viking shall, and shall cause each Subsidiary to, keep and preserve its equipment, inventory and other tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(m) Viking shall maintain, if reasonably practicable, with financially sound and reputable insurers, insurance with respect to the Collateral, including Collateral hereafter acquired, against loss or damage of the kinds and in the amounts customarily insured against by entities of established reputation having similar properties similarly situated and in such amounts as are customarily carried under similar circumstances by other such entities and otherwise as is prudent for entities engaged in similar businesses but in any event sufficient to cover the full replacement cost thereof.

(n) Viking shall, within five (5) days of obtaining knowledge thereof, advise Camber promptly, in sufficient detail, of any material adverse change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on Camber' security interest therein.

(o) Viking shall promptly execute and deliver to Camber such further deeds, mortgages, confessions of judgment, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as Camber may from time to time request and may in their sole discretion deem necessary to perfect, protect or enforce Camber' security interest in the Collateral.

(p) Upon reasonable prior notice (so long as no Event of Default has occurred or continuing, which in either such event, no prior notice is required), Viking shall permit Camber and their representatives to inspect the Collateral during normal business hours and to make copies of records pertaining to the Collateral as may be reasonably requested by Camber from time to time.

(q) Viking shall take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(r) Viking shall promptly notify Camber in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by Viking that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of Camber hereunder.

(s) All information heretofore, herein or hereafter supplied to Camber by or on behalf of Viking with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(t) Viking shall, and cause each Subsidiary to, at all times preserve and keep in full force and effect their respective valid existence and good standing and any rights and franchises material to its business.

(u) Viking will not change its type of organization, jurisdiction of organization, organizational identification number (if it has one), legal or corporate structure, or identity, or add any new fictitious name unless it provides at least 30 days prior written notice to Camber of such change and, at the time of such written notification, Viking provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(v) Except in the ordinary course of business, Viking may not consign any of its inventory or sell any of its inventory on bill and hold, sale or return, sale on approval, or other conditional terms of sale without the consent of Camber which shall not be unreasonably withheld.

(w) Viking may not relocate its chief executive office to a new location without providing 30 days prior written notification thereof to Camber and so long as, at the time of such written notification, Viking provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(x) Viking is organized under the laws of the State of Nevada.

(y) The actual name of Viking is Viking Energy Group, Inc. (formerly Viking Investments Group, Inc.); Viking has no trade names other than the names of its subsidiaries; Viking has not used any name other than that stated in the preamble hereto or Viking Investments Group, Inc. for the preceding four (4) years; and no entity has merged into Viking (except for a "short-form" merger in Nevada to facilitate the change of the name of the Company on or about March 21, 2017) or been acquired by Viking within the past four (4) years except as disclosed in the SEC Reports.

(z) At any time and from time to time that any Collateral consists of instruments, certificated securities or other items that require or permit possession by Camber to perfect the security interest created hereby, Viking shall deliver such Collateral to Camber, in each case, together with all Necessary Endorsements.

(aa) Viking hereby agrees to comply with any and all orders and instructions of Camber regarding the Pledged Securities consistent with the terms of this Agreement without the further consent of Viking as contemplated by Section 8-106(c) (or any successor section) of the UCC. Further, Viking agrees that it shall not enter into a similar agreement (or one that would confer “control” within the meaning of Article 8 of the UCC) with any other person or entity.

(bb) Viking shall cause all tangible chattel paper constituting Collateral to be delivered to Camber, or, if such delivery is not possible, then to cause such tangible chattel paper to contain a legend noting that it is subject to the security interest created by this Agreement. To the extent that any Collateral consists of electronic chattel paper, Viking shall cause the underlying chattel paper to be “marked” within the meaning of Section 9-105 of the UCC (or successor Section thereto).

(cc) Viking shall vote the Pledged Securities to comply with the covenants and agreements set forth herein and in the Acquisition Note.

(dd) Viking shall register the pledge of the applicable Pledged Securities on the books of Viking. Viking shall notify each issuer of Pledged Securities to register the pledge of the applicable Pledged Securities in the name of Camber on the books of such issuer. Further, except with respect to certificated securities delivered to Camber, Viking shall within five days of its entry into this Agreement, deliver to Camber an acknowledgement of pledge (which, where appropriate, shall comply with the requirements of the relevant UCC with respect to perfection by registration) signed by the issuer of the applicable Pledged Securities, which acknowledgement shall confirm that: (i) it has registered the pledge on its books and records; and (ii) at any time directed by Camber during the continuation of an Event of Default, such issuer will transfer the record ownership of such Pledged Securities into the name of any designee of Camber, will take such steps as may be necessary to effect the transfer, and will comply with all other instructions of Camber regarding such Pledged Securities without the further consent of Viking.

(ee) In the event that, upon an occurrence of an Event of Default, Camber shall sell all or any of the Pledged Securities to another party or parties (herein called the “Transferee”) or shall purchase or retain all or any of the Pledged Securities, Viking shall, to the extent applicable: (i) deliver to Camber or the Transferee, as the case may be, the articles of incorporation, bylaws, minute books, stock certificate books, corporate seals, deeds, leases, indentures, agreements, evidences of indebtedness, books of account, financial records and all other Organizational Documents and records of each Subsidiary (but not including any items subject to the attorney-client privilege related to this Agreement or any of the transactions hereunder); (ii) use its best efforts to obtain resignations of the persons then serving as officers and directors of each Subsidiary, if so requested; and (iii) use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Pledged Securities to the Transferee or the purchase or retention of the Pledged Securities by Camber and allow the Transferee or Camber to continue the business of Viking and their direct and indirect subsidiaries.

(ff) Viking will from time to time, at the expense of Viking, promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary or desirable, or as Camber may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Camber to exercise and enforce their rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

(gg) Viking shall cause each Subsidiary not to issue any additional membership interests or capital stock of the Subsidiary to any Person (as defined in the Securities Purchase Agreement).

5. **Representations, Warranties, Covenants and Agreements of the Subsidiaries.** Viking and the Subsidiaries each hereby acknowledges and consents to the transactions contemplated by this Agreement including (i) the pledge and assignment of the Pledged Securities and other Collateral to Camber, and (ii) upon occurrence and continuation of an Event of Default and the issuance of prior notice from Camber to Viking that an Event of Default has occurred and is continuing, the exercise by Camber of any of their rights or remedies in respect of the Collateral. Each of the Subsidiaries hereby represents and warrants as of the date hereof, and, as applicable, covenants that, at all times during the term of this Agreement that:

(a) it is a limited liability company, organized and validly existing under the laws of its respective formation, and it has the requisite power and authority to agree and consent to this Agreement;

(b) (i) it has duly authorized, executed and delivered this Agreement with respect to the representations, warranties and covenants contained in this Section 5 (the "Section 5 Provisions"), and (ii) the Section 5 Provisions constitute direct obligations against each Transaction Subsidiary, are legal, valid and binding upon it and enforceable against it in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, receivership, reorganization, moratorium or other similar laws affecting creditors' rights generally and by application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law);

(c) the execution, delivery and performance by each Subsidiary of the Section 5 Provisions is not in violation of (i) its operating agreement (as such term is used under Chapter 86 of the Nevada Revised Statutes) or other organizational documents, as applicable, (ii) any indenture, mortgage, deed of trust or other instrument or agreement to which each Subsidiary is a party or by which it is bound or to which any of its property or assets may be subject, or (iii) any law, rule, regulation or order to which each Subsidiary is bound or to which any of its property or assets may be subject;

(d) none of the execution and delivery by each Subsidiary of the Section 5 Provisions, the consummation by it of any of the transactions contemplated thereby or the admissibility in evidence in proceedings of such Section 5 Provisions in Nevada or any other relevant jurisdiction requires the consent or approval of, the giving of notice to, or the registration or filing with, or the taking of any other action in respect of, any governmental entity, or that any tax be paid in respect thereof;

(e) no Liens on the Collateral exist, except pursuant to this Agreement;

(f) Except with respect to the Permitted Liens, Viking and each Subsidiary have not previously made any sale, assignment, pledge, mortgage, hypothecation or transfer of the Collateral;

(g) the Pledged Securities have been duly authorized and are validly issued and are fully paid and each Subsidiary's members and/or shareholders have no further obligations to pay in additional capital contributions;

(h) the membership interests and/or stock of Viking constituting the Pledged Securities constitutes all of the issued and outstanding membership interests and/or stock in the Subsidiaries, except with respect to Elysium Energy Holdings, LLC whereby Viking owns 75% of the issued and outstanding membership interests and/or stock as at the date hereof;

(i) subject to the applicable securities laws and to the Subsidiaries' respective operating agreement (as such term is used under Chapter 86 of the Nevada Revised Statutes) or other organizational documents, as applicable, the Collateral is and will be freely transferable and assignable, and no portion of the Collateral is subject to any contractual provision which might prohibit, impair or otherwise affect the validity or enforceability of the pledge hereunder, the sale or disposition of the Collateral pursuant hereto or the exercise by Camber of their rights and remedies hereunder; and

(j) no certificates or other documents or instruments evidencing the Pledged Securities have been issued by the Company prior to the date hereof.

6. **Effect of Pledge on Certain Rights.** If any of the Collateral subject to this Agreement consists of nonvoting equity or ownership interests (regardless of class, designation, preference or rights) that may be converted into voting equity or ownership interests upon the occurrence of certain events (including, without limitation, upon the transfer of all or any of the other stock or assets of the issuer), it is agreed by Viking that the pledge of such equity or ownership interests pursuant to this Agreement or the enforcement of any of Camber's rights hereunder shall not be deemed to be the type of event which would trigger such conversion rights notwithstanding any provisions in the Organizational Documents or agreements to which Viking is subject or to which Viking is party.

7. **Defaults.** The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Acquisition Note or Merger Agreement (the "Transaction Documents")) under the Acquisition Note or any other Transaction Document;

(b) Any representation or warranty of Viking in this Agreement shall prove to have been incorrect in any material respect when made;

(c) The failure by Viking to observe or perform any of its Secured Obligations hereunder for fifteen (15) days after delivery to Viking of notice of such failure by or on behalf of Camber unless such default is capable of cure but cannot be cured within such time frame and Viking is using best efforts to cure same in a timely fashion; or

(d) If any provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by Viking, or a proceeding shall be commenced by Viking, or by any governmental authority having jurisdiction over Viking, seeking to establish the invalidity or unenforceability thereof, or Viking shall deny that Viking has any liability or obligation purported to be created under this Agreement.

