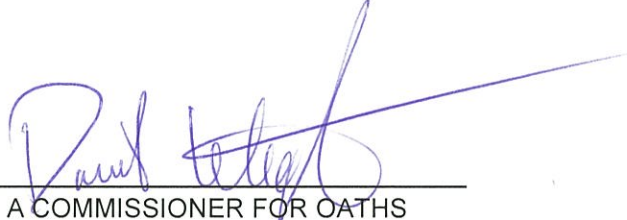


THIS IS EXHIBIT "D"

Referred to in the Affidavit of Don Umbach

Sworn before me this 6th Day of December, 2013



A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

David LeGeyt
Barrister & Solicitor

ON DEMAND PROMISSORY NOTE

AMOUNT: \$147,863.10

DATE: December 1, 2010

FOR GOOD AND VALUABLE CONSIDERATION (the receipt of which is hereby acknowledged), the undersigned, ALSTON VENTURES INC., hereby promises to pay On Demand to the order of 366325 ALBERTA LTD. the sum of One Hundred Forty-Seven Thousand Eight Hundred Sixty-Three Dollars and 10/100 Cents (\$147,863.10).

The amount due under this note bears interest at the rate of seven and a half (7.5%) percent, calculated annually.

Such payments shall be made quarterly on July 31st, October 31st, January 31st, and April 30th, of each year.

NOTICE of dishonour, protest and notice of protest are hereby waived and the undersigned hereby agrees to remain as fully liable as if presentation, notice of dishonour, protest and notice of protest were duly made and given.

EXECUTED and DELIVERED at the City of Calgary, in the Province of Alberta effective on this 1st day of December, 2010.

ALSTON VENTURES INC.

Per:

Name: Don Umbach


Title: President

DISCLOSURE OF INTEREST

TO: **ALSTON VENTURES INC.**
(the "Company")

The undersigned hereby discloses that, as a director of the Company and as a director and officer of 366325 Alberta Ltd. (the "Lender"), pursuant to Section 147(1) of the British Columbia *Business Corporations Act*, he has a material interest in the proposed transaction whereby pursuant to a promissory note dated as of December 1, 2010, made between the Company and the Lender (the "Promissory Note"), the Lender will lend money to the Company, for the consideration and on the terms and conditions set out in the Promissory Note.

DATED as of December 1, 2010.



JACK DONHUYSEN

THIS AGREEMENT made effective the 1st day of December, 2010.

BY:

ALSTON VENTURES INC.

(hereinafter referred to as the "DEBTOR")

- in favour of -

366325 ALBERTA LTD.

(hereinafter referred to as the "SECURED PARTY")

GENERAL SECURITY AGREEMENT

1. Definitions

In this Agreement:

- (a) ACT means the *Personal Property Security Act*, R.S.A. 2000, c.P-7 as amended;
- (b) COLLATERAL means all present and after-acquired Goods, Chattel Paper, Money, Securities, Documents of Title, Instruments or Intangibles described in Schedule "A" attached hereto and forming part of this Agreement and all parts, accessories, attachments, equipment, additions, accretions and Accessions thereto and property thereof, together with any equipment or accessories placed upon or repairs made to the foregoing during the continuance of this Agreement;
- (c) INDEBTEDNESS means the principal sum or aggregate outstanding at any given time of all loans and advances made or to be made by the SECURED PARTY to the DEBTOR or amounts otherwise owed now or in the future by the DEBTOR to the SECURED PARTY including all future advances and re-advances and interest on such loans and advances and all other debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the DEBTOR to the SECURED PARTY arising from this or any other agreement or dealings between the SECURED PARTY and the DEBTOR; and
- (d) All fully capitalized terms shall have the meaning ascribed to them in Section 1 herein; and those terms defined in the ACT; when used herein, shall be designated by a capitalized first letter and shall have the same meaning ascribed to them in the ACT.

2. Security Interest

For Value given by the SECURED PARTY to the DEBTOR, the receipt and sufficiency of which the DEBTOR hereby acknowledges, the DEBTOR hereby transfers, grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants to the SECURED PARTY a Security Interest in the COLLATERAL and Proceeds to secure payment of the INDEBTEDNESS and performance of any and all obligations of the DEBTOR to the SECURED PARTY.

3. Representations and Warranties of the DEBTOR

The DEBTOR represents and warrants to the SECURED PARTY that:

- (a) the DEBTOR owns or is entitled to own and is in possession of the COLLATERAL and will maintain the COLLATERAL free and clear of all liens, charges, encumbrances and Security Interests; and
- (b) there are no pending or threatened actions or proceedings before any court or administrative board or tribunal or any judgments or awards against the DEBTOR which may adversely affect the financial condition or business of the DEBTOR, except as disclosed in writing to the SECURED PARTY prior to the date of this Agreement.

All representations and warranties of the DEBTOR are material to the SECURED PARTY and shall survive any advance of funds by the SECURED PARTY to the DEBTOR or delivery or registration of this Agreement and shall continue until the INDEBTEDNESS has been paid in full to the SECURED PARTY and all other obligations of the DEBTOR hereunder have been performed.

4. Covenants of the DEBTOR

The DEBTOR hereby covenants and agrees with the SECURED PARTY:

- (a) to pay the INDEBTEDNESS to the SECURED PARTY;
- (b) that the DEBTOR has now, and will maintain in good standing insurance on the COLLATERAL in an amount not less than the full insurable value of the COLLATERAL against loss or damage by fire and such other risks as the SECURED PARTY may reasonably direct, with insurers acceptable to the SECURED PARTY with loss payable to the SECURED PARTY and the DEBTOR as their interests may appear and will provide the SECURED PARTY with copies of all policies or other evidence of insurance satisfactory to the SECURED PARTY relating to the COLLATERAL. Upon the happening of any loss or damage the DEBTOR will furnish, at its expense, all necessary proofs and will do all necessary acts to enable the SECURED PARTY to obtain payment of the insurance monies;

- (c) that the DEBTOR will pay or cause to be paid all taxes, rates, levies, assessments, impositions and charges which are now or may hereafter be levied, assessed, imposed or charged against or in respect of the DEBTOR or the COLLATERAL as and when due and payable;
- (d) to keep the COLLATERAL in a state of good repair and to permit the SECURED PARTY, its servants and agents to view the state and condition of the COLLATERAL and for such purpose to permit the SECURED PARTY, at all reasonable times, to enter into and upon any premises owned or occupied by the DEBTOR;
- (e) to give the SECURED PARTY prompt and immediate notice of:
 - (i) any change in the information contained herein or in the schedules hereto relating to the DEBTOR, the DEBTOR'S business or the COLLATERAL;
 - (ii) the details of any significant acquisition of COLLATERAL;
 - (iii) the details of any claims or litigation affecting the DEBTOR or the COLLATERAL;
 - (iv) any loss or damage to the COLLATERAL;
 - (v) removal of the COLLATERAL out of Alberta; or
 - (vi) any change of the DEBTOR'S name;
- (f) not to create, assume or permit to exist any mortgage, lien, charge, encumbrance or Security Interest of any nature or kind whatsoever with respect to the COLLATERAL or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest granted to the SECURED PARTY hereunder.

5. Covenants of the SECURED PARTY

The SECURED PARTY hereby covenants and agrees with the DEBTOR to provide its consent or perform any other necessary acts to enable the DEBTOR to acquire or dispose of or encumber part of the COLLATERAL in the ordinary course of business where it is reasonable to conclude that in so consenting or performing any other act, the overall COLLATERAL and/or the ability of the DEBTOR to repay the INDEBTEDNESS as agreed to by the DEBTOR has not been materially adversely affected.

6. Default

The happening of any of the following shall constitute default by the DEBTOR hereunder:

- (a) if the DEBTOR shall default in making any payment due to the SECURED PARTY with respect to the INDEBTEDNESS or be in breach of any provision of this Agreement, or any other agreement between the DEBTOR and SECURED PARTY;
- (b) if the DEBTOR shall make an assignment for the benefit of creditors or be declared bankrupt, or if a Receiver be appointed with respect to the DEBTOR or any of the DEBTOR'S property or if the DEBTOR makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta or the *Canada Business Corporations Act* as now or hereafter in force;
- (c) if an order shall be made or an effective resolution passed for the winding up, liquidation or amalgamation of the DEBTOR;
- (d) if the DEBTOR ceases or threatens to cease to carry on its business;
- (e) if an execution, distress, sequestration or any other process of any court becomes enforceable against the DEBTOR or if a distress or analogous process is levied upon the property of the DEBTOR or any part thereof;
- (f) if the SECURED PARTY, acting commercially reasonably, deems itself insecure or decides that the COLLATERAL is in jeopardy or the SECURED PARTY has commercially reasonable grounds to believe that the prospect of payment or performance of the obligations of the DEBTOR is or is likely to be impaired or that the COLLATERAL is or is likely to be in jeopardy;
- (g) if any lien, charge, encumbrance or Security Interest affecting the COLLATERAL becomes enforceable against the COLLATERAL;
- (h) if any representation, warranty or covenant made in this Agreement or any document or report furnished to the SECURED PARTY in respect of the DEBTOR or the COLLATERAL proves to have been or to have become false or materially misleading.