#### **8. Duty to Hold in Trust.**

(a) Upon the occurrence of any Event of Default and at any time thereafter, Viking shall, upon receipt of any revenue, income, dividend, interest or other sums subject to the Security Interests, whether payable pursuant to the Acquisition Note or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for Camber and shall forthwith endorse and transfer any such sums or instruments, or both, to Camber, pro-rata in proportion to their respective then-currently outstanding principal amount of Notes for application to the satisfaction of the Secured Obligations (and if any Notes are not outstanding, pro-rata in proportion to the initial purchases of the remaining Notes).

(b) If Viking shall become entitled to receive or shall receive any securities or other property (including, without limitation, shares of Pledged Securities or instruments representing Pledged Securities acquired after the date hereof, or any options, warrants, rights or other similar property or certificates representing a dividend, or any distribution in connection with any recapitalization, reclassification or increase or reduction of capital, or issued in connection with any reorganization of Viking or any of its direct or indirect subsidiaries) in respect of the Pledged Securities (whether as an addition to, in substitution of, or in exchange for, such Pledged Securities or otherwise), Viking agrees to (i) accept the same as the agent of Camber; (ii) hold the same in trust on behalf of and for the benefit of Camber; (iii) to deliver any and all certificates or instruments evidencing the same to Camber on or before the close of business on the fifth business day following the receipt thereof by Viking, in the exact form received together with the Necessary Endorsements, to be held by Camber subject to the terms of this Agreement as Collateral; and (iv) take all steps necessary to perfect Camber' Security Interest in any such additional property.

#### **9. Rights and Remedies Upon Default.**

(a) Upon the occurrence of any Event of Default and at any time thereafter, Camber shall have the right to exercise all of the remedies conferred hereunder and under the Acquisition Note, and Camber shall have all the rights and remedies of a secured party under the UCC. Without limitation, Camber, shall have the following rights and powers:

(i) Camber shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and Viking shall assemble the Collateral and make it available to Camber at places which Camber shall reasonably select, whether at Viking's premises or elsewhere, and make available to Camber, without rent, all of Viking's respective premises and facilities for the purpose of Camber taking possession of, removing or putting the Collateral in saleable or disposable form.

(ii) Upon notice to Viking by Camber, all rights of Viking to exercise the voting and other consensual rights which it would otherwise be entitled to exercise and all rights of Viking to receive the dividends and interest which it would otherwise be authorized to receive and retain, shall cease. Upon such notice, Camber shall have the right to receive, any interest, cash dividends or other payments on the Collateral and, exercise in such Camber's discretion all voting rights pertaining thereto. Without limiting the generality of the foregoing, Camber shall have the right (but not the obligation) to exercise all rights with respect to the Collateral as if they were the sole and absolute owner thereof, including, without limitation, to vote and/or to exchange, at their sole discretion, any or all of the Collateral in connection with a merger, reorganization, consolidation, recapitalization or other readjustment concerning or involving the Collateral or Viking or any of its direct or indirect subsidiaries.

(iii) Camber shall have the right to operate the business of Viking using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as Camber may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to Viking or right of redemption of Viking, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, Camber may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of Viking, which are hereby waived and released.

(iv) Camber shall have the right (but not the obligation) to notify any account debtors and any obligors under instruments or accounts to make payments directly to Camber and to enforce Viking's rights against such account debtors and obligors.

(v) Camber may (but are not obligated to) direct any financial intermediary or any other person or entity holding any investment property to transfer the same to Camber or their designee.

(b) Camber shall comply with any applicable law in connection with a disposition of Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. Camber may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If Camber sell any of the Collateral on credit, Viking will only be credited with payments actually made by the purchaser. In addition, Viking waives (except as shall be required by applicable statute and cannot be waived) any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Camber's rights and remedies hereunder, including, without limitation, their right following an Event of Default to take immediate possession of the Collateral and to exercise their rights and remedies with respect thereto.

10. **Applications of Proceeds.** The proceeds of any such sale, lease or other disposition of the Collateral hereunder or from payments made on account of any insurance policy insuring any portion of the Collateral shall be applied (i) first, to the costs, expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like, incurred by Camber, their representatives, or Camber (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral; (ii) second to the reasonable attorneys' fees and expenses incurred by Camber, their representatives, and Camber in enforcing Camber' rights hereunder and in connection with collecting, storing and disposing of the Collateral; and (iii) then to satisfaction of the Secured Obligations pro rata among Camber (based on then-outstanding principal and interest amounts of Notes at the time of any such determination), (with respect to the application of payment to the outstanding balance due on the Acquisition Note, proceeds shall first be applied to all outstanding interest then accrued on the Acquisition Note until all such interest has been paid, prior to applying any proceeds to the principal of any of the Acquisition Note) and to the payment of any other amounts required by applicable law, after which Camber shall pay to Viking any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which Camber are legally entitled, Viking will remain liable for the deficiency, together with interest thereon, at the rate of 18% per annum or the lesser amount permitted by applicable law (the "Default Rate"), and the reasonable fees of any attorneys employed by Camber to collect such deficiency. To the extent permitted by applicable law, Viking waives all claims, damages and demands against Camber arising out of the repossession, removal, retention or sale of the Collateral, unless due solely to the gross negligence or willful misconduct of Camber as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction.

11. **Securities Law Provision.** Viking recognizes that Camber may be limited in their ability to effect a sale to the public of all or part of the Pledged Securities by reason of certain prohibitions in the Securities Act of 1933, as amended, or other federal or state securities laws (collectively, the "Securities Laws"), and may be compelled to resort to one or more sales to a restricted group of purchasers who may be required to agree to acquire the Pledged Securities for their own account, for investment and not with a view to the distribution or resale thereof. Viking agrees that sales so made may be at prices and on terms less favorable than if the Pledged Securities were sold to the public, and that Camber have no obligation to delay the sale of any Pledged Securities for the period of time necessary to register the Pledged Securities for sale to the public under the Securities Laws. Viking shall cooperate with Camber in their attempt to satisfy any requirements under the Securities Laws (including, without limitation, registration thereunder if requested by Camber) applicable to the sale of the Pledged Securities by Camber.

12. **Costs and Expenses.** Viking agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by Camber. Viking shall also pay all other claims and charges which in the reasonable opinion of Camber are reasonably likely to prejudice, imperil or otherwise affect the Collateral or the Security Interests therein. Viking will also, upon demand, pay to Camber the amount of any and all reasonable expenses, including the reasonable fees and expenses of their counsel and of any experts and agents, which Camber, may incur in connection with the creation, perfection, protection, satisfaction, foreclosure, collection or enforcement of the Security Interest and the preparation, administration, continuance, amendment or enforcement of this Agreement and pay to Camber the amount of any and all reasonable expenses, including the reasonable fees and expenses of their counsel and of any experts and agents, which Camber may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of Camber under the Acquisition Note. Until so paid, any fees payable hereunder shall be added to the principal amount of the Acquisition Note and shall bear interest at the Default Rate.

13. **Responsibility for Collateral.** Viking assumes all liabilities and responsibility in connection with all Collateral, and the Secured Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason. Without limiting the generality of the foregoing and except as required by applicable law, (a) no Camber (i) has any duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral, or (ii) has any obligation to clean-up or otherwise prepare the Collateral for sale, and (b) Viking shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by Viking thereunder. Camber shall have no obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Camber of any payment relating to any of the Collateral, nor shall Camber be obligated in any manner to perform any of the Secured Obligations of Viking under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Camber in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Camber or to which Camber may be entitled at any time or times.

14. **Security Interests Absolute.** All rights of Camber and all Secured Obligations of Viking hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Acquisition Note or any agreement entered into in connection with the foregoing, or any portion hereof or thereof, against any Transaction Subsidiary; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Acquisition Note or any other agreement entered into in connection with the foregoing; (c) any exchange, release or non-perfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any Guaranty, or any other security, for all or any of the Secured Obligations; (d) any action by Camber to obtain, adjust, settle and cancel in their sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to Viking, or a discharge of all or any part of the Security Interests granted hereby. Until the Secured Obligations shall have been paid and performed in full, the rights of Camber shall continue even if the Secured Obligations are barred for any reason, including, without limitation, the running of the statute of limitations. Viking expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by Camber hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than Camber, then, in any such event, Viking's Secured Obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. Viking waives all right to require Camber to proceed against any other person or entity or to apply any Collateral which Camber may hold at any time, or to marshal assets, or to pursue any other remedy. Viking waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

15. **Term of Agreement.** This Agreement and the Security Interests shall terminate on the date on which the Merger is complete and/or all payments under the Acquisition Note have been indefeasibly paid in full and all other Secured Obligations have been paid or discharged; provided, however, that all indemnities of Viking contained in this Agreement (including, without limitation, Annex A hereto) shall survive and remain operative and in full force and effect regardless of the termination of this Agreement.

16. **Power of Attorney; Further Assurances.**

(a) Viking authorizes Camber, and does hereby make, constitute and appoint Camber and its officers, agents, successors or assigns with full power of substitution, as Viking's true and lawful attorney-in-fact, with power, in the name of Camber or Viking, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any note, checks, drafts, money orders or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of Camber; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; (v) generally, at the option of Camber, and at the expense of Viking, at any time, or from time to time, to execute and deliver any and all documents and instruments and to do all acts and things which Camber deem necessary to protect, preserve and realize upon the Collateral and the Security Interests granted therein in order to effect the intent of this Agreement and the Acquisition Note all as fully and effectually as Viking might or could do; and Viking hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Secured Obligations shall be outstanding. The designation set forth herein shall be deemed to amend and supersede any inconsistent provision in the Organizational Documents or other documents or agreements to which Viking is subject or to which Viking is a party.

(b) On a continuing basis, Viking will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording agencies in any jurisdiction, including, without limitation, the State of Nevada, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Camber, to perfect and maintain the Security Interests granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Camber the grant or perfection of a perfected security interest in all the Collateral under the UCC.

(c) Viking hereby irrevocably appoints Camber as Viking's attorney-in-fact, with full authority in the place, and instead, of Viking and in the name of Viking, from time to time in Camber's discretion, to take any action and to execute any instrument which Camber may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in their sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Viking where permitted by law, which financing statements may (but need not) describe the Collateral as "all assets" or "all personal property" or words of like import, and ratifies all such actions taken by Camber. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Secured Obligations shall be outstanding.

17. **Notices.** All notices, requests, demands and other communications hereunder shall be subject to the notice provision of the Securities Purchase Agreement (as such term is defined in the Acquisition Note).

18. **Other Security.** To the extent that the Secured Obligations are now or hereafter secured by property other than the Collateral or by the Guaranty, endorsement or property of any other person, firm, corporation or other entity, then Camber shall have the right, in their sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of Camber's rights and remedies hereunder.

19. **Appointment of Collateral Agent.** Camber in their sole discretion may delegate certain of their rights hereunder to one or more Collateral Agent.

20. **Miscellaneous.**

(a) No course of dealing between Viking and Camber, nor any failure to exercise, nor any delay in exercising, on the part of Camber, any right, power or privilege hereunder or under the Acquisition Note shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of Camber with respect to the Collateral, whether established hereby or by the Acquisition Note or by any other agreements, instruments or documents or by law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by Camber of any one or more of the rights, powers or remedies provided for hereby or by the Acquisition Note or by any other agreements, instruments or documents now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Camber of all such other rights, powers or remedies, and no failure or delay on the part of Camber to exercise any such right, power or remedy shall operate as a waiver thereof.

(c) This Agreement, together with the exhibits and schedules hereto and the other Transaction Documents, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Agreement and the exhibits and schedules hereto.

(d) If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(e) No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

(f) This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. Viking and the Subsidiaries may not assign this Agreement or any rights or Secured Obligations hereunder without the prior written consent of Camber (other than by merger). Camber may assign any or all of its rights under this Agreement to any Person (as defined in the Securities Purchase Agreement) to whom such Camber assigns or transfers any Secured Obligations, provided such transferee agrees in writing to be bound, with respect to the transferred Secured Obligations, by the provisions of this Agreement that apply to the "Camber."

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, all questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, Viking agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and the Acquisition Note (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of Las Vegas, Nevada. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, Viking hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Las Vegas, Nevada for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(i) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) Viking shall indemnify, reimburse and hold harmless Camber and its respective partners, members, shareholders, officers, directors, employees and agents (inclusive of any Collateral Agent appointed by Camber in accordance with the terms hereof) (and any other persons with other titles that have similar functions) (collectively, “Indemnitees”) from and against any and all losses, claims, liabilities, damages, penalties, suits, costs and expenses, of any kind or nature, (including fees relating to the cost of investigating and defending any of the foregoing) imposed on, incurred by or asserted against such Indemnitee in any way related to or arising from or alleged to arise from this Agreement or the Collateral, except any such losses, claims, liabilities, damages, penalties, suits, costs and expenses which result from the gross negligence or willful misconduct of the Indemnitee as determined by a final, non-appealable decision of a court of competent jurisdiction. This indemnification provision is in addition to, and not in limitation of, any other indemnification provision in the Acquisition Note, the Securities Purchase Agreement (as such term is defined in the Acquisition Note) or any other agreement, instrument or other document executed or delivered in connection herewith or therewith.

(k) Nothing in this Agreement shall be construed to subject Camber to liability as a partner in Viking or any of its direct or indirect subsidiaries that is a partnership or as a member in Viking or any of its direct or indirect subsidiaries that is a limited liability company, no Camber shall be deemed to have assumed any Secured Obligations under any partnership agreement or limited liability company agreement, as applicable, of Viking or any of its direct or indirect subsidiaries or otherwise, unless and until any such Camber exercises its right to be substituted for Viking as a partner or member, as applicable, pursuant hereto.

(l) To the extent that the grant of the security interest in the Collateral and the enforcement of the terms hereof require the consent, approval or action of any partner or member, as applicable, of Viking or any direct or indirect subsidiary of Viking or compliance with any provisions of any of the Organizational Documents, Viking hereby represents that all such consents and approvals have been obtained.

[SIGNATURE PAGE OF DEBTOR FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Security and Pledge Agreement to be duly executed on the day and year first above written.

**VIKING ENERGY GROUP, INC.**

By: /s/ James A. Doris

Name: James A. Doris

Title: President & CEO

[SIGNATURE PAGE OF TRANSACTION SUBSIDIARIES FOLLOWS]

Acknowledged, agreed and consented to as set forth above.

**ELYSIUM ENERGY HOLDINGS, LLC**

By: /s/ James Doris  
Name: James Doris  
Title: President

**ICHOR ENERGY HOLDINGS, LLC**

By: /s/ James Doris  
Name: James Doris  
Title: President

**PETRODOME ENERGY, LLC**

By: /s/ James Doris  
Name: James Doris  
Title: President

**MID-CON DRILLING, LLC**

By: /s/ James Doris  
Name: James Doris  
Title: President

**MID-CON PETROLEUM, LLC**

By: /s/ James Doris  
Name: James Doris  
Title: President

**MID-CON DEVELOPMENT, LLC**

By: /s/ James Doris

Name: James Doris

Title: President

[SIGNATURE PAGE OF SECURED PARTY FOLLOWS]

[SIGNATURE PAGE OF SECURED PARTY TO SECURITY AND PLEDGE AGREEMENT]

Secured Party: Camber Energy, Inc.

*Signature of Authorized Signatory  
of Camber:* /s/ Louis G. Schott

Name of Authorized Signatory: Louis G. Schott

Title of Authorized Signatory: Interim CEO

**AMENDED AND RESTATED  
SECURITY AND PLEDGE AGREEMENT**

This AMENDED AND RESTATED SECURITY AND PLEDGE AGREEMENT, dated as of June 25, 2020 (this “Agreement”), is among Viking Energy Group, Inc., a Nevada corporation (the “Debtor”), and Camber Energy, Inc., a Nevada corporation (“Camber”), the holder of the Debtor’s 10.5% Secured Promissory Notes, in the original aggregate principal amounts of \$5,000,000 and \$4,200,000 (collectively, the “Note”), Camber’s endorsees, transferees and assigns (collectively, the “Secured Party”) and is agreed and consented to by the Transaction Subsidiaries named in Recital A and signatory hereto. This Agreement amends and restates in its entirety that certain Security and Pledge Agreement entered into by and between Camber and the Debtor dated February 3, 2020, dealing with the subject matter hereof, but not that certain other Security and Pledge Agreement, dated as of the same date, entered into between Camber and the Debtor.

**WITNESSETH:**

**RECITALS**

- A. The Debtor owns a majority of the issued and outstanding membership units and/or ownership interests (such membership and/or ownership interests owned by the Company collectively the “Transaction Subsidiary Membership Interests”) in the following entities (each an “Transaction Subsidiary” and collectively the “Transaction Subsidiaries”):
    - a. Elysium Energy Holdings, LLC (“Elysium”), a limited liability company organized under the laws of the State of Nevada; and
    - b. Ichor Energy Holdings, LLC (“Ichor”), a limited liability company organized under the laws of the State of Nevada.
  - B. The Transaction Subsidiaries are engaged in the business of acquiring and developing oil and natural gas properties, and own working interests in various oil and gas leases (collectively, the “Transaction Subsidiary Assets”) in Texas and Louisiana.
  - C. The Note is two of a series of 10.5% Secured Promissory Notes due February 3, 2022 issued by Debtor (collectively the “Notes,” and Camber, together with the holders of the Notes collectively the “Secured Parties”).
  - D. Pursuant to one or more Securities Purchase Agreements between the Debtor and the Secured Parties (collectively, the “Securities Purchase Agreement”), the Debtor sold, or may sell, up to 250 Units, each Unit consisting of: (i) a Note with a face value of \$100,000; and (iii) 60,000 shares of the Debtor’s common stock.
  - E. In order to induce the Secured Parties to extend the loans evidenced by the Notes, and to secure the prompt payment, performance and discharge in full of all of the Debtor’s Secured Obligations under the Transaction Documents (as defined in the Securities Purchase Agreement), the Debtor has agreed to execute and deliver to the Secured Parties this Agreement and to grant the Secured Parties a security interest in the Transaction Subsidiary Membership Interests.
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F. In order to facilitate the perfection of the Debtor's pledge of all of its Transaction Subsidiary Membership Interests for the benefit of the Secured Parties, **Fusion Analytics Securities, LLC**, has agreed to serve as Collateral Agent to file a UCC-1 Financing Statement perfecting the security interest in the Transaction Subsidiary Membership Interests, for the benefit of all Secured Parties hereunder.

**NOW, THEREFORE**, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "account", "chattel paper", "commercial tort claim", "deposit account", "document", "equipment", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "proceeds" and "supporting obligations") shall have the respective meanings given such terms in Article 9 of the UCC.

(a) "Collateral" means the collateral in which the Secured Parties are granted a security interest by this Agreement and which shall include the following personal property of the Debtor, whether presently owned or existing or hereafter acquired or coming into existence, wherever situated, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Securities (as defined below):

- (i) 70% of the issued and outstanding membership interests of Elysium and the products and proceeds of such membership interests (the "Elysium Membership Interest Collateral"); and
- (ii) all of the issued and outstanding membership interests of Ichor and the products and proceeds of such membership interests (the "Ichor Membership Interest Collateral"), to be effective forthwith only upon the satisfaction by the Debtor of its obligations under the Promissory Note executed by the Debtor on or about December 28, 2018 in favor of RPM Investments, a division of Opus Bank or any note issued by the Company in replacement thereof, including a replacement note issued to EMC Capital Partners, LLC (the "RPM Note").