7. Remedies

Upon default by the DEBTOR hereunder:

- (a) the SECURED PARTY, at its sole discretion, may declare any or all of the INDEBTEDNESS, which is not by its terms payable on demand, to be immediately due and payable, without demand or notice of any kind. Notwithstanding the foregoing the DEBTOR acknowledges that the SECURED PARTY may in its sole, absolute and unfettered discretion

demand payment with respect to any portion of the INDEBTEDNESS which may now or hereafter be payable on demand;

- (b) the SECURED PARTY may proceed to enforce payment and exercise all of the rights and remedies of the SECURED PARTY provided for in the ACT as well as any and all other rights and remedies available to the SECURED PARTY at law or in equity including without limitation, the right to repossess the COLLATERAL;
- (c) the DEBTOR agrees to assign to the SECURED PARTY, in writing, at the SECURED PARTY'S option, any rental payments due or to become due to the DEBTOR from or under any lease of the COLLATERAL;
- (d) the SECURED PARTY may by instrument in writing appoint any person or persons as Receiver of the COLLATERAL or any part thereof and may remove the Receiver so appointed by it and appoint another or others in his or their stead or may take proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the COLLATERAL and:
 - (i) the SECURED PARTY may from time to time fix the remuneration of the Receiver;
 - (ii) the Receiver shall so far as concerns responsibility for his acts and omissions be deemed to be the agent of the DEBTOR and not the agent of the SECURED PARTY and the SECURED PARTY shall not be responsible in any way for any misconduct or negligence on the part of the Receiver;
 - (iii) to enable the Receiver to exercise the powers granted pursuant to the terms of this Agreement the DEBTOR hereby irrevocably appoints the Receiver attorney on the DEBTOR'S behalf to do all acts and things on behalf of and in the name of the DEBTOR as may be authorized by the provisions of this Agreement, including carrying out any sale of any or all of the COLLATERAL and affixing the seal of the DEBTOR, if a corporation, to any deeds, transfers, conveyances, assignments, assurances, documents and things which in the Receiver's discretion ought to be executed to complete any sale or transfer of any or all of the COLLATERAL or alternatively, to execute the same under the Receiver's own seal, by conveying in the name of and on behalf of the DEBTOR; and any deed, transfer or other instrument signed by the Receiver under his seal shall have the same effect as if it were validly executed by the DEBTOR;
- (e) subject to the ACT, all monies collected or received by the SECURED PARTY pursuant to or in exercise of any right it possesses with respect to the COLLATERAL shall be applied on account of the INDEBTEDNESS in such manner as the SECURED PARTY deems appropriate or at the

option of the SECURED PARTY, may be held unappropriated in a collateral account or released to the DEBTOR, all without prejudice to the liability of the DEBTOR or the rights of the SECURED PARTY hereunder and any surplus shall be accounted for as required by law;

- (f) the DEBTOR acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the COLLATERAL shall not in any way restrict, hinder or estop the SECURED PARTY from suing for and obtaining judgment against the DEBTOR for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the COLLATERAL, including all legal fees and disbursements as between a solicitor and his own client;
- (g) to the extent permitted by the ACT, the DEBTOR waives any action, claim or demand by reason of any act or omission of the SECURED PARTY or its agents in connection with repossession or attempted repossession of the COLLATERAL and hereby releases and discharges the SECURED PARTY and its agents of and from all actions, causes of action, claims and demands of every kind and nature which the DEBTOR has or may have as a result of any such action; and
- (h) the rights and remedies herein conferred upon the SECURED PARTY shall be cumulative and not alternative, shall be in addition to and not in substitution or derogation of rights and remedies conferred by the ACT and any other applicable law.

8. Powers of Receiver

Any Receiver appointed by the SECURED PARTY shall have the power:

- (a) to take possession of and get in all or any part of the COLLATERAL;
- (b) to carry on, manage and conduct or to concur in the carrying on, management and conduct of the business of the DEBTOR;
- (c) to receive the revenues, incomes, issues and profits of the COLLATERAL and of carrying on the business of the DEBTOR and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business or otherwise;
- (d) to sell or lease or dispose of any or all of the COLLATERAL;
- (e) to make any arrangement or compromise which the Receiver shall deem expedient; and
- (f) to exercise all rights and powers of the SECURED PARTY hereunder and to act generally in relation to the COLLATERAL in such manner and on

such terms as may be expedient in the best interests of the SECURED PARTY.

9. Perform Obligations of DEBTOR

The SECURED PARTY shall have the right, but shall not be obliged to perform any of the obligations of the DEBTOR hereunder and the DEBTOR shall forthwith pay to the SECURED PARTY, upon written demand therefor, an amount equal to the expense incurred by the SECURED PARTY in so doing together with interest from the date such expense is incurred until it is paid at a rate equal to the greater of the highest rate of interest payable by DEBTOR on any amount owing to the SECURED PARTY and the sum of Seven and a half (7.5%) per cent per annum payable quarterly and all of the foregoing amounts shall be added to the INDEBTEDNESS secured by this Agreement.

10. Reservation

The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest hereby created and does not form part of the COLLATERAL but upon enforcement of the Security Interest the DEBTOR shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

11. Proceeds in Trust

All proceeds from the sale or other disposition of the COLLATERAL hereunder realized by the DEBTOR or any agent on the DEBTOR'S behalf shall be held in trust by the DEBTOR for the SECURED PARTY.

12. No Obligation to Advance

Nothing herein shall obligate the SECURED PARTY to make any advance or loan or future advance or loan or to renew any note or extend any time for payment of any INDEBTEDNESS or liability of the DEBTOR to the SECURED PARTY.

13. Waiver

For the purposes of this Agreement, or any other agreement or instrument renewing or extending or collateral to this Agreement, and to the extent permitted by law, the DEBTOR hereby expressly waives the benefit of the provisions of the *Law of Property Act* of Alberta.

14. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the DEBTOR irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in courts of the Province of Alberta or in any court of competent jurisdiction as the SECURED PARTY may elect and the DEBTOR agrees to attorn to the same.

15. Joint and Several

If more than one person executes this Agreement their obligation shall be joint and several and each shall remain liable hereunder until all debtors are released in full.

16. No Waiver

No consent or waiver, expressed or implied by the SECURED PARTY of any breach or default by the DEBTOR in the performance by the DEBTOR of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the DEBTOR'S obligations hereunder. Failure by the SECURED PARTY to complain of any act or failure to act on the part of the DEBTOR or to declare the DEBTOR in default, irrespective of how long such failure continues, shall not constitute a waiver by the SECURED PARTY of its rights hereunder.

17. Cost and Expenses

The DEBTOR agrees to pay all costs, charges and expenses reasonably incurred by the SECURED PARTY or any Receiver appointed by it including, but without restricting the generality of the foregoing, legal fees as between a solicitor and his own client on a full indemnity basis, in preparing, registering, protecting or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposition and disposing of COLLATERAL and in enforcing or collecting the INDEBTEDNESS and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the SECURED PARTY or any Receiver appointed by it shall be a first charge on the proceeds of realization, collection or disposition of COLLATERAL and shall be secured hereby.

18. Number and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the facts or context so requires.

19. No Modification

No modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto.

20. Continuing Security

This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the SECURED PARTY and is intended to be a continuing Security Agreement and shall remain in full force and effect until the INDEBTEDNESS is repaid and the obligations of the DEBTOR to the SECURED PARTY performed notwithstanding that the INDEBTEDNESS is reduced from time to time and thereafter increased or entirely extinguished, or the SECURED PARTY, by instrument in writing, terminates this Agreement.

21. Attachment

The DEBTOR acknowledges that Value has been given. The Security Interest created hereby is intended to attach when this Agreement is signed by the DEBTOR, or in the case of any after-acquired property of the DEBTOR, upon the date the DEBTOR acquires rights in such property.

22. No Representations

There are no representations, warranties, agreements or conditions expressed or implied, statutory or otherwise, affecting the rights and liabilities of the parties hereto or the attributes of the COLLATERAL other than specifically contained or referred to herein.

23. Unenforceable Term

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or the application of such term, covenant or condition to a party or a circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

24. Assignment

This Agreement is not assignable by the DEBTOR without the express prior written consent of the SECURED PARTY.

25. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, the assigns of the SECURED PARTY and the permitted assigns of the DEBTOR.

26. Schedules

The parties hereto confirm and ratify the matters contained in the schedules to this Agreement and agree that the same are expressly incorporated into and form part of this Agreement.

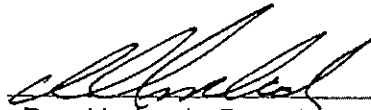
27. Acknowledgment of Receipt

The DEBTOR acknowledges having received a duplicate executed copy of this Agreement on the date of its execution, and waives any right it may have to receive a Financing Statement, Financing Change Statement or verification statement relating to it.

IN WITNESS WHEREOF the DEBTOR has executed this Agreement all on the day and year first above written.

ALSTON VENTURES INC.

Per:



Don Umbach, President

**SCHEDULE A
DESCRIPTION OF COLLATERAL**

All of the DEBTOR'S present and after-acquired property and proceeds therefrom.

Transmitting Party

MILLER THOMSON LLP

3000, 700 9 AVENUE SW
CALGARY, AB T2P 3V4

Party Code: 50062611
Phone #: 403 298 2400
Reference #: 130905.7/RP

Security Agreement

Control #: F01454964

Registration Date: 2011-Jan-21

Registration #: 11012129556

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Security Agreement

Control #: F01454964

Registration Date: 2011-Jan-21

Registration #: 11012129556

The Registration Term is 2 Years

This Registration Expires at 11:59 PM on 2013-Jan-21

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Secured Party / Parties

Block

1 366325 ALBERTA LTD.
92 Strathclyde Rise S.W.
Calgary, AB T3H 1G4

Collateral: General

Block Description

1 All of the Debtor's present and after-acquired property and proceeds therefrom.

End of Verification Statement

Date: September 13, 2010

PROMISSORY NOTE

NON-NEGOTIABLE

Principal Amount: CDN \$147,863.10

To or to the order of: 366325 ALBERTA LTD.
92 Strathclair Rise SW
Calgary, Alberta T3H 1G4
(the "Holder")

COPY

1. Principal and Bonus Payments

FOR VALUE RECEIVED the undersigned (the "Borrower") promises to pay to or to the order of the Holder, the principal sum of CDN\$147,863.10 (the "Principal"), plus a bonus fixed at 5.0% (the "Bonus"), for a total amount of \$155,256.26 (the Principal and the Bonus collectively referred to herein as the "Indebtedness").

2. Terms of Repayment

Repayment of the Indebtedness shall be on December 1, 2010.

3. Early Repayment

The Borrower may repay all or any part of the Indebtedness at any time prior to December 1, 2010, without notice, bonus or penalty.

4. Default

If the Borrower defaults in making any payments as herein set out, the Borrower shall pay all costs incurred by the Holder in enforcing and collecting upon this Note, including legal costs on a solicitor and client basis.