Without limiting the generality of the foregoing, the "Collateral" shall include all certificates representing such shares and/or equity interests and, in each case, all rights, options, warrants, stock, other securities and/or equity interests that may hereafter be received, receivable or distributed in respect of, or exchanged for, any of the foregoing and all rights arising under or in connection with the Pledged Securities, including, but not limited to:

(i) all other or additional interests, shares, or other securities paid or distributed by way of dividend or otherwise in respect of any of the Pledged Securities;

(ii) all other or additional interests, shares, or other securities paid or distributed in respect of any of the Pledged Securities by way of stock-split, reclassification, combination of shares or similar rearrangement; and

(iii) all other or additional shares, interests, or other securities which may be paid in respect of any of the Pledged Securities by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar reorganization provided such consolidation.

Notwithstanding the foregoing, nothing herein shall be deemed to constitute an assignment of any asset which, in the event of an assignment, becomes void by operation of applicable law or the assignment of which is otherwise prohibited by applicable law (in each case to the extent that such applicable law is not overridden by Sections 9-406, 9-407 and/or 9-408 of the UCC or other similar applicable law); provided, however, that to the extent permitted by applicable law, this Agreement shall create a valid security interest in such asset and, to the extent permitted by applicable law, this Agreement shall create a valid security interest in the proceeds of such asset.

(b) “Intellectual Property” [intentionally deleted].

(c) “Majority in Interest” means, at any time of determination, the majority in interest (based on then-outstanding principal amounts of Notes at the time of such determination) of the Secured Parties.

(d) “Necessary Endorsements” means undated stock powers endorsed in blank or other proper instruments of assignment duly executed and such other instruments or documents as the Secured Parties (as that term is defined below) may reasonably request.

(e) “Secured Obligations” means all of the liabilities and obligations (primary, secondary, direct, contingent, sole, joint or several) due or to become due, or that are now or may be hereafter contracted or acquired, or owing to, of the Debtor to the Secured Parties, including, without limitation, all obligations under this Agreement, the Notes, Securities Purchase Agreement, and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of the Secured Parties as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term “Secured Obligations” shall include, without limitation: (i) principal of, and interest on the Notes and the loans extended pursuant thereto; (ii) any and all other fees, indemnities, costs, obligations and liabilities of the Debtor from time to time under or in connection with this Agreement, the Notes, and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith; and (iii) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the Secured Obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Debtor.

(f) “Organizational Documents” means, the documents by which the Debtor was organized (such as a articles of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such entity (such as bylaws, a partnership agreement or an operating, limited liability or members agreement).

(g) “Permitted Liens” means the following:

(i) Liens imposed by law for taxes that are not yet due or are being contested in good faith, which in each case, have been appropriately reserved for;

(ii) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing Secured Obligations that are not overdue by more than thirty (30) days or are being contested in good faith;

(iii) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(iv) deposits to secure the performance of bids, trade contracts, leases, statutory Secured Obligations, surety and appeal bonds, performance bonds and other Secured Obligations of a like nature, in each case in the ordinary course of business;

(v) Liens under this Agreement;

(vi) “Permitted Liens” as such term defined in the Securities Purchase Agreement; and

(vi) any other liens in favor of the Lender.

(h) “Pledged Securities” means all of the Transaction Subsidiary Membership Interests.

(j) “UCC” means the Uniform Commercial Code of the State of Nevada and or any other applicable law of any state or states which has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that defined terms in the UCC should be construed in their broadest sense so that the term “Collateral” will be construed in its broadest sense. Accordingly if there are, from time to time, changes to defined terms in the UCC that broaden the definitions, they are incorporated herein and if existing definitions in the UCC are broader than the amended definitions, the existing ones shall be controlling.

2. **Grant of Security Interest in Collateral.** As an inducement for the Secured Parties to extend the loans as evidenced by the Notes and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Secured Obligations, the Debtor hereby unconditionally and irrevocably pledges, grants and hypothecates to the Secured Parties a perfected, security interest in and to, and a lien upon and a right of set-off against all of its respective right, title and interest of whatsoever kind and nature in and to, the Collateral (a “Security Interest” and, collectively, the “Security Interests”). The Security Interest shall be a first priority security interest in and to, and a lien upon and a right of set-off against all of Debtor’s right, title and interest of whatsoever kind and nature in and to, the Elysium Membership Interest Collateral. ***Only upon the satisfaction by the Debtor of its obligations under the RPM Note shall the Security Interest become a valid security interest (and it shall become a first priority security interest) in and to and a lien upon and a right of set-off against all of the Debtor’s right, title and interest of whatsoever kind and nature in and to, the Ichor Membership Interest Collateral.***

3. **Delivery of Certain Collateral.** The Debtor is, contemporaneously with the execution hereof, delivering to Secured Parties, or has previously delivered to Secured Parties, a true and correct copy of each of the Organizational Documents governing the issuer of any of the Pledged Securities. ***Notwithstanding anything to the contrary herein, the parties acknowledge and agree that (a) there are no membership interest certificates or instruments representing the Elysium Membership Interest Collateral or the Ichor Membership Interest Collateral, (b) the Debtor has no plan to, and has not agreed to, issue certificates representing the Pledged Securities after the date hereof, (c) the Debtor will not be delivering any certificates or other instruments representing the Pledged Securities to the Collateral Agent prior to or contemporaneous with the execution of this Agreement, and (d) the Security Interests can be perfected by the filing of UCC-1 Financing Statement(s) in the State of Nevada.***

4. **Representations, Warranties, Covenants and Agreements of the Debtor.** The Debtor represents and warrants to, and covenants and agrees with, the Secured Parties as follows:

(a) The Debtor has the requisite corporate, partnership, limited liability company or other power and authority to enter into this Agreement and otherwise to carry out its Secured Obligations hereunder. The execution, delivery and performance by the Debtor of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of the Debtor and no further action is required by the Debtor. This Agreement has been duly executed by the Debtor. This Agreement constitutes the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors and by general principles of equity.

(b) The Debtor has no place of business or offices where its books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where Collateral is stored or located, except as set forth in the SEC Reports (as defined in the Securities Purchase Agreement). Except as disclosed in the Securities Purchase Agreement or SEC Reports, none of such Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor.

(c) The Debtor is the sole owner of the Collateral, free and clear of any liens, security interests, encumbrances, rights or claims, except for Permitted Liens, and is fully authorized to grant the Security Interests. Except with respect to Permitted Liens or as disclosed in this Agreement, the Securities Purchase Agreement or SEC Reports, there is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of the Secured Parties pursuant to this Agreement) covering or affecting any of the Collateral. As long as this Agreement shall be in effect, the Debtor shall not execute and shall not knowingly permit to be on file in any such office or agency any other financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Parties pursuant to the terms of this Agreement) purporting to grant a security interest in the Collateral except as to Permitted Liens.

(d) No written claim has been received that any Collateral or the Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to the Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to the Debtor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of the Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) The Debtor shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and its Collateral at the location designated by the Secured Parties via their Collateral Agent, and may not relocate such books of account and records or tangible Collateral unless it delivers to the Secured Parties at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements under the UCC and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interests to create in favor of the Secured Parties a valid, perfected and continuing perfected lien in the Collateral, subject to the priority requirements set forth in Section 2 of this Agreement.

(f) This Agreement creates, except as set forth in Section 2 herein, in favor of the Secured Parties a valid first priority security interest in the Collateral securing the payment and performance of the Secured Obligations. Upon making the filings described in the immediately following paragraph, all security interests created hereunder in any Collateral which may be perfected by filing Uniform Commercial Code financing statements shall have been duly perfected. Except for (i) the filing of the Uniform Commercial Code financing statements referred to in the immediately following paragraph, no action is necessary to create, perfect or protect the security interests created hereunder. Without limiting the generality of the foregoing, except for the foregoing, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (x) the execution, delivery and performance of this Agreement, (y) the creation or perfection of the Security Interests created hereunder in the Collateral or (z) the enforcement of the rights of the Secured Parties and the Secured Parties hereunder.

(g) The Debtor hereby authorizes the Secured Parties to file one or more financing statements under the UCC, with respect to the Security Interests, with the proper filing and recording agencies in any jurisdiction deemed proper by it.

(h) The execution, delivery and performance of this Agreement by the Debtor does not (i) violate any of the provisions of any Organizational Documents of the Debtor or any judgment, decree, order or award of any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to the Debtor or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing the Debtor's debt or otherwise) or other understanding to which the Debtor is a party or by which any property or asset of the Debtor is bound or affected. If any, all required consents (including, without limitation, from stockholders or creditors of the Debtor) necessary for the Debtor to enter into and perform its Secured Obligations hereunder have been obtained.

(i) All of the Pledged Securities are validly issued, fully paid and non-assessable, and the Debtor is the legal and beneficial owner of the Pledged Securities, free and clear of any lien, security interest or other encumbrance except for the security interests created by this Agreement.

(j) The Debtor shall at all times maintain the liens and Security Interests provided for hereunder as valid and perfected, first priority (except as set forth in Section 2 of this Agreement) liens and security interests in the Collateral in favor of the Secured Parties until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 15 hereof. The Debtor hereby agrees to defend the same against the claims of any and all persons and entities. The Debtor shall safeguard and protect all Collateral for the account of the Secured Parties. At the request of the Secured Parties, the Debtor will sign and deliver to the Secured Parties on behalf of the Secured Parties at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Secured Parties and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Secured Parties to be, necessary or desirable to effect the rights and Secured Obligations provided for herein. Without limiting the generality of the foregoing, the Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interests hereunder, and the Debtor shall obtain and furnish to the Secured Parties from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interests hereunder.

(k) The Debtor shall not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral (without the prior written consent of a Majority in Interest).