5. Presentment, etc.

The Borrower hereby waives presentment, demand, notice of dishonour, notice of protest, notice of non-payment and any other notice required by law to be given to the Borrower on this Note in connection with the delivery, acceptance, performance, default or enforcement of this Note and consents to:

- (a) any delays, extensions, renewals or other modifications of this Note;
- (b) any waivers of any term or condition of this Note;
- (c) the release of the Borrower under this Note or of any security given by the Borrower in respect of the Borrower's obligations under this Note,

by the Holder, and the Borrower agrees that no such action or failure to act by the Holder or any other person shall affect or impair the obligations of the Borrower, or be construed as being a waiver by the Holder of its rights under the Note.

6. Proper Law

This Note is subject to the laws of Alberta and the Borrower consents to attorn to the exclusive jurisdiction of the courts of Alberta in respect of all proceedings arising under this Note.

7. Survival

The obligations under this Note shall be binding upon the Borrower's successors and permitted assigns.

Executed and delivered this 13th day of September, 2010.

ALSTON VENTURES INC.

Per: 

Name: Don Umbach

Title: President

Transmitting Party

A. ACCU. SEARCH INC

320 EDM CITY CENTRE E, 10205 101 STREET
EDMONTON, AB T5J 4H5

Party Code: 50073170
Phone #: 780 424 2340
Reference #: 9901-13 RMB

Amendment and Renewal of Security Agreement

Control #: M02323598

Registration Date: 2013-Jan-02

Registration #: 13010212493

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:





Amendment and Renewal of Security Agreement

Control #: M02323598

Registration Date: 2013-Jan-02

Registration #: 13010212493

Registration Renewed for 10 Years

This Registration Expires at 11:59 PM on 2023-Jan-21

Latest Registration # is 11051224100.

First Current Debtor is ALSTON ENERGY INC..

First Current Secured Party is 366325 ALBERTA LTD..

Deletions

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Additions

Debtor(s)

Block

2 ALSTON ENERGY INC.
1100, 744-4 Avenue SW
Calgary, AB T2P 3T4

End of Verification Statement

ON DEMAND PROMISSORY NOTE

AMOUNT: \$50,000.00

DATE: January 19, 2011

FOR GOOD AND VALUABLE CONSIDERATION (the receipt of which is hereby acknowledged), the undersigned, ALSTON VENTURES INC., hereby promises to pay On Demand to the order of TROY WINSOR, of Calgary, Alberta the sum of Fifty Thousand (\$50,000.00) Dollars.

The amount due under this note bears interest at the rate of seven and a half (7.5%) percent, calculated annually.

Such payments shall be made quarterly on July 31st, October 31st, January 31st, and April 30th, of each year.

NOTICE of dishonour, protest and notice of protest are hereby waived and the undersigned hereby agrees to remain as fully liable as if presentation, notice of dishonour, protest and notice of protest were duly made and given.

EXECUTED and DELIVERED at the City of Calgary, in the Province of Alberta effective on this 19th day of January, 2011.

ALSTON VENTURES INC.

Per:

Name: Don Umbach

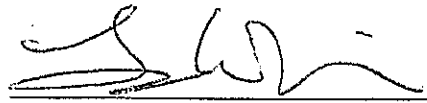
Title: President

DISCLOSURE OF INTEREST

TO: **ALSTON VENTURES INC.**
(the "Company")

The undersigned (the "Lender") hereby discloses that as a director of the Company, pursuant to Section 147(1) of the British Columbia *Business Corporations Act*, he has a material interest in the proposed transaction whereby pursuant to a promissory note, dated as of January 19, 2011, made between the Company and the Lender (the "Promissory Note"), the Lender will lend money to the Company, for the consideration and on the terms and conditions set out in the Promissory Note.

DATED as of January 19, 2011.



TROY WINSOR

THIS AGREEMENT made effective the 19th day of January, 2011.

BY:

ALSTON VENTURES INC.

(hereinafter referred to as the "DEBTOR")

- in favour of -

TROY WINSOR

(hereinafter referred to as the "SECURED PARTY")

GENERAL SECURITY AGREEMENT

1. Definitions

In this Agreement:

- (a) ACT means the *Personal Property Security Act*, R.S.A. 2000, c.P-7 as amended;
- (b) COLLATERAL means all present and after-acquired Goods, Chattel Paper, Money, Securities, Documents of Title, Instruments or Intangibles described in Schedule "A" attached hereto and forming part of this Agreement and all parts, accessories, attachments, equipment, additions, accretions and Accessions thereto and property thereof, together with any equipment or accessories placed upon or repairs made to the foregoing during the continuance of this Agreement;
- (c) INDEBTEDNESS means the principal sum or aggregate outstanding at any given time of all loans and advances made or to be made by the SECURED PARTY to the DEBTOR or amounts otherwise owed now or in the future by the DEBTOR to the SECURED PARTY including all future advances and re-advances and interest on such loans and advances and all other debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the DEBTOR to the SECURED PARTY arising from this or any other agreement or dealings between the SECURED PARTY and the DEBTOR; and
- (d) All fully capitalized terms shall have the meaning ascribed to them in Section 1 herein; and those terms defined in the ACT, when used herein, shall be designated by a capitalized first letter and shall have the same meaning ascribed to them in the ACT.

2. Security Interest

For Value given by the SECURED PARTY to the DEBTOR, the receipt and sufficiency of which the DEBTOR hereby acknowledges, the DEBTOR hereby transfers, grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants to the SECURED PARTY a Security Interest in the COLLATERAL and Proceeds to secure payment of the INDEBTEDNESS and performance of any and all obligations of the DEBTOR to the SECURED PARTY.

3. Representations and Warranties of the DEBTOR

The DEBTOR represents and warrants to the SECURED PARTY that:

- (a) the DEBTOR owns or is entitled to own and is in possession of the COLLATERAL and will maintain the COLLATERAL free and clear of all liens, charges, encumbrances and Security Interests; and
- (b) there are no pending or threatened actions or proceedings before any court or administrative board or tribunal or any judgments or awards against the DEBTOR which may adversely affect the financial condition or business of the DEBTOR, except as disclosed in writing to the SECURED PARTY prior to the date of this Agreement.

All representations and warranties of the DEBTOR are material to the SECURED PARTY and shall survive any advance of funds by the SECURED PARTY to the DEBTOR or delivery or registration of this Agreement and shall continue until the INDEBTEDNESS has been paid in full to the SECURED PARTY and all other obligations of the DEBTOR hereunder have been performed.

4. Covenants of the DEBTOR

The DEBTOR hereby covenants and agrees with the SECURED PARTY:

- (a) to pay the INDEBTEDNESS to the SECURED PARTY;
- (b) that the DEBTOR has now, and will maintain in good standing insurance on the COLLATERAL in an amount not less than the full insurable value of the COLLATERAL against loss or damage by fire and such other risks as the SECURED PARTY may reasonably direct, with insurers acceptable to the SECURED PARTY with loss payable to the SECURED PARTY and the DEBTOR as their interests may appear and will provide the SECURED PARTY with copies of all policies or other evidence of insurance satisfactory to the SECURED PARTY relating to the COLLATERAL. Upon the happening of any loss or damage the DEBTOR will furnish, at its expense, all necessary proofs and will do all necessary acts to enable the SECURED PARTY to obtain payment of the insurance monies;

- (c) that the DEBTOR will pay or cause to be paid all taxes, rates, levies, assessments, impositions and charges which are now or may hereafter be levied, assessed, imposed or charged against or in respect of the DEBTOR or the COLLATERAL as and when due and payable;
- (d) to keep the COLLATERAL in a state of good repair and to permit the SECURED PARTY, its servants and agents to view the state and condition of the COLLATERAL and for such purpose to permit the SECURED PARTY, at all reasonable times, to enter into and upon any premises owned or occupied by the DEBTOR;
- (e) to give the SECURED PARTY prompt and immediate notice of:
 - (i) any change in the information contained herein or in the schedules hereto relating to the DEBTOR, the DEBTOR'S business or the COLLATERAL;
 - (ii) the details of any significant acquisition of COLLATERAL;
 - (iii) the details of any claims or litigation affecting the DEBTOR or the COLLATERAL;
 - (iv) any loss or damage to the COLLATERAL;
 - (v) removal of the COLLATERAL out of Alberta; or
 - (vi) any change of the DEBTOR'S name;
- (f) not to create, assume or permit to exist any mortgage, lien, charge, encumbrance or Security Interest of any nature or kind whatsoever with respect to the COLLATERAL or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest granted to the SECURED PARTY hereunder.

5. Covenants of the SECURED PARTY

The SECURED PARTY hereby covenants and agrees with the DEBTOR to provide its consent or perform any other necessary acts to enable the DEBTOR to acquire or dispose of or encumber part of the COLLATERAL in the ordinary course of business where it is reasonable to conclude that in so consenting or performing any other act, the overall COLLATERAL and/or the ability of the DEBTOR to repay the INDEBTEDNESS as agreed to by the DEBTOR has not been materially adversely affected.

6. Default

The happening of any of the following shall constitute default by the DEBTOR hereunder:

- (a) if the DEBTOR shall default in making any payment due to the SECURED PARTY with respect to the INDEBTEDNESS or be in breach of any provision of this Agreement, or any other agreement between the DEBTOR and SECURED PARTY;
- (b) if the DEBTOR shall make an assignment for the benefit of creditors or be declared bankrupt, or if a Receiver be appointed with respect to the DEBTOR or any of the DEBTOR'S property or if the DEBTOR makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta or the *Canada Business Corporations Act* as now or hereafter in force;
- (c) if an order shall be made or an effective resolution passed for the winding up, liquidation or amalgamation of the DEBTOR;
- (d) if the DEBTOR ceases or threatens to cease to carry on its business;
- (e) if an execution, distress, sequestration or any other process of any court becomes enforceable against the DEBTOR or if a distress or analogous process is levied upon the property of the DEBTOR or any part thereof;
- (f) if the SECURED PARTY, acting commercially reasonably, deems itself insecure or decides that the COLLATERAL is in jeopardy or the SECURED PARTY has commercially reasonable grounds to believe that the prospect of payment or performance of the obligations of the DEBTOR is or is likely to be impaired or that the COLLATERAL is or is likely to be in jeopardy;
- (g) if any lien, charge, encumbrance or Security Interest affecting the COLLATERAL becomes enforceable against the COLLATERAL;
- (h) if any representation, warranty or covenant made in this Agreement or any document or report furnished to the SECURED PARTY in respect of the DEBTOR or the COLLATERAL proves to have been or to have become false or materially misleading.