(l) The Debtor shall, and shall cause each Transaction Subsidiary to, keep and preserve its equipment, inventory and other tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(m) The Debtor shall maintain, if reasonably practicable, with financially sound and reputable insurers, insurance with respect to the Collateral, including Collateral hereafter acquired, against loss or damage of the kinds and in the amounts customarily insured against by entities of established reputation having similar properties similarly situated and in such amounts as are customarily carried under similar circumstances by other such entities and otherwise as is prudent for entities engaged in similar businesses but in any event sufficient to cover the full replacement cost thereof. The Debtor shall cause each insurance policy issued in connection herewith to provide, and the insurer issuing such policy to certify to the Secured Parties, that (i) the Secured Parties will be named as lender loss payee and additional insured under each such insurance policy; (ii) if such insurance be proposed to be cancelled or materially changed for any reason whatsoever, such insurer will promptly notify the Secured Parties and such cancellation or change shall not be effective as to the Secured Parties for at least thirty (30) days after receipt by the Secured Parties of such notice, unless the effect of such change is to extend or increase coverage under the policy; and (iii) the Secured Parties will have the right (but no obligation) at its election to remedy any default in the payment of premiums within thirty (30) days of notice from the insurer of such default. If no Event of Default (as defined in the Notes) exists and if the proceeds arising out of any claim or series of related claims do not exceed \$50,000, loss payments in each instance will be applied by the Debtor to the repair and/or replacement of property with respect to which the loss was incurred to the extent reasonably feasible, and any loss payments or the balance thereof remaining, to the extent not so applied, shall be payable to the Debtor; provided, however, that payments received by the Debtor after an Event of Default occurs and is continuing or in excess of \$50,000 for any occurrence or series of related occurrences shall be paid to the Secured Parties and, if received by the Debtor, shall be held in trust for the Secured Parties and immediately paid over to the Secured Parties unless otherwise directed in writing by the Secured Parties. Copies of such policies or the related certificates, in each case, naming the Secured Parties as lender loss payee and additional insured shall be delivered to the Secured Parties at least annually and at the time any new policy of insurance is issued.

Additionally, the Debtor shall cause each Transaction Subsidiary to maintain, if reasonably practicable, with financially sound and reputable insurers, insurance with respect to all assets owned by the Transaction Subsidiary, and all items of value to the Transaction Subsidiary, the loss of, damage, or impairment to, which may cause an impairment to, or diminution in the value of, the Collateral.

(n) The Debtor shall, within five (5) days of obtaining knowledge thereof, advise the Secured Parties promptly, in sufficient detail, of any material adverse change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Parties' security interest therein.

(o) The Debtor shall promptly execute and deliver to the Secured Parties such further deeds, mortgages, confessions of judgment, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Secured Parties may from time to time request and may in their sole discretion deem necessary to perfect, protect or enforce the Secured Parties' security interest in the Collateral.

(p) Upon reasonable prior notice (so long as no Event of Default has occurred or continuing, which in either such event, no prior notice is required), the Debtor shall permit the Secured Parties and their representatives to inspect the Collateral during normal business hours and to make copies of records pertaining to the Collateral as may be reasonably requested by the Secured Parties from time to time.

(q) The Debtor shall take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(r) The Debtor shall promptly notify the Secured Parties in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

(s) All information heretofore, herein or hereafter supplied to the Secured Parties by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(t) The Debtor shall, and cause each Transaction Subsidiary to, at all times preserve and keep in full force and effect their respective valid existence and good standing and any rights and franchises material to its business.

(u) The Debtor will not change its type of organization, jurisdiction of organization, organizational identification number (if it has one), legal or corporate structure, or identity, or add any new fictitious name unless it provides at least 30 days prior written notice to the Secured Parties of such change and, at the time of such written notification, the Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(v) Except in the ordinary course of business, Debtor may not consign any of its inventory or sell any of its inventory on bill and hold, sale or return, sale on approval, or other conditional terms of sale without the consent of the Secured Parties which shall not be unreasonably withheld.

(w) The Debtor may not relocate its chief executive office to a new location without providing 30 days prior written notification thereof to the Secured Parties and so long as, at the time of such written notification, the Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(x) The Debtor is organized under the laws of the State of Nevada.

(y) The actual name of the Debtor is Viking Energy Group, Inc. (formerly Viking Investments Group, Inc.); the Debtor has no trade names other than the names of its subsidiaries; the Debtor has not used any name other than that stated in the preamble hereto or Viking Investments Group, Inc. for the preceding four (4) years; and no entity has merged into the Debtor (except for a “short-form” merger in Nevada to facilitate the change of the name of the Company on or about March 21, 2017) or been acquired by the Debtor within the past four (4) years except as disclosed in the SEC Reports.

(z) At any time and from time to time that any Collateral consists of instruments, certificated securities or other items that require or permit possession by the Secured Party to perfect the security interest created hereby, the Debtor shall deliver such Collateral to the Collateral Agent, in each case, together with all Necessary Endorsements.

(aa) The Debtor hereby agrees to comply with any and all orders and instructions of Secured Parties regarding the Pledged Securities consistent with the terms of this Agreement without the further consent of the Debtor as contemplated by Section 8-106(c) (or any successor section) of the UCC. Further, the Debtor agrees that it shall not enter into a similar agreement (or one that would confer “control” within the meaning of Article 8 of the UCC) with any other person or entity.

(bb) The Debtor shall cause all tangible chattel paper constituting Collateral to be delivered to the Collateral Agent, or, if such delivery is not possible, then to cause such tangible chattel paper to contain a legend noting that it is subject to the security interest created by this Agreement. To the extent that any Collateral consists of electronic chattel paper, the Debtor shall cause the underlying chattel paper to be “marked” within the meaning of Section 9-105 of the UCC (or successor Section thereto).

(cc) The Debtor shall vote the Pledged Securities to comply with the covenants and agreements set forth herein and in the Notes.

(dd) The Debtor shall register the pledge of the applicable Pledged Securities on the books of the Debtor. The Debtor shall notify each issuer of Pledged Securities to register the pledge of the applicable Pledged Securities in the name of the Secured Parties on the books of such issuer. Further, except with respect to certificated securities delivered to the Secured Parties, the Debtor shall deliver to Secured Parties an acknowledgement of pledge (which, where appropriate, shall comply with the requirements of the relevant UCC with respect to perfection by registration) signed by the issuer of the applicable Pledged Securities, which acknowledgement shall confirm that: (i) it has registered the pledge on its books and records; and (ii) at any time directed by Secured Parties during the continuation of an Event of Default, such issuer will transfer the record ownership of such Pledged Securities into the name of any designee of Secured Parties, will take such steps as may be necessary to effect the transfer, and will comply with all other instructions of Secured Parties regarding such Pledged Securities without the further consent of the Debtor.

(ee) In the event that, upon an occurrence of an Event of Default, Secured Parties shall sell all or any of the Pledged Securities to another party or parties (herein called the “Transferee”) or shall purchase or retain all or any of the Pledged Securities, the Debtor shall, to the extent applicable: (i) deliver to Secured Parties or the Transferee, as the case may be, the articles of incorporation, bylaws, minute books, stock certificate books, corporate seals, deeds, leases, indentures, agreements, evidences of indebtedness, books of account, financial records and all other Organizational Documents and records of each Transaction Subsidiary (but not including any items subject to the attorney-client privilege related to this Agreement or any of the transactions hereunder); (ii) use its best efforts to obtain resignations of the persons then serving as officers and directors of each Transaction Subsidiary, if so requested; and (iii) use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Pledged Securities to the Transferee or the purchase or retention of the Pledged Securities by Secured Parties and allow the Transferee or Secured Parties to continue the business of the Debtor and their direct and indirect subsidiaries.

(ff) The Debtor will from time to time, at the expense of the Debtor, promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary or desirable, or as the Secured Parties may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

(gg) The Debtor shall cause each Transaction Subsidiary not to issue any additional membership interests of the Transaction Subsidiary to any Person (as defined in the Securities Purchase Agreement).

5. **Representations, Warranties, Covenants and Agreements of the Transaction Subsidiaries.** The Debtor and the Transaction Subsidiaries each hereby acknowledges and consents to the transactions contemplated by this Agreement including (i) the pledge and assignment of the Pledged Securities and other Collateral to the Secured Parties, and (ii) upon occurrence and continuation of an Event of Default and the issuance of prior notice from Secured Parties to Debtor that an Event of Default has occurred and is continuing, the exercise by Secured Parties of any of their rights or remedies in respect of the Collateral. Each of the Transaction Subsidiaries hereby represents and warrants as of the date hereof, and, as applicable, covenants that, at all times during the term of this Agreement that:

(a) it is a limited liability company, organized and validly existing under the laws of its respective formation set forth in Recital A hereto, and it has the requisite power and authority to agree and consent to this Agreement;

(b) (i) it has duly authorized, executed and delivered this Agreement with respect to the representations, warranties and covenants contained in this Section 5 (the “Section 5 Provisions”), and (ii) the Section 5 Provisions constitute direct obligations against each Transaction Subsidiary, are legal, valid and binding upon it and enforceable against it in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, receivership, reorganization, moratorium or other similar laws affecting creditors’ rights generally and by application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law);

(c) the execution, delivery and performance by each Transaction Subsidiary of the Section 5 Provisions is not in violation of (i) its operating agreement (as such term is used under Chapter 86 of the Nevada Revised Statutes) or other organizational documents, as applicable, (ii) any indenture, mortgage, deed of trust or other instrument or agreement to which each Transaction Subsidiary is a party or by which it is bound or to which any of its property or assets may be subject, or (iii) any law, rule, regulation or order to which each Transaction Subsidiary is bound or to which any of its property or assets may be subject;

(d) none of the execution and delivery by each Transaction Subsidiary of the Section 5 Provisions, the consummation by it of any of the transactions contemplated thereby or the admissibility in evidence in proceedings of such Section 5 Provisions in Nevada or any other relevant jurisdiction requires the consent or approval of, the giving of notice to, or the registration or filing with, or the taking of any other action in respect of, any governmental entity, or that any tax be paid in respect thereof;

(e) no Liens on the Collateral exist, except pursuant to this Agreement;

(f) Except with respect to the RPM Note, which is currently secured by the Debtor’s Ichor membership interests, the Debtor and each Transaction Subsidiary have not previously made any sale, assignment, pledge, mortgage, hypothecation or transfer of the Collateral;

(g) the Pledged Securities has been duly authorized and validly issued and is fully paid and each Transaction Subsidiary’s members have no further obligations to pay in additional capital contributions;

(h) the membership interests of the Debtor constituting the Pledged Securities constitutes all of the issued and outstanding membership interests in Ichor and 75% of issued and outstanding membership interests in Elysium at the date hereof;

(i) subject to the applicable securities laws and to the Transaction Subsidiaries’ respective operating agreement (as such term is used under Chapter 86 of the Nevada Revised Statutes) or other organizational documents, as applicable, the Collateral is and will be freely transferable and assignable, and no portion of the Collateral is subject to any contractual provision which might prohibit, impair or otherwise affect the validity or enforceability of the pledge hereunder, the sale or disposition of the Collateral pursuant hereto or the exercise by the Secured Parties of their rights and remedies hereunder; and

(j) no certificates or other documents or instruments evidencing the Pledged Securities have been issued by the Company prior to the date hereof.