7. Remedies

Upon default by the DEBTOR hereunder:

- (a) the SECURED PARTY, at its sole discretion, may declare any or all of the INDEBTEDNESS, which is not by its terms payable on demand, to be immediately due and payable, without demand or notice of any kind. Notwithstanding the foregoing the DEBTOR acknowledges that the SECURED PARTY may in its sole, absolute and unfettered discretion

demand payment with respect to any portion of the INDEBTEDNESS which may now or hereafter be payable on demand;

- (b) the SECURED PARTY may proceed to enforce payment and exercise all of the rights and remedies of the SECURED PARTY provided for in the ACT as well as any and all other rights and remedies available to the SECURED PARTY at law or in equity including without limitation, the right to repossess the COLLATERAL;
- (c) the DEBTOR agrees to assign to the SECURED PARTY, in writing, at the SECURED PARTY'S option, any rental payments due or to become due to the DEBTOR from or under any lease of the COLLATERAL;
- (d) the SECURED PARTY may by instrument in writing appoint any person or persons as Receiver of the COLLATERAL or any part thereof and may remove the Receiver so appointed by it and appoint another or others in his or their stead or may take proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the COLLATERAL and:
 - (i) the SECURED PARTY may from time to time fix the remuneration of the Receiver;
 - (ii) the Receiver shall so far as concerns responsibility for his acts and omissions be deemed to be the agent of the DEBTOR and not the agent of the SECURED PARTY and the SECURED PARTY shall not be responsible in any way for any misconduct or negligence on the part of the Receiver;
 - (iii) to enable the Receiver to exercise the powers granted pursuant to the terms of this Agreement the DEBTOR hereby irrevocably appoints the Receiver attorney on the DEBTOR'S behalf to do all acts and things on behalf of and in the name of the DEBTOR as may be authorized by the provisions of this Agreement, including carrying out any sale of any or all of the COLLATERAL and affixing the seal of the DEBTOR, if a corporation, to any deeds, transfers, conveyances, assignments, assurances, documents and things which in the Receiver's discretion ought to be executed to complete any sale or transfer of any or all of the COLLATERAL or alternatively, to execute the same under the Receiver's own seal, by conveying in the name of and on behalf of the DEBTOR; and any deed, transfer or other instrument signed by the Receiver under his seal shall have the same effect as if it were validly executed by the DEBTOR;
- (e) subject to the ACT, all monies collected or received by the SECURED PARTY pursuant to or in exercise of any right it possesses with respect to the COLLATERAL shall be applied on account of the INDEBTEDNESS in such manner as the SECURED PARTY deems appropriate or at the

option of the SECURED PARTY, may be held unappropriated in a collateral account or released to the DEBTOR, all without prejudice to the liability of the DEBTOR or the rights of the SECURED PARTY hereunder and any surplus shall be accounted for as required by law;

- (f) the DEBTOR acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the COLLATERAL shall not in any way restrict, hinder or estop the SECURED PARTY from suing for and obtaining judgment against the DEBTOR for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the COLLATERAL, including all legal fees and disbursements as between a solicitor and his own client;
- (g) to the extent permitted by the ACT, the DEBTOR waives any action, claim or demand by reason of any act or omission of the SECURED PARTY or its agents in connection with repossession or attempted repossession of the COLLATERAL and hereby releases and discharges the SECURED PARTY and its agents of and from all actions, causes of action, claims and demands of every kind and nature which the DEBTOR has or may have as a result of any such action; and
- (h) the rights and remedies herein conferred upon the SECURED PARTY shall be cumulative and not alternative, shall be in addition to and not in substitution or derogation of rights and remedies conferred by the ACT and any other applicable law.

8. Powers of Receiver

Any Receiver appointed by the SECURED PARTY shall have the power:

- (a) to take possession of and get in all or any part of the COLLATERAL;
- (b) to carry on, manage and conduct or to concur in the carrying on, management and conduct of the business of the DEBTOR;
- (c) to receive the revenues, incomes, issues and profits of the COLLATERAL and of carrying on the business of the DEBTOR and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business or otherwise;
- (d) to sell or lease or dispose of any or all of the COLLATERAL;
- (e) to make any arrangement or compromise which the Receiver shall deem expedient; and
- (f) to exercise all rights and powers of the SECURED PARTY hereunder and to act generally in relation to the COLLATERAL in such manner and on

such terms as may be expedient in the best interests of the SECURED PARTY.

9. Perform Obligations of DEBTOR

The SECURED PARTY shall have the right, but shall not be obliged to perform any of the obligations of the DEBTOR hereunder and the DEBTOR shall forthwith pay to the SECURED PARTY, upon written demand therefor, an amount equal to the expense incurred by the SECURED PARTY in so doing together with interest from the date such expense is incurred until it is paid at a rate equal to the greater of the highest rate of interest payable by DEBTOR on any amount owing to the SECURED PARTY and the sum of Seven and a half (7.5%) per cent per annum payable quarterly and all of the foregoing amounts shall be added to the INDEBTEDNESS secured by this Agreement.

10. Reservation

The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest hereby created and does not form part of the COLLATERAL but upon enforcement of the Security Interest the DEBTOR shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

11. Proceeds in Trust

All proceeds from the sale or other disposition of the COLLATERAL hereunder realized by the DEBTOR or any agent on the DEBTOR'S behalf shall be held in trust by the DEBTOR for the SECURED PARTY.

12. No Obligation to Advance

Nothing herein shall obligate the SECURED PARTY to make any advance or loan or future advance or loan or to renew any note or extend any time for payment of any INDEBTEDNESS or liability of the DEBTOR to the SECURED PARTY.

13. Waiver

For the purposes of this Agreement, or any other agreement or instrument renewing or extending or collateral to this Agreement, and to the extent permitted by law, the DEBTOR hereby expressly waives the benefit of the provisions of the *Law of Property Act* of Alberta.

14. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the DEBTOR irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in courts of the Province of Alberta or in any court of competent jurisdiction as the SECURED PARTY may elect and the DEBTOR agrees to attorn to the same.

15. Joint and Several

If more than one person executes this Agreement their obligation shall be joint and several and each shall remain liable hereunder until all debtors are released in full.

16. No Waiver

No consent or waiver, expressed or implied by the SECURED PARTY of any breach or default by the DEBTOR in the performance by the DEBTOR of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the DEBTOR'S obligations hereunder. Failure by the SECURED PARTY to complain of any act or failure to act on the part of the DEBTOR or to declare the DEBTOR in default, irrespective of how long such failure continues, shall not constitute a waiver by the SECURED PARTY of its rights hereunder.

17. Cost and Expenses

The DEBTOR agrees to pay all costs, charges and expenses reasonably incurred by the SECURED PARTY or any Receiver appointed by it including, but without restricting the generality of the foregoing, legal fees as between a solicitor and his own client on a full indemnity basis, in preparing, registering, protecting or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposition and disposing of COLLATERAL and in enforcing or collecting the INDEBTEDNESS and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the SECURED PARTY or any Receiver appointed by it shall be a first charge on the proceeds of realization, collection or disposition of COLLATERAL and shall be secured hereby.

18. Number and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the facts or context so requires.

19. No Modification

No modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto.

20. Continuing Security

This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the SECURED PARTY and is intended to be a continuing Security Agreement and shall remain in full force and effect until the INDEBTEDNESS is repaid and the obligations of the DEBTOR to the SECURED PARTY performed notwithstanding that the INDEBTEDNESS is reduced from time to time and thereafter increased or entirely extinguished, or the SECURED PARTY, by instrument in writing, terminates this Agreement.

21. Attachment

The DEBTOR acknowledges that Value has been given. The Security Interest created hereby is intended to attach when this Agreement is signed by the DEBTOR, or in the case of any after-acquired property of the DEBTOR, upon the date the DEBTOR acquires rights in such property.

22. No Representations

There are no representations, warranties, agreements or conditions expressed or implied, statutory or otherwise, affecting the rights and liabilities of the parties hereto or the attributes of the COLLATERAL other than specifically contained or referred to herein.

23. Unenforceable Term

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or the application of such term, covenant or condition to a party or a circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

24. Assignment

This Agreement is not assignable by the DEBTOR without the express prior written consent of the SECURED PARTY.

25. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, the assigns of the SECURED PARTY and the permitted assigns of the DEBTOR.

26. Schedules

The parties hereto confirm and ratify the matters contained in the schedules to this Agreement and agree that the same are expressly incorporated into and form part of this Agreement.

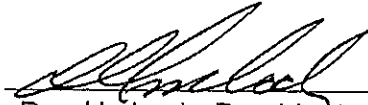
27. Acknowledgment of Receipt

The DEBTOR acknowledges having received a duplicate executed copy of this Agreement on the date of its execution, and waives any right it may have to receive a Financing Statement, Financing Change Statement or verification statement relating to it.

IN WITNESS WHEREOF the DEBTOR has executed this Agreement all on the day and year first above written.

ALSTON VENTURES INC.

Per:


Don Umbach, President

**SCHEDULE A
DESCRIPTION OF COLLATERAL**

All of the DEBTOR'S present and after-acquired property and proceeds therefrom.

Transmitting Party

MILLER THOMSON LLP

3000, 700 9 AVENUE SW
CALGARY, AB T2P 3V4

Party Code: 50062611

Phone #: 403 298 2400

Reference #: 130905.7/RP

Security Agreement

Control #: F01454906

Registration Date: 2011-Jan-21

Registration #: 11012129006

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:





Security Agreement



Control #: F01454906

Registration Date: 2011-Jan-21

Registration #: 11012129006

The Registration Term is 2 Years

This Registration Expires at 11:59 PM on 2013-Jan-21

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Secured Party / Parties

Block

1 WINSOR, TROY
12078 238th Street
Maple Ridge, BC V4R 4X4

Collateral: General

Block

Description

1 All of the Debtor's present and after-acquired property and proceeds therefrom.

End of Verification Statement

Jill Umbach

From: Jill Umbach
Sent: Tuesday, January 25, 2011 11:46 AM
To: 'troy1@telus.net'
Subject: Alston Promissory Note dated Jan 19/11 between Troy Winsor & Alston Ventures Inc.

Hi Troy;

I'm just calculating 1/4ly interest payments due on Jan 31/11. Don says the note is in your name but you want it in the name of your company - Winsor Communications Inc. Can you please email me with the exact company name and address.

Cheers,

Jill Umbach

ALSTON VENTURES INC.

#510, 1011 - 1st Street SW

Calgary, Alberta T2R 1J2

403-245-4462 Local 241

jill@statuseng.com

Jill Umbach

From: Don Umbach
Sent: Tuesday, January 25, 2011 11:39 AM
To: Jill Umbach
Subject: FW: Loan Agreements between Alston Ventures Inc. and certain Directors of the Company

From: Troy Winsor [<mailto:troyw1@telus.net>]
Sent: Tuesday, January 25, 2011 8:57 AM
To: Don Umbach
Subject: Fw: Loan Agreements between Alston Ventures Inc. and certain Directors of the Company

See below.....I lent the money from Winsor Communications Inc.....And the Docs say Troy Winsor the check came from Winsor Communications.....Any big deal to change??

----- Original Message -----

From: Troy Winsor
To: Don Umbach
Sent: Thursday, December 30, 2010 11:22 AM
Subject: Re: Loan Agreements between Alston Ventures Inc. and certain Directors of the Company

That is what we had discussed.....I will loan the money from Winsor Communications Inc.

----- Original Message -----

From: Don Umbach
To: Wayne Babcock ; Troy Winsor ; Jack Donhuysen
Sent: Thursday, December 30, 2010 10:47 AM
Subject: FW: Loan Agreements between Alston Ventures Inc. and certain Directors of the Company

See attached draft agenda Re Loan Agreement. What are your thoughts regarding payment terms.

My thoughts... "monthly interest only payments with the principal to be paid back on demand"?

Any other thoughts?

Don

From: Rhea Solis [<mailto:rsolis@millerthomson.com>]
Sent: Wednesday, December 29, 2010 4:15 PM
To: Don Umbach
Cc: Matthew Potts; SWhite@rbs.ca
Subject: Loan Agreements between Alston Ventures Inc. and certain Directors of the Company

Don,

I have reviewed the information you forwarded to me regarding secured loans between Alston and certain directors of Alston. I have drafted the attached agenda of documents to outline the steps that need to be completed. I have also included Sharon White in this email as we will require a directors resolution approving of the transaction to be drafted in compliance with BC legislation as well as with the requirements of the TSX-V and it is anticipated that Sharon will complete this. In addition, it is anticipated that any filings with the TSX-V will be completed by Sharon.

The only outstanding issue is for Don and I to discuss the repayment terms of the promissory notes, specifically whether repayment of principal will be on demand or by a fixed date.

After you have had a chance to review the attached, please call me to discuss and finalize the payment terms and any other items outstanding.

Happy New Year to you!!!!

Regards,

Rhea Solis

Associate

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, AB T2P 3V4

Direct Line: 403.298.2451

Fax: 403.262.0007

Email: rsolis@millerthomson.com

www.millerthomson.com



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Pour tout renseignement au sujet des services offerts par notre cabinet, visitez notre site Web à www.millerthomsonpouliot.com

Transmitting Party

A. ACCU. SEARCH INC

320 EDM CITY CENTRE E, 10205 101 STREET
EDMONTON, AB T5J 4H5

Party Code: 50073170
Phone #: 780 424 2340
Reference #: 9901-13RMB

Amendment and Renewal of Security Agreement

Control #: M02323604

Registration Date: 2013-Jan-02

Registration #: 13010212652

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Amendment and Renewal of Security Agreement

Control #: M02323604

Registration Date: 2013-Jan-02

Registration #: 13010212652

Registration Renewed for 10 Years

This Registration Expires at 11:59 PM on 2023-Jan-21

Latest Registration # is 11051223887.

First Current Debtor is ALSTON ENERGY INC..

First Current Secured Party is WINSOR, TROY.

Deletions

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Additions

Debtor(s)

Block

2 ALSTON ENERGY INC.
1100, 744-4 Avenue SW
Calgary, AB T2P 3T4

End of Verification Statement

ON DEMAND PROMISSORY NOTE

AMOUNT: \$50,000.00

DATE: January 19, 2011

FOR GOOD AND VALUABLE CONSIDERATION (the receipt of which is hereby acknowledged), the undersigned, ALSTON VENTURES INC., hereby promises to pay On Demand to the order of DON UMBACH, of Calgary, Alberta the sum of Fifty Thousand (\$50,000.00) Dollars.

The amount due under this note bears interest at the rate of seven and a half (7.5%) percent, calculated annually.

Such payments shall be made quarterly on July 31st, October 31st, January 31st, and April 30th, of each year.

NOTICE of dishonour, protest and notice of protest are hereby waived and the undersigned hereby agrees to remain as fully liable as if presentation, notice of dishonour, protest and notice of protest were duly made and given.

EXECUTED and DELIVERED at the City of Calgary, in the Province of Alberta effective on this 19th day of January, 2011.

ALSTON VENTURES INC.

Per:

Name: Don Umbach

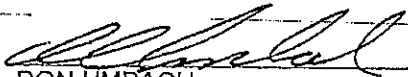
Title: President

DISCLOSURE OF INTEREST

TO: **ALSTON VENTURES INC.**
(the "Company")

The undersigned (the "Lender") hereby discloses that as a director and officer of the Company, pursuant to Section 147(1) of the British Columbia *Business Corporations Act*, he has a material interest in the proposed transaction whereby pursuant to a promissory note, dated as of January 19, 2011, made between the Company and the Lender (the "Promissory Note"), the Lender will lend money to the Company, for the consideration and on the terms and conditions set out in the Promissory Note.

DATED as of January 19, 2011.

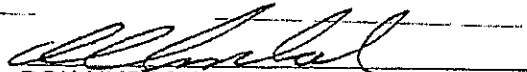

DON UMBACH

DISCLOSURE OF INTEREST

TO: **ALSTON VENTURES INC.**
(the "Company")

The undersigned (the "Lender") hereby discloses that as a director and officer of the Company, pursuant to Section 147(1) of the British Columbia *Business Corporations Act*, he has a material interest in the proposed transaction whereby pursuant to a promissory note, dated as of January 19, 2011, made between the Company and the Lender (the "Promissory Note"), the Lender will lend money to the Company, for the consideration and on the terms and conditions set out in the Promissory Note.

DATED as of January 19, 2011.


DON UMBACH

THIS AGREEMENT made effective the 19th day of January, 2011.

BY:

ALSTON VENTURES INC.

(hereinafter referred to as the "DEBTOR")

- in favour of -

DON UMBACH

(hereinafter referred to as the "SECURED PARTY")

GENERAL SECURITY AGREEMENT

1. Definitions

In this Agreement:

- (a) ACT means the *Personal Property Security Act*, R.S.A. 2000, c.P-7 as amended;
- (b) COLLATERAL means all present and after-acquired Goods, Chattel Paper, Money, Securities, Documents of Title, Instruments or Intangibles described in Schedule "A" attached hereto and forming part of this Agreement and all parts, accessories, attachments, equipment, additions, accretions and Accessions thereto and property thereof, together with any equipment or accessories placed upon or repairs made to the foregoing during the continuance of this Agreement;
- (c) INDEBTEDNESS means the principal sum or aggregate outstanding at any given time of all loans and advances made or to be made by the SECURED PARTY to the DEBTOR or amounts otherwise owed now or in the future by the DEBTOR to the SECURED PARTY including all future advances and re-advances and interest on such loans and advances and all other debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the DEBTOR to the SECURED PARTY arising from this or any other agreement or dealings between the SECURED PARTY and the DEBTOR; and
- (d) All fully capitalized terms shall have the meaning ascribed to them in Section 1 herein; and those terms defined in the ACT, when used herein, shall be designated by a capitalized first letter and shall have the same meaning ascribed to them in the ACT.

2. Security Interest

For Value given by the SECURED PARTY to the DEBTOR, the receipt and sufficiency of which the DEBTOR hereby acknowledges, the DEBTOR hereby transfers, grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants to the SECURED PARTY a Security Interest in the COLLATERAL and Proceeds to secure payment of the INDEBTEDNESS and performance of any and all obligations of the DEBTOR to the SECURED PARTY.

3. Representations and Warranties of the DEBTOR

The DEBTOR represents and warrants to the SECURED PARTY that:

- (a) the DEBTOR owns or is entitled to own and is in possession of the COLLATERAL and will maintain the COLLATERAL free and clear of all liens, charges, encumbrances and Security Interests; and
- (b) there are no pending or threatened actions or proceedings before any court or administrative board or tribunal or any judgments or awards against the DEBTOR which may adversely affect the financial condition or business of the DEBTOR, except as disclosed in writing to the SECURED PARTY prior to the date of this Agreement.

All representations and warranties of the DEBTOR are material to the SECURED PARTY and shall survive any advance of funds by the SECURED PARTY to the DEBTOR or delivery or registration of this Agreement and shall continue until the INDEBTEDNESS has been paid in full to the SECURED PARTY and all other obligations of the DEBTOR hereunder have been performed.