6. **Effect of Pledge on Certain Rights.** If any of the Collateral subject to this Agreement consists of nonvoting equity or ownership interests (regardless of class, designation, preference or rights) that may be converted into voting equity or ownership interests upon the occurrence of certain events (including, without limitation, upon the transfer of all or any of the other stock or assets of the issuer), it is agreed by Debtor that the pledge of such equity or ownership interests pursuant to this Agreement or the enforcement of any of Secured Parties' rights hereunder shall not be deemed to be the type of event which would trigger such conversion rights notwithstanding any provisions in the Organizational Documents or agreements to which the Debtor is subject or to which the Debtor is party.

7. **Defaults.** The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Notes or in any other Transaction Document) under the Notes or any other Transaction Document;

(b) Any representation or warranty of the Debtor in this Agreement shall prove to have been incorrect in any material respect when made;

(c) The failure by the Debtor to observe or perform any of its Secured Obligations hereunder for five (5) days after delivery to the Debtor of notice of such failure by or on behalf of a Secured Party unless such default is capable of cure but cannot be cured within such time frame and the Debtor is using best efforts to cure same in a timely fashion; or

(d) If any provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by the Debtor, or a proceeding shall be commenced by the Debtor, or by any governmental authority having jurisdiction over the Debtor, seeking to establish the invalidity or unenforceability thereof, or the Debtor shall deny that the Debtor has any liability or obligation purported to be created under this Agreement.

8. **Duty to Hold in Trust.**

(a) Upon the occurrence of any Event of Default and at any time thereafter, the Debtor shall, upon receipt of any revenue, income, dividend, interest or other sums subject to the Security Interests, whether payable pursuant to the Notes or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Parties and shall forthwith endorse and transfer any such sums or instruments, or both, to the Secured Parties, pro-rata in proportion to their respective then-currently outstanding principal amount of Notes for application to the satisfaction of the Secured Obligations (and if any Notes are not outstanding, pro-rata in proportion to the initial purchases of the remaining Notes).

(b) If the Debtor shall become entitled to receive or shall receive any securities or other property (including, without limitation, shares of Pledged Securities or instruments representing Pledged Securities acquired after the date hereof, or any options, warrants, rights or other similar property or certificates representing a dividend, or any distribution in connection with any recapitalization, reclassification or increase or reduction of capital, or issued in connection with any reorganization of the Debtor or any of its direct or indirect subsidiaries) in respect of the Pledged Securities (whether as an addition to, in substitution of, or in exchange for, such Pledged Securities or otherwise), the Debtor agrees to (i) accept the same as the agent of the Secured Parties; (ii) hold the same in trust on behalf of and for the benefit of the Secured Parties; (iii) to deliver any and all certificates or instruments evidencing the same to Secured Parties on or before the close of business on the fifth business day following the receipt thereof by the Debtor, in the exact form received together with the Necessary Endorsements, to be held by Secured Parties subject to the terms of this Agreement as Collateral; and (iv) take all steps necessary to perfect the Secured Parties' Security Interest in any such additional property.

#### **9. Rights and Remedies Upon Default.**

(a) Upon the occurrence of any Event of Default and at any time thereafter, the Secured Parties shall have the right to exercise all of the remedies conferred hereunder and under the Notes, and the Secured Parties shall have all the rights and remedies of a secured party under the UCC. Without limitation, the Secured Parties, shall have the following rights and powers:

(i) The Secured Parties shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and the Debtor shall assemble the Collateral and make it available to the Secured Parties at places which the Secured Parties shall reasonably select, whether at the Debtor's premises or elsewhere, and make available to the Secured Parties, without rent, all of the Debtor's respective premises and facilities for the purpose of the Secured Parties taking possession of, removing or putting the Collateral in saleable or disposable form.

(ii) Upon notice to the Debtor by Secured Parties, all rights of the Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise and all rights of the Debtor to receive the dividends and interest which it would otherwise be authorized to receive and retain, shall cease. Upon such notice, Secured Parties shall have the right to receive, any interest, cash dividends or other payments on the Collateral and, exercise in such Secured Parties' discretion all voting rights pertaining thereto. Without limiting the generality of the foregoing, Secured Parties shall have the right (but not the obligation) to exercise all rights with respect to the Collateral as if they were the sole and absolute owner thereof, including, without limitation, to vote and/or to exchange, at their sole discretion, any or all of the Collateral in connection with a merger, reorganization, consolidation, recapitalization or other readjustment concerning or involving the Collateral or the Debtor or any of its direct or indirect subsidiaries.

(iii) The Secured Parties shall have the right to operate the business of the Debtor using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Secured Parties may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Debtor or right of redemption of the Debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Secured Parties may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Debtor, which are hereby waived and released.

(iv) The Secured Parties shall have the right (but not the obligation) to notify any account debtors and any obligors under instruments or accounts to make payments directly to the Secured Parties and to enforce the Debtor's rights against such account debtors and obligors.

(v) The Secured Parties may (but are not obligated to) direct any financial intermediary or any other person or entity holding any investment property to transfer the same to the Secured Parties or their designee.

(b) The Secured Parties shall comply with any applicable law in connection with a disposition of Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Secured Parties may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If the Secured Parties sell any of the Collateral on credit, the Debtor will only be credited with payments actually made by the purchaser. In addition, the Debtor waives (except as shall be required by applicable statute and cannot be waived) any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Secured Parties' rights and remedies hereunder, including, without limitation, their right following an Event of Default to take immediate possession of the Collateral and to exercise their rights and remedies with respect thereto.

10. **Applications of Proceeds.** The proceeds of any such sale, lease or other disposition of the Collateral hereunder or from payments made on account of any insurance policy insuring any portion of the Collateral shall be applied (i) first, to the costs, expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like, incurred by the Secured Parties, their representatives, or the Collateral Agent (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral; (ii) second to the reasonable attorneys' fees and expenses incurred by the Secured Parties, their representatives, and the Collateral Agent in enforcing the Secured Parties' rights hereunder and in connection with collecting, storing and disposing of the Collateral; and (iii) then to satisfaction of the Secured Obligations pro rata among the Secured Parties (based on then-outstanding principal and interest amounts of Notes at the time of any such determination), (with respect to the application of payment to the outstanding balance due on the Notes, proceeds shall first be applied to all outstanding interest then accrued on the Notes until all such interest has been paid, prior to applying any proceeds to the principal of any of the Notes) and to the payment of any other amounts required by applicable law, after which the Secured Parties shall pay to the Debtor any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Parties are legally entitled, the Debtor will remain liable for the deficiency, together with interest thereon, at the rate of 18% per annum or the lesser amount permitted by applicable law (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Parties to collect such deficiency. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands against the Secured Parties arising out of the repossession, removal, retention or sale of the Collateral, unless due solely to the gross negligence or willful misconduct of the Secured Parties as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction.

11. **Securities Law Provision.** The Debtor recognizes that Secured Parties may be limited in their ability to effect a sale to the public of all or part of the Pledged Securities by reason of certain prohibitions in the Securities Act of 1933, as amended, or other federal or state securities laws (collectively, the “Securities Laws”), and may be compelled to resort to one or more sales to a restricted group of purchasers who may be required to agree to acquire the Pledged Securities for their own account, for investment and not with a view to the distribution or resale thereof. The Debtor agrees that sales so made may be at prices and on terms less favorable than if the Pledged Securities were sold to the public, and that Secured Parties have no obligation to delay the sale of any Pledged Securities for the period of time necessary to register the Pledged Securities for sale to the public under the Securities Laws. The Debtor shall cooperate with Secured Parties in their attempt to satisfy any requirements under the Securities Laws (including, without limitation, registration thereunder if requested by Secured Parties) applicable to the sale of the Pledged Securities by Secured Parties.

12. **Costs and Expenses.** The Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Parties. The Debtor shall also pay all other claims and charges which in the reasonable opinion of the Secured Parties are reasonably likely to prejudice, imperil or otherwise affect the Collateral or the Security Interests therein. The Debtor will also, upon demand, pay to the Secured Parties the amount of any and all reasonable expenses, including the reasonable fees and expenses of their counsel and of any experts and agents, which the Secured Parties, may incur in connection with the creation, perfection, protection, satisfaction, foreclosure, collection or enforcement of the Security Interest and the preparation, administration, continuance, amendment or enforcement of this Agreement and pay to the Secured Parties the amount of any and all reasonable expenses, including the reasonable fees and expenses of their counsel and of any experts and agents, which the Secured Parties may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Parties under the Notes. Until so paid, any fees payable hereunder shall be added to the principal amount of the Notes and shall bear interest at the Default Rate.

13. **Responsibility for Collateral.** The Debtor assumes all liabilities and responsibility in connection with all Collateral, and the Secured Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason. Without limiting the generality of the foregoing and except as required by applicable law, (a) no Secured Party (i) has any duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral, or (ii) has any obligation to clean-up or otherwise prepare the Collateral for sale, and (b) the Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by the Debtor thereunder. No Secured Party shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating to any of the Collateral, nor shall any Secured Party be obligated in any manner to perform any of the Secured Obligations of the Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by any Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Secured Parties or to which any Secured Party may be entitled at any time or times.