4. Covenants of the DEBTOR

The DEBTOR hereby covenants and agrees with the SECURED PARTY:

- (a) to pay the INDEBTEDNESS to the SECURED PARTY;
- (b) that the DEBTOR has now, and will maintain in good standing insurance on the COLLATERAL in an amount not less than the full insurable value of the COLLATERAL against loss or damage by fire and such other risks as the SECURED PARTY may reasonably direct, with insurers acceptable to the SECURED PARTY with loss payable to the SECURED PARTY and the DEBTOR as their interests may appear and will provide the SECURED PARTY with copies of all policies or other evidence of insurance satisfactory to the SECURED PARTY relating to the COLLATERAL. Upon the happening of any loss or damage the DEBTOR will furnish, at its expense, all necessary proofs and will do all necessary acts to enable the SECURED PARTY to obtain payment of the insurance monies;

- (c) that the DEBTOR will pay or cause to be paid all taxes, rates, levies, assessments, impositions and charges which are now or may hereafter be levied, assessed, imposed or charged against or in respect of the DEBTOR or the COLLATERAL as and when due and payable;
- (d) to keep the COLLATERAL in a state of good repair and to permit the SECURED PARTY, its servants and agents to view the state and condition of the COLLATERAL and for such purpose to permit the SECURED PARTY, at all reasonable times, to enter into and upon any premises owned or occupied by the DEBTOR;
- (e) to give the SECURED PARTY prompt and immediate notice of:
 - (i) any change in the information contained herein or in the schedules hereto relating to the DEBTOR, the DEBTOR'S business or the COLLATERAL;
 - (ii) the details of any significant acquisition of COLLATERAL;
 - (iii) the details of any claims or litigation affecting the DEBTOR or the COLLATERAL;
 - (iv) any loss or damage to the COLLATERAL;
 - (v) removal of the COLLATERAL out of Alberta; or
 - (vi) any change of the DEBTOR'S name;
- (f) not to create, assume or permit to exist any mortgage, lien, charge, encumbrance or Security Interest of any nature or kind whatsoever with respect to the COLLATERAL or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest granted to the SECURED PARTY hereunder.

5. Covenants of the SECURED PARTY

The SECURED PARTY hereby covenants and agrees with the DEBTOR to provide its consent or perform any other necessary acts to enable the DEBTOR to acquire or dispose of or encumber part of the COLLATERAL in the ordinary course of business where it is reasonable to conclude that in so consenting or performing any other act, the overall COLLATERAL and/or the ability of the DEBTOR to repay the INDEBTEDNESS as agreed to by the DEBTOR has not been materially adversely affected.

6. Default

The happening of any of the following shall constitute default by the DEBTOR hereunder:

- (a) if the DEBTOR shall default in making any payment due to the SECURED PARTY with respect to the INDEBTEDNESS or be in breach of any provision of this Agreement, or any other agreement between the DEBTOR and SECURED PARTY;
- (b) if the DEBTOR shall make an assignment for the benefit of creditors or be declared bankrupt, or if a Receiver be appointed with respect to the DEBTOR or any of the DEBTOR'S property or if the DEBTOR makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta or the *Canada Business Corporations Act* as now or hereafter in force;
- (c) if an order shall be made or an effective resolution passed for the winding up, liquidation or amalgamation of the DEBTOR;
- (d) if the DEBTOR ceases or threatens to cease to carry on its business;
- (e) if an execution, distress, sequestration or any other process of any court becomes enforceable against the DEBTOR or if a distress or analogous process is levied upon the property of the DEBTOR or any part thereof;
- (f) if the SECURED PARTY, acting commercially reasonably, deems itself insecure or decides that the COLLATERAL is in jeopardy or the SECURED PARTY has commercially reasonable grounds to believe that the prospect of payment or performance of the obligations of the DEBTOR is or is likely to be impaired or that the COLLATERAL is or is likely to be in jeopardy;
- (g) if any lien, charge, encumbrance or Security Interest affecting the COLLATERAL becomes enforceable against the COLLATERAL;
- (h) if any representation, warranty or covenant made in this Agreement or any document or report furnished to the SECURED PARTY in respect of the DEBTOR or the COLLATERAL proves to have been or to have become false or materially misleading.

7. Remedies

Upon default by the DEBTOR hereunder:

- (a) the SECURED PARTY, at its sole discretion, may declare any or all of the INDEBTEDNESS, which is not by its terms payable on demand, to be immediately due and payable, without demand or notice of any kind. Notwithstanding the foregoing the DEBTOR acknowledges that the SECURED PARTY may in its sole, absolute and unfettered discretion

demand payment with respect to any portion of the INDEBTEDNESS which may now or hereafter be payable on demand;

- (b) the SECURED PARTY may proceed to enforce payment and exercise all of the rights and remedies of the SECURED PARTY provided for in the ACT as well as any and all other rights and remedies available to the SECURED PARTY at law or in equity including without limitation, the right to repossess the COLLATERAL;
- (c) the DEBTOR agrees to assign to the SECURED PARTY, in writing, at the SECURED PARTY'S option, any rental payments due or to become due to the DEBTOR from or under any lease of the COLLATERAL;
- (d) the SECURED PARTY may by instrument in writing appoint any person or persons as Receiver of the COLLATERAL or any part thereof and may remove the Receiver so appointed by it and appoint another or others in his or their stead or may take proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the COLLATERAL and:
 - (i) the SECURED PARTY may from time to time fix the remuneration of the Receiver;
 - (ii) the Receiver shall so far as concerns responsibility for his acts and omissions be deemed to be the agent of the DEBTOR and not the agent of the SECURED PARTY and the SECURED PARTY shall not be responsible in any way for any misconduct or negligence on the part of the Receiver;
 - (iii) to enable the Receiver to exercise the powers granted pursuant to the terms of this Agreement the DEBTOR hereby irrevocably appoints the Receiver attorney on the DEBTOR'S behalf to do all acts and things on behalf of and in the name of the DEBTOR as may be authorized by the provisions of this Agreement, including carrying out any sale of any or all of the COLLATERAL and affixing the seal of the DEBTOR, if a corporation, to any deeds, transfers, conveyances, assignments, assurances, documents and things which in the Receiver's discretion ought to be executed to complete any sale or transfer of any or all of the COLLATERAL or alternatively, to execute the same under the Receiver's own seal, by conveying in the name of and on behalf of the DEBTOR; and any deed, transfer or other instrument signed by the Receiver under his seal shall have the same effect as if it were validly executed by the DEBTOR;
- (e) subject to the ACT, all monies collected or received by the SECURED PARTY pursuant to or in exercise of any right it possesses with respect to the COLLATERAL shall be applied on account of the INDEBTEDNESS in such manner as the SECURED PARTY deems appropriate or at the

option of the SECURED PARTY, may be held unappropriated in a collateral account or released to the DEBTOR, all without prejudice to the liability of the DEBTOR or the rights of the SECURED PARTY hereunder and any surplus shall be accounted for as required by law;

- (f) the DEBTOR acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the COLLATERAL shall not in any way restrict, hinder or estop the SECURED PARTY from suing for and obtaining judgment against the DEBTOR for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the COLLATERAL, including all legal fees and disbursements as between a solicitor and his own client;
- (g) to the extent permitted by the ACT, the DEBTOR waives any action, claim or demand by reason of any act or omission of the SECURED PARTY or its agents in connection with repossession or attempted repossession of the COLLATERAL and hereby releases and discharges the SECURED PARTY and its agents of and from all actions, causes of action, claims and demands of every kind and nature which the DEBTOR has or may have as a result of any such action; and
- (h) the rights and remedies herein conferred upon the SECURED PARTY shall be cumulative and not alternative, shall be in addition to and not in substitution or derogation of rights and remedies conferred by the ACT and any other applicable law.

8. Powers of Receiver

Any Receiver appointed by the SECURED PARTY shall have the power:

- (a) to take possession of and get in all or any part of the COLLATERAL;
- (b) to carry on, manage and conduct or to concur in the carrying on, management and conduct of the business of the DEBTOR;
- (c) to receive the revenues, incomes, issues and profits of the COLLATERAL and of carrying on the business of the DEBTOR and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business or otherwise;
- (d) to sell or lease or dispose of any or all of the COLLATERAL;
- (e) to make any arrangement or compromise which the Receiver shall deem expedient; and
- (f) to exercise all rights and powers of the SECURED PARTY hereunder and to act generally in relation to the COLLATERAL in such manner and on

such terms as may be expedient in the best interests of the SECURED PARTY.

9. Perform Obligations of DEBTOR

The SECURED PARTY shall have the right, but shall not be obliged to perform any of the obligations of the DEBTOR hereunder and the DEBTOR shall forthwith pay to the SECURED PARTY, upon written demand therefor, an amount equal to the expense incurred by the SECURED PARTY in so doing together with interest from the date such expense is incurred until it is paid at a rate equal to the greater of the highest rate of interest payable by DEBTOR on any amount owing to the SECURED PARTY and the sum of Seven and a half (7.5%) per cent per annum payable quarterly and all of the foregoing amounts shall be added to the INDEBTEDNESS secured by this Agreement.

10. Reservation

The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest hereby created and does not form part of the COLLATERAL but upon enforcement of the Security Interest the DEBTOR shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

11. Proceeds in Trust

All proceeds from the sale or other disposition of the COLLATERAL hereunder realized by the DEBTOR or any agent on the DEBTOR'S behalf shall be held in trust by the DEBTOR for the SECURED PARTY.

12. No Obligation to Advance

Nothing herein shall obligate the SECURED PARTY to make any advance or loan or future advance or loan or to renew any note or extend any time for payment of any INDEBTEDNESS or liability of the DEBTOR to the SECURED PARTY.

13. Waiver

For the purposes of this Agreement, or any other agreement or instrument renewing or extending or collateral to this Agreement, and to the extent permitted by law, the DEBTOR hereby expressly waives the benefit of the provisions of the *Law of Property Act* of Alberta.

14. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the DEBTOR irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in courts of the Province of Alberta or in any court of competent jurisdiction as the SECURED PARTY may elect and the DEBTOR agrees to attorn to the same.

15. Joint and Several

If more than one person executes this Agreement their obligation shall be joint and several and each shall remain liable hereunder until all debtors are released in full.

16. No Waiver

No consent or waiver, expressed or implied by the SECURED PARTY of any breach or default by the DEBTOR in the performance by the DEBTOR of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the DEBTOR'S obligations hereunder. Failure by the SECURED PARTY to complain of any act or failure to act on the part of the DEBTOR or to declare the DEBTOR in default, irrespective of how long such failure continues, shall not constitute a waiver by the SECURED PARTY of its rights hereunder.

17. Cost and Expenses

The DEBTOR agrees to pay all costs, charges and expenses reasonably incurred by the SECURED PARTY or any Receiver appointed by it including, but without restricting the generality of the foregoing, legal fees as between a solicitor and his own client on a full indemnity basis, in preparing, registering, protecting or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposition and disposing of COLLATERAL and in enforcing or collecting the INDEBTEDNESS and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the SECURED PARTY or any Receiver appointed by it shall be a first charge on the proceeds of realization, collection or disposition of COLLATERAL and shall be secured hereby.

18. Number and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the facts or context so requires.

19. No Modification

No modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto.

20. Continuing Security

This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the SECURED PARTY and is intended to be a continuing Security Agreement and shall remain in full force and effect until the INDEBTEDNESS is repaid and the obligations of the DEBTOR to the SECURED PARTY performed notwithstanding that the INDEBTEDNESS is reduced from time to time and thereafter increased or entirely extinguished, or the SECURED PARTY, by instrument in writing, terminates this Agreement.

21. Attachment

The DEBTOR acknowledges that Value has been given. The Security Interest created hereby is intended to attach when this Agreement is signed by the DEBTOR, or in the case of any after-acquired property of the DEBTOR, upon the date the DEBTOR acquires rights in such property.

22. No Representations

There are no representations, warranties, agreements or conditions expressed or implied, statutory or otherwise, affecting the rights and liabilities of the parties hereto or the attributes of the COLLATERAL other than specifically contained or referred to herein.

23. Unenforceable Term

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or the application of such term, covenant or condition to a party or a circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

24. Assignment

This Agreement is not assignable by the DEBTOR without the express prior written consent of the SECURED PARTY.

25. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, the assigns of the SECURED PARTY and the permitted assigns of the DEBTOR.

26. Schedules

The parties hereto confirm and ratify the matters contained in the schedules to this Agreement and agree that the same are expressly incorporated into and form part of this Agreement.

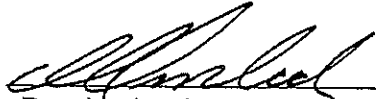
27. Acknowledgment of Receipt

The DEBTOR acknowledges having received a duplicate executed copy of this Agreement on the date of its execution, and waives any right it may have to receive a Financing Statement, Financing Change Statement or verification statement relating to it.

IN WITNESS WHEREOF the DEBTOR has executed this Agreement all on the day and year first above written.

ALSTON VENTURES INC.

Per:


Don Umbach, President

SCHEDULE A
DESCRIPTION OF COLLATERAL

All of the DEBTOR'S present and after-acquired property and proceeds therefrom.

Transmitting Party

MILLER THOMSON LLP

3000, 700 9 AVENUE SW
CALGARY, AB T2P 3V4

Party Code: 50062611
Phone #: 403 298 2400
Reference #: 130905.7/RP

Security Agreement

Control #: F01454936

Registration Date: 2011-Jan-21

Registration #: 11012129645

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Security Agreement

Control #: F01454936

Registration Date: 2011-Jan-21

Registration #: 11012129645

The Registration Term is 2 Years

This Registration Expires at 11:59 PM on 2013-Jan-21

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Secured Party / Parties

Block

1 UMBACH, DON
86 Lynx Meadows Drive N.W.
Calgary, AB T3L 2L9

Collateral: General

Block **Description**

1 All of the Debtor's present and after-acquired property and proceeds therefrom.

End of Verification Statement

Transmitting Party

A. ACCU. SEARCH INC

320 EDM CITY CENTRE E, 10205 101 STREET
EDMONTON, AB T5J 4H5

Party Code: 50073170
Phone #: 780 424 2340
Reference #: 9901-13RMB

Amendment and Renewal of Security Agreement

Control #: M02323612

Registration Date: 2013-Jan-02

Registration #: 13010212805

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:





Amendment and Renewal of Security Agreement

Control #: M02323612

Registration Date: 2013-Jan-02

Registration #: 13010212805

Registration Renewed for 10 Years

This Registration Expires at 11:59 PM on 2023-Jan-21

Latest Registration # is 11051223365.

First Current Debtor is ALSTON ENERGY INC..

First Current Secured Party is UMBACH, DON.

Deletions

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Additions

Debtor(s)

Block

2 ALSTON ENERGY INC.
1100, 744-4 AVENUE SW
Calgary, AB T2P 3T4

End of Verification Statement

ON DEMAND PROMISSORY NOTE

AMOUNT: \$100,000.00

DATE: January 19, 2011

FOR GOOD AND VALUABLE CONSIDERATION (the receipt of which is hereby acknowledged), the undersigned, ALSTON VENTURES INC., hereby promises to pay On Demand to the order of WAYNE BABCOCK, of Calgary, Alberta the sum of One Hundred Thousand (\$100,000.00) Dollars.

The amount due under this note bears interest at the rate of seven and a half (7.5%) percent, calculated annually.

Such payments shall be made quarterly on July 31st, October 31st, January 31st, and April 30th, of each year.

NOTICE of dishonour, protest and notice of protest are hereby waived and the undersigned hereby agrees to remain as fully liable as if presentation, notice of dishonour, protest and notice of protest were duly made and given.

EXECUTED and DELIVERED at the City of Calgary, in the Province of Alberta effective on this 19th day of January, 2011.

ALSTON VENTURES INC.

Per:

Name: Don Umbach

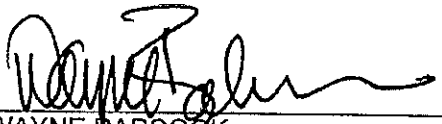
Title: President

DISCLOSURE OF INTEREST

TO: **ALSTON VENTURES INC.**
(the "Company")

The undersigned (the "Lender") hereby discloses that as a director and officer of the Company, pursuant to Section 147(1) of the British Columbia *Business Corporations Act*, he has a material interest in the proposed transaction whereby pursuant to a promissory note, dated as of January 19, 2011, made between the Company and the Lender (the "Promissory Note"), the Lender will lend money to the Company, for the consideration and on the terms and conditions set out in the Promissory Note.

DATED as of January 19, 2011.



WAYNE BABCOCK

THIS AGREEMENT made effective the 19th day of January, 2011.

BY:

ALSTON VENTURES INC.

(hereinafter referred to as the "DEBTOR")

- in favour of -

WAYNE BABCOCK

(hereinafter referred to as the "SECURED PARTY")

GENERAL SECURITY AGREEMENT

1. Definitions

In this Agreement:

- (a) ACT means the *Personal Property Security Act*, R.S.A. 2000, c.P-7 as amended;
- (b) COLLATERAL means all present and after-acquired Goods, Chattel Paper, Money, Securities, Documents of Title, Instruments or Intangibles described in Schedule "A" attached hereto and forming part of this Agreement and all parts, accessories, attachments, equipment, additions, accretions and Accessions thereto and property thereof, together with any equipment or accessories placed upon or repairs made to the foregoing during the continuance of this Agreement;
- (c) INDEBTEDNESS means the principal sum or aggregate outstanding at any given time of all loans and advances made or to be made by the SECURED PARTY to the DEBTOR or amounts otherwise owed now or in the future by the DEBTOR to the SECURED PARTY including all future advances and re-advances and interest on such loans and advances and all other debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the DEBTOR to the SECURED PARTY arising from this or any other agreement or dealings between the SECURED PARTY and the DEBTOR; and
- (d) All fully capitalized terms shall have the meaning ascribed to them in Section 1 herein; and those terms defined in the ACT, when used herein, shall be designated by a capitalized first letter and shall have the same meaning ascribed to them in the ACT.

2. Security Interest

For Value given by the SECURED PARTY to the DEBTOR, the receipt and sufficiency of which the DEBTOR hereby acknowledges, the DEBTOR hereby transfers, grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants to the SECURED PARTY a Security Interest in the COLLATERAL and Proceeds to secure payment of the INDEBTEDNESS and performance of any and all obligations of the DEBTOR to the SECURED PARTY.

3. Representations and Warranties of the DEBTOR

The DEBTOR represents and warrants to the SECURED PARTY that:

- (a) the DEBTOR owns or is entitled to own and is in possession of the COLLATERAL and will maintain the COLLATERAL free and clear of all liens, charges, encumbrances and Security Interests; and
- (b) there are no pending or threatened actions or proceedings before any court or administrative board or tribunal or any judgments or awards against the DEBTOR which may adversely affect the financial condition or business of the DEBTOR, except as disclosed in writing to the SECURED PARTY prior to the date of this Agreement.

All representations and warranties of the DEBTOR are material to the SECURED PARTY and shall survive any advance of funds by the SECURED PARTY to the DEBTOR or delivery or registration of this Agreement and shall continue until the INDEBTEDNESS has been paid in full to the SECURED PARTY and all other obligations of the DEBTOR hereunder have been performed.

4. Covenants of the DEBTOR

The DEBTOR hereby covenants and agrees with the SECURED PARTY:

- (a) to pay the INDEBTEDNESS to the SECURED PARTY;
- (b) that the DEBTOR has now, and will maintain in good standing insurance on the COLLATERAL in an amount not less than the full insurable value of the COLLATERAL against loss or damage by fire and such other risks as the SECURED PARTY may reasonably direct, with insurers acceptable to the SECURED PARTY with loss payable to the SECURED PARTY and the DEBTOR as their interests may appear and will provide the SECURED PARTY with copies of all policies or other evidence of insurance satisfactory to the SECURED PARTY relating to the COLLATERAL. Upon the happening of any loss or damage the DEBTOR will furnish, at its expense, all necessary proofs and will do all necessary acts to enable the SECURED PARTY to obtain payment of the insurance monies;

- (c) that the DEBTOR will pay or cause to be paid all taxes, rates, levies, assessments, impositions and charges which are now or may hereafter be levied, assessed, imposed or charged against or in respect of the DEBTOR or the COLLATERAL as and when due and payable;
- (d) to keep the COLLATERAL in a state of good repair and to permit the SECURED PARTY, its servants and agents to view the state and condition of the COLLATERAL and for such purpose to permit the SECURED PARTY, at all reasonable times, to enter into and upon any premises owned or occupied by the DEBTOR;
- (e) to give the SECURED PARTY prompt and immediate notice of:
 - (i) any change in the information contained herein or in the schedules hereto relating to the DEBTOR, the DEBTOR'S business or the COLLATERAL;
 - (ii) the details of any significant acquisition of COLLATERAL;
 - (iii) the details of any claims or litigation affecting the DEBTOR or the COLLATERAL;
 - (iv) any loss or damage to the COLLATERAL;
 - (v) removal of the COLLATERAL out of Alberta; or
 - (vi) any change of the DEBTOR'S name;
- (f) not to create, assume or permit to exist any mortgage, lien, charge, encumbrance or Security Interest of any nature or kind whatsoever with respect to the COLLATERAL or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest granted to the SECURED PARTY hereunder.