14. **Security Interests Absolute.** All rights of the Secured Parties and all Secured Obligations of the Debtor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Notes or any agreement entered into in connection with the foregoing, or any portion hereof or thereof, against any Transaction Subsidiary; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Notes or any other agreement entered into in connection with the foregoing; (c) any exchange, release or non-perfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any Guaranty, or any other security, for all or any of the Secured Obligations; (d) any action by the Secured Parties to obtain, adjust, settle and cancel in their sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to the Debtor, or a discharge of all or any part of the Security Interests granted hereby. Until the Secured Obligations shall have been paid and performed in full, the rights of the Secured Parties shall continue even if the Secured Obligations are barred for any reason, including, without limitation, the running of the statute of limitations. The Debtor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Parties hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Parties, then, in any such event, the Debtor's Secured Obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Debtor waives all right to require the Secured Parties to proceed against any other person or entity or to apply any Collateral which the Secured Parties may hold at any time, or to marshal assets, or to pursue any other remedy. The Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

15. **Term of Agreement.** This Agreement and the Security Interests shall terminate on the date on which all payments under the Notes have been indefeasibly paid in full and all other Secured Obligations have been paid or discharged; provided, however, that all indemnities of the Debtor contained in this Agreement (including, without limitation, Annex A hereto) shall survive and remain operative and in full force and effect regardless of the termination of this Agreement.

16. **Power of Attorney; Further Assurances.**

(a) The Debtor authorizes the Secured Parties, and does hereby make, constitute and appoint the Secured Parties and their officers, agents, successors or assigns with full power of substitution, as the Debtor's true and lawful attorney-in-fact, with power, in the name of the Secured Parties or the Debtor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any note, checks, drafts, money orders or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Secured Parties; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; (v) generally, at the option of the Secured Parties, and at the expense of the Debtor, at any time, or from time to time, to execute and deliver any and all documents and instruments and to do all acts and things which the Secured Parties deem necessary to protect, preserve and realize upon the Collateral and the Security Interests granted therein in order to effect the intent of this Agreement and the Notes all as fully and effectually as the Debtor might or could do; and the Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Secured Obligations shall be outstanding. The designation set forth herein shall be deemed to amend and supersede any inconsistent provision in the Organizational Documents or other documents or agreements to which the Debtor is subject or to which the Debtor is a party.

(b) On a continuing basis, the Debtor will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording agencies in any jurisdiction, including, without limitation, the State of Nevada, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Secured Parties, to perfect and maintain the Security Interests granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Secured Parties the grant or perfection of a perfected security interest in all the Collateral under the UCC.

(c) The Debtor hereby irrevocably appoints the Secured Parties as the Debtor's attorney-in-fact, with full authority in the place, and instead, of the Debtor and in the name of the Debtor, from time to time in the Secured Parties' discretion, to take any action and to execute any instrument which the Secured Parties may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in their sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Debtor where permitted by law, which financing statements may (but need not) describe the Collateral as "all assets" or "all personal property" or words of like import, and ratifies all such actions taken by the Secured Parties. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Secured Obligations shall be outstanding.

17. **Notices.** All notices, requests, demands and other communications hereunder shall be subject to the notice provision of the Securities Purchase Agreement (as such term is defined in the Notes).

18. **Other Security.** To the extent that the Secured Obligations are now or hereafter secured by property other than the Collateral or by the Guaranty, endorsement or property of any other person, firm, corporation or other entity, then the Secured Parties shall have the right, in their sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Parties' rights and remedies hereunder.

19. **Appointment of Collateral Agent.** The Secured Parties in their sole discretion may delegate certain of their rights hereunder to one or more Collateral Agent. If and as applicable, the Secured Parties may insert the name of the selected Collateral Agent in this Section 18. To this end, the Secured Parties hereby appoint **Fusion Analytics Securities, LLC** to act as their Collateral Agent (the "Collateral Agent") for purposes of exercising any and all rights and remedies of the Secured Parties hereunder. Such appointment shall continue until revoked in writing by a Majority in Interest, at which time a Majority in Interest may appoint a new Collateral Agent.

20. **Miscellaneous.**

(a) No course of dealing between the Debtor and the Secured Parties, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder or under the Notes shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Parties with respect to the Collateral, whether established hereby or by the Notes or by any other agreements, instruments or documents or by law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Secured Parties of any one or more of the rights, powers or remedies provided for hereby or by the Notes or by any other agreements, instruments or documents now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Secured Parties of all such other rights, powers or remedies, and no failure or delay on the part of the Secured Parties to exercise any such right, power or remedy shall operate as a waiver thereof.

(c) This Agreement, together with the exhibits and schedules hereto and the other Transaction Documents, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Agreement and the exhibits and schedules hereto. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Debtor and the Secured Parties holding 67% or more of the principal amount of Notes then outstanding, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought.

(d) If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(e) No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

(f) This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Debtor and the Transaction Subsidiaries may not assign this Agreement or any rights or Secured Obligations hereunder without the prior written consent of each Secured Party (other than by merger). Any Secured Party may assign any or all of its rights under this Agreement to any Person (as defined in the Securities Purchase Agreement) to whom such Secured Party assigns or transfers any Secured Obligations, provided such transferee agrees in writing to be bound, with respect to the transferred Secured Obligations, by the provisions of this Agreement that apply to the "Secured Parties."

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, all questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, the Debtor agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and the Notes (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of Las Vegas, Nevada. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, the Debtor hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Las Vegas, Nevada for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(i) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) The Debtor shall indemnify, reimburse and hold harmless the Secured Parties and their respective partners, members, shareholders, officers, directors, employees and agents (inclusive of any Collateral Agent appointed by the Secured Parties in accordance with the terms hereof) (and any other persons with other titles that have similar functions) (collectively, "Indemnitees") from and against any and all losses, claims, liabilities, damages, penalties, suits, costs and expenses, of any kind or nature, (including fees relating to the cost of investigating and defending any of the foregoing) imposed on, incurred by or asserted against such Indemnitee in any way related to or arising from or alleged to arise from this Agreement or the Collateral, except any such losses, claims, liabilities, damages, penalties, suits, costs and expenses which result from the gross negligence or willful misconduct of the Indemnitee as determined by a final, non-appealable decision of a court of competent jurisdiction. This indemnification provision is in addition to, and not in limitation of, any other indemnification provision in the Notes, the Securities Purchase Agreement (as such term is defined in the Notes) or any other agreement, instrument or other document executed or delivered in connection herewith or therewith.

(k) Nothing in this Agreement shall be construed to subject any Secured Party to liability as a partner in the Debtor or any of its direct or indirect subsidiaries that is a partnership or as a member in the Debtor or any of its direct or indirect subsidiaries that is a limited liability company, no Secured Party shall be deemed to have assumed any Secured Obligations under any partnership agreement or limited liability company agreement, as applicable, of the Debtor or any of its direct or indirect subsidiaries or otherwise, unless and until any such Secured Party exercises its right to be substituted for the Debtor as a partner or member, as applicable, pursuant hereto.

(l) To the extent that the grant of the security interest in the Collateral and the enforcement of the terms hereof require the consent, approval or action of any partner or member, as applicable, of the Debtor or any direct or indirect subsidiary of the Debtor or compliance with any provisions of any of the Organizational Documents, the Debtor hereby represents that all such consents and approvals have been obtained.

[SIGNATURE PAGE OF DEBTOR FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Security and Pledge Agreement to be duly executed on the day and year first above written.

**VIKING ENERGY GROUP, INC.**

By:    /s/ James A. Doris   

Name: James A. Doris

Title: President & CEO

[SIGNATURE PAGE OF TRANSACTION SUBSIDIARIES FOLLOWS]

Acknowledged, agreed and consented to as set forth in Section 5 above.

**ELYSIUM ENERGY HOLDINGS, LLC**

By:       /s/ James Doris        
Name: James Doris  
Title: President

**ICHOR ENERGY HOLDINGS, LLC**

By:       /s/ James Doris        
Name: James Doris  
Title: President

[SIGNATURE PAGE OF SECURED PARTIES FOLLOWS]

[SIGNATURE PAGE OF SECURED PARTIES TO AMENDED AND RESTATED SECURITY AND PLEDGE AGREEMENT]

Name of Secured Party: Camber Energy, Inc.

*Signature of Authorized Signatory of Secured Party:* /s/ Louis G. Schott\_\_\_\_\_

Name of Authorized Signatory: Louis G. Schott\_\_\_\_\_

Title of Authorized Signatory: Interim CEO\_\_\_\_\_

**ANNEX A**  
**to**  
**SECURITY AND PLEDGE**  
**AGREEMENT**  
**THE COLLATERAL AGENT**

1. **Appointment.** The Secured Parties (all capitalized terms used herein and not otherwise defined shall have the respective meanings provided in the Security and Pledge Agreement to which this Annex A is attached (the “Agreement”), by their acceptance of the benefits of the Agreement, hereby designate **Fusion Analytics Securities, LLC** (the “Collateral Agent”) as the Collateral Agent to act as specified herein and in the Agreement. Each Secured Party shall be deemed to have irrevocably authorized the Collateral Agent to take such action on its behalf under the provisions of the Agreement and any other Transaction Document (as such term is defined in the Securities Purchase Agreement) and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Collateral Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Collateral Agent may perform any of its duties hereunder by or through its agents or employees.

2. **Nature of Duties.** The Collateral Agent shall have no duties or responsibilities except those expressly set forth in the Agreement. Neither the Collateral Agent nor any of its partners, members, shareholders, officers, directors, employees or agents shall be liable for any action taken or omitted by it as such under the Agreement or hereunder or in connection herewith or therewith, be responsible for the consequence of any oversight or error of judgment or answerable for any loss, unless caused solely by its or their gross negligence or willful misconduct as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction. The duties of the Collateral Agent shall be mechanical and administrative in nature; the Collateral Agent shall not have by reason of the Agreement or any other Transaction Document a fiduciary relationship in respect of the Debtor or any Secured Party; and nothing in the Agreement or any other Transaction Document, expressed or implied, is intended to or shall be so construed as to impose upon the Secured Parties any obligations in respect of the Agreement or any other Transaction Document except as expressly set forth herein and therein.

3. **Lack of Reliance on the Collateral Agent.** Independently and without reliance upon the Collateral Agent, each Secured Party, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Debtor and its subsidiaries in connection with such Secured Party’s investment in the Debtor, the creation and continuance of the Secured Obligations, the transactions contemplated by the Transaction Documents, and the taking or not taking of any action in connection therewith, and (ii) its own appraisal of the creditworthiness of the Debtor and its subsidiaries, and of the value of the Collateral from time to time, and the Secured Parties shall have no duty or responsibility, either initially or on a continuing basis, to provide any Secured Party with any credit, market or other information with respect thereto, whether coming into its possession before any Secured Obligations are incurred or at any time or times thereafter. The Collateral Agent shall not be responsible to the Debtor or any Secured Party for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith, or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of the Agreement or any other Transaction Document, or for the financial condition of the Debtor or the value of any of the Collateral, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of the Agreement or any other Transaction Document, or the financial condition of the Debtor, or the value of any of the Collateral, or the existence or possible existence of any default or Event of Default under the Agreement, the Notes or any of the other Transaction Documents.

4. **Certain Rights of the Collateral Agent.** The Collateral Agent shall have the right to take any action with respect to the Collateral, on behalf of all of the Secured Parties. To the extent practical, the Collateral Agent may, but in no case shall be required to, request instructions from the Secured Parties with respect to any material act or action (including failure to act) in connection with the Agreement or any other Transaction Document, and shall be entitled to act or refrain from acting in accordance with the instructions of a Majority in Interest; if such instructions are not provided despite the Collateral Agent's request therefor, the Collateral Agent shall be entitled to refrain from such act or taking such action, and if such action is taken, shall be entitled to appropriate indemnification from the Secured Parties in respect of actions to be taken by the Collateral Agent; and the Collateral Agent shall not incur liability to any person or entity by reason of so refraining. Without limiting the foregoing, (a) no Secured Party shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent acting or refraining from acting hereunder in accordance with the terms of the Agreement or any other Transaction Document, and the Debtor shall have no right to question or challenge the authority of, or the instructions given by the Majority in Interest to, the Collateral Agent pursuant to the foregoing and (b) the Collateral Agent shall not be required to take any action which the Collateral Agent believes (i) could reasonably be expected to expose it to personal liability or (ii) is contrary to this Agreement, the Transaction Documents or applicable law.

5. **Reliance.** The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, statement, certificate, telex, teletype or tele copier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to the Agreement and the other Transaction Documents and their duties thereunder, upon advice of counsel selected by it and upon all other matters pertaining to this Agreement and the other Transaction Documents and their duties thereunder, upon advice of other experts selected by it. Anything to the contrary notwithstanding, the Collateral Agent shall have no obligation whatsoever to any Secured Party to assure that the Collateral exists or is owned by the Debtor or is cared for, protected or insured or that the liens granted pursuant to the Agreement have been properly or sufficiently or lawfully created, perfected, or enforced or are entitled to any particular priority.

6. **Indemnification.** To the extent that the Collateral Agent is not reimbursed and indemnified by the Debtor, the Secured Parties will jointly and severally reimburse and indemnify the Collateral Agent, in proportion to their initially purchased respective principal amounts of Notes, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Collateral Agent in performing their duties hereunder or under the Agreement or any other Transaction Document, or in any way relating to or arising out of the Agreement or any other Transaction Document except for those determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction to have resulted solely from the Collateral Agent's own gross negligence or willful misconduct. Prior to taking any action hereunder as Collateral Agent, the Collateral Agent may require each Secured Party to deposit with it sufficient sums as the Collateral Agent determines in good faith is necessary to protect the Collateral Agent for costs and expenses associated with taking such action.

**7. Resignation by the Collateral Agent.**

(a) The Collateral Agent may resign from the performance of all of its functions and duties under the Agreement and the other Transaction Documents at any time by giving 10 days' prior written notice (as provided in the Agreement) to the Debtor and the Secured Parties. Such resignation shall take effect upon the appointment of a successor Collateral Agent pursuant to clauses (b) and (c) below.

(b) Upon any such notice of resignation, the Secured Parties, acting by a Majority in Interest, shall appoint a successor Collateral Agent hereunder.

(c) If a successor Collateral Agent shall not have been so appointed within said 10-day period, the Collateral Agent shall then appoint a successor Collateral Agent who shall serve as Collateral Agent until such time, if any, as the Secured Parties appoint a successor Collateral Agent as provided above. If a successor Collateral Agent has not been appointed within such 10-day period, the Collateral Agent may petition any court of competent jurisdiction or may interplead the Debtor and the Secured Parties in a proceeding for the appointment of a successor Collateral Agent, and all fees, including, but not limited to, extraordinary fees associated with the filing of interpleader action and expenses associated therewith, shall be payable by the Debtor on demand.

**8. Rights with respect to Collateral.** Each Secured Party agrees with all other Secured Parties and the Collateral Agent (a) that it shall not, and shall not attempt to, exercise any rights with respect to its security interest in the Collateral, whether pursuant to any other agreement or otherwise (other than pursuant to this Agreement), or take or institute any action against the Collateral Agent or any of the other Secured Parties in respect of the Collateral or its rights hereunder (other than any such action arising from the breach of this Agreement) and (b) that such Secured Party has no other rights with respect to the Collateral other than as set forth in this Agreement and the other Transaction Documents. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent and the retiring Collateral Agent shall be discharged from its duties and Secured Obligations under the Agreement. After any retiring Collateral Agent' resignation or removal hereunder as Collateral Agent, the provisions of the Agreement including this Annex A shall inure to their benefit as to any actions taken or omitted to be taken by it while they were Collateral Agent.

**ASSIGNMENT OF MEMBERSHIP  
INTERESTS**

This Assignment of Membership Interests (this “**Assignment?**”), dated effective as of June 25, 2020 (the “**Effective Date?**”), is entered into by and between Viking Energy Group, Inc., a Nevada corporation (“**Viking?**”), and Camber Energy, Inc., a Nevada corporation (“**Camber?**”).

**RECITALS:**

A. Viking and Camber are parties to that certain Agreement and Plan of Merger, dated effective as of February 3, 2020 (as amended to date, including, but not limited to by the Third Amendment to Agreement and Plan of Merger dated on or around the date hereof, the “**Third Amendment?**”, and as amended to date, the “**Agreement?**”), relating to the proposed merger of Viking and Camber (the “**Merger?**”).

B. Pursuant to the Third Amendment, Viking has agreed to transfer to Camber five percent (5%) of the issued and outstanding membership interests (the “**Purchased Interests?**”) of Elysium Energy Holdings, LLC (“**Holdings?**”), bringing Camber’s ownership of Holdings to 30%, in exchange for, inter alia, Camber advancing, on the date hereof, USD\$4,200,000 (the “**Investment Amount?**”) to Viking.

C. In accordance with the Agreement, Viking desires to transfer all of the Purchased Interests to Camber, and Camber desires to accept the Purchased Interests from the Viking.

NOW, THEREFORE, the parties to this Assignment hereby agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Agreement.
2. Assignment of Purchased Interests. In accordance with the Agreement (and the Third Amendment) and in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, and effective as of the Effective Date, the Viking hereby sells, assigns, transfers, conveys and delivers to Camber, and Camber hereby purchases and accepts, all of the Purchased Interests free and clear of all encumbrances.
3. Future Cooperation. Viking and Camber mutually agree to execute any further deeds, bills of sale, assignments, or other documents as may be reasonably requested by the other party for the purpose of giving effect to, evidencing or giving notice of the transaction evidenced by this Assignment.
4. Representations of Viking.
  - (a) Authority. Viking has all requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and thereby. Viking has duly and validly executed and delivered this Agreement and will, on or after the date hereof, execute, such other documents as may be required hereunder and, assuming the due authorization, execution and delivery of this Assignment by the parties hereto and thereto. Viking is authorized to affect the transactions contemplated herein. This Assignment constitutes the legal, valid and binding obligation of Viking in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and general equitable principles.

(b) No Conflict. The execution and delivery by Viking of this Assignment and the consummation of the transactions contemplated hereby and thereby, do not and will not, by the lapse of time, the giving of notice or otherwise: (a) constitute a violation of any law; (b) result in or require the creation of any lien upon the Purchased Interests, or (c) constitute a breach of any provision contained in, or a default under, any governmental approval, any writ, injunction, order, judgment or decree of any governmental authority or any contract to which Viking is a party or by which Viking is bound or affected.

(c) Title to Purchased Interests. Viking is the sole record and beneficial owner of the Purchased Interests and has good and marketable title to all of the Purchased Interests, free and clear of any liens, claims, charges, options, rights of tenants or other encumbrances. Viking has sole managerial and dispositive authority with respect to the Purchased Interests and has not granted any person a proxy or option to buy the Purchased Interests that has not expired or been validly withdrawn. The sale and delivery of the Purchased Interests to Camber pursuant to this Assignment will vest in Camber the legal and valid title to the Purchased Interests, free and clear of all liens, security interests, adverse claims or other encumbrances of any character whatsoever (“**Encumbrances?**”).

5. Amendment and Modification; Waiver. This Assignment may be amended, modified and supplemented only by written instrument duly authorized and executed by the Viking and Camber. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Assignment shall not operate or be construed as a waiver of any other provision or breach.

6. Governing Law. This Assignment shall be governed by, and construed in accordance with, the internal laws of the State of Texas, without regard to conflict of law principles.

7. Inconsistencies with Agreement. Notwithstanding anything to the contrary contained herein, the terms of this Assignment are subject to the terms, provisions, conditions and limitations set forth in the Agreement, and this Assignment is not intended to supersede or alter the obligations of the parties to the Agreement, which shall survive the execution and delivery of this Assignment. In the event of any inconsistencies between the terms of this Assignment and the terms of the Agreement, the parties agree that the terms of the Agreement shall control.

8. Counterparts. This Assignment may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

9. Severability. If any provision of this Assignment is determined to be invalid or unenforceable, in whole or in part, it is the parties' intention that such determination will not be held to affect the validity or enforceability of any other provision of this Assignment, which provisions will otherwise remain in full force and effect.

10. Successors and Assigns. This Assignment will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective officers thereunto duly authorized as of the date first above written.

**VIKING ENERGY GROUP, INC.**

/s/ James A. Doris

\_\_\_\_\_  
Name: James A. Doris

Title: Chief Executive Officer

**CAMBER ENERGY, INC.**

/s/ Louis G. Schott

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Name: Louis G. Schott

Title: Interim Chief Executive Officer