5. Covenants of the SECURED PARTY

The SECURED PARTY hereby covenants and agrees with the DEBTOR to provide its consent or perform any other necessary acts to enable the DEBTOR to acquire or dispose of or encumber part of the COLLATERAL in the ordinary course of business where it is reasonable to conclude that in so consenting or performing any other act, the overall COLLATERAL and/or the ability of the DEBTOR to repay the INDEBTEDNESS as agreed to by the DEBTOR has not been materially adversely affected.

6. Default

The happening of any of the following shall constitute default by the DEBTOR hereunder:

- (a) if the DEBTOR shall default in making any payment due to the SECURED PARTY with respect to the INDEBTEDNESS or be in breach of any provision of this Agreement, or any other agreement between the DEBTOR and SECURED PARTY;
- (b) if the DEBTOR shall make an assignment for the benefit of creditors or be declared bankrupt, or if a Receiver be appointed with respect to the DEBTOR or any of the DEBTOR'S property or if the DEBTOR makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta or the *Canada Business Corporations Act* as now or hereafter in force;
- (c) if an order shall be made or an effective resolution passed for the winding up, liquidation or amalgamation of the DEBTOR;
- (d) if the DEBTOR ceases or threatens to cease to carry on its business;
- (e) if an execution, distress, sequestration or any other process of any court becomes enforceable against the DEBTOR or if a distress or analogous process is levied upon the property of the DEBTOR or any part thereof;
- (f) if the SECURED PARTY, acting commercially reasonably, deems itself insecure or decides that the COLLATERAL is in jeopardy or the SECURED PARTY has commercially reasonable grounds to believe that the prospect of payment or performance of the obligations of the DEBTOR is or is likely to be impaired or that the COLLATERAL is or is likely to be in jeopardy;
- (g) if any lien, charge, encumbrance or Security Interest affecting the COLLATERAL becomes enforceable against the COLLATERAL;
- (h) if any representation, warranty or covenant made in this Agreement or any document or report furnished to the SECURED PARTY in respect of the DEBTOR or the COLLATERAL proves to have been or to have become false or materially misleading.

7. Remedies

Upon default by the DEBTOR hereunder:

- (a) the SECURED PARTY, at its sole discretion, may declare any or all of the INDEBTEDNESS, which is not by its terms payable on demand, to be immediately due and payable, without demand or notice of any kind. Notwithstanding the foregoing the DEBTOR acknowledges that the SECURED PARTY may in its sole, absolute and unfettered discretion

demand payment with respect to any portion of the INDEBTEDNESS which may now or hereafter be payable on demand;

- (b) the SECURED PARTY may proceed to enforce payment and exercise all of the rights and remedies of the SECURED PARTY provided for in the ACT as well as any and all other rights and remedies available to the SECURED PARTY at law or in equity including without limitation, the right to repossess the COLLATERAL;
- (c) the DEBTOR agrees to assign to the SECURED PARTY, in writing, at the SECURED PARTY'S option, any rental payments due or to become due to the DEBTOR from or under any lease of the COLLATERAL;
- (d) the SECURED PARTY may by instrument in writing appoint any person or persons as Receiver of the COLLATERAL or any part thereof and may remove the Receiver so appointed by it and appoint another or others in his or their stead or may take proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the COLLATERAL and:
 - (i) the SECURED PARTY may from time to time fix the remuneration of the Receiver;
 - (ii) the Receiver shall so far as concerns responsibility for his acts and omissions be deemed to be the agent of the DEBTOR and not the agent of the SECURED PARTY and the SECURED PARTY shall not be responsible in any way for any misconduct or negligence on the part of the Receiver;
 - (iii) to enable the Receiver to exercise the powers granted pursuant to the terms of this Agreement the DEBTOR hereby irrevocably appoints the Receiver attorney on the DEBTOR'S behalf to do all acts and things on behalf of and in the name of the DEBTOR as may be authorized by the provisions of this Agreement, including carrying out any sale of any or all of the COLLATERAL and affixing the seal of the DEBTOR, if a corporation, to any deeds, transfers, conveyances, assignments, assurances, documents and things which in the Receiver's discretion ought to be executed to complete any sale or transfer of any or all of the COLLATERAL or alternatively, to execute the same under the Receiver's own seal, by conveying in the name of and on behalf of the DEBTOR; and any deed, transfer or other instrument signed by the Receiver under his seal shall have the same effect as if it were validly executed by the DEBTOR;
- (e) subject to the ACT, all monies collected or received by the SECURED PARTY pursuant to or in exercise of any right it possesses with respect to the COLLATERAL shall be applied on account of the INDEBTEDNESS in such manner as the SECURED PARTY deems appropriate or at the

option of the SECURED PARTY, may be held unappropriated in a collateral account or released to the DEBTOR, all without prejudice to the liability of the DEBTOR or the rights of the SECURED PARTY hereunder and any surplus shall be accounted for as required by law;

- (f) the DEBTOR acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the COLLATERAL shall not in any way restrict, hinder or estop the SECURED PARTY from suing for and obtaining judgment against the DEBTOR for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the COLLATERAL, including all legal fees and disbursements as between a solicitor and his own client;
- (g) to the extent permitted by the ACT, the DEBTOR waives any action, claim or demand by reason of any act or omission of the SECURED PARTY or its agents in connection with repossession or attempted repossession of the COLLATERAL and hereby releases and discharges the SECURED PARTY and its agents of and from all actions, causes of action, claims and demands of every kind and nature which the DEBTOR has or may have as a result of any such action; and
- (h) the rights and remedies herein conferred upon the SECURED PARTY shall be cumulative and not alternative, shall be in addition to and not in substitution or derogation of rights and remedies conferred by the ACT and any other applicable law.

8. Powers of Receiver

Any Receiver appointed by the SECURED PARTY shall have the power:

- (a) to take possession of and get in all or any part of the COLLATERAL;
- (b) to carry on, manage and conduct or to concur in the carrying on, management and conduct of the business of the DEBTOR;
- (c) to receive the revenues, incomes, issues and profits of the COLLATERAL and of carrying on the business of the DEBTOR and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business or otherwise;
- (d) to sell or lease or dispose of any or all of the COLLATERAL;
- (e) to make any arrangement or compromise which the Receiver shall deem expedient; and
- (f) to exercise all rights and powers of the SECURED PARTY hereunder and to act generally in relation to the COLLATERAL in such manner and on

such terms as may be expedient in the best interests of the SECURED PARTY.

9. Perform Obligations of DEBTOR

The SECURED PARTY shall have the right, but shall not be obliged to perform any of the obligations of the DEBTOR hereunder and the DEBTOR shall forthwith pay to the SECURED PARTY, upon written demand therefor, an amount equal to the expense incurred by the SECURED PARTY in so doing together with interest from the date such expense is incurred until it is paid at a rate equal to the greater of the highest rate of interest payable by DEBTOR on any amount owing to the SECURED PARTY and the sum of Seven and a half (7.5%) per cent per annum payable quarterly and all of the foregoing amounts shall be added to the INDEBTEDNESS secured by this Agreement.

10. Reservation

The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest hereby created and does not form part of the COLLATERAL but upon enforcement of the Security Interest the DEBTOR shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

11. Proceeds in Trust

All proceeds from the sale or other disposition of the COLLATERAL hereunder realized by the DEBTOR or any agent on the DEBTOR'S behalf shall be held in trust by the DEBTOR for the SECURED PARTY.

12. No Obligation to Advance

Nothing herein shall obligate the SECURED PARTY to make any advance or loan or future advance or loan or to renew any note or extend any time for payment of any INDEBTEDNESS or liability of the DEBTOR to the SECURED PARTY.

13. Waiver

For the purposes of this Agreement, or any other agreement or instrument renewing or extending or collateral to this Agreement, and to the extent permitted by law, the DEBTOR hereby expressly waives the benefit of the provisions of the *Law of Property Act* of Alberta.

14. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the DEBTOR irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in courts of the Province of Alberta or in any court of competent jurisdiction as the SECURED PARTY may elect and the DEBTOR agrees to attorn to the same.

15. Joint and Several

If more than one person executes this Agreement their obligation shall be joint and several and each shall remain liable hereunder until all debtors are released in full.

16. No Waiver

No consent or waiver, expressed or implied by the SECURED PARTY of any breach or default by the DEBTOR in the performance by the DEBTOR of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the DEBTOR'S obligations hereunder. Failure by the SECURED PARTY to complain of any act or failure to act on the part of the DEBTOR or to declare the DEBTOR in default, irrespective of how long such failure continues, shall not constitute a waiver by the SECURED PARTY of its rights hereunder.

17. Cost and Expenses

The DEBTOR agrees to pay all costs, charges and expenses reasonably incurred by the SECURED PARTY or any Receiver appointed by it including, but without restricting the generality of the foregoing, legal fees as between a solicitor and his own client on a full indemnity basis, in preparing, registering, protecting or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposition and disposing of COLLATERAL and in enforcing or collecting the INDEBTEDNESS and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the SECURED PARTY or any Receiver appointed by it shall be a first charge on the proceeds of realization, collection or disposition of COLLATERAL and shall be secured hereby.

18. Number and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the facts or context so requires.

19. No Modification

No modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto.

20. Continuing Security

This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the SECURED PARTY and is intended to be a continuing Security Agreement and shall remain in full force and effect until the INDEBTEDNESS is repaid and the obligations of the DEBTOR to the SECURED PARTY performed notwithstanding that the INDEBTEDNESS is reduced from time to time and thereafter increased or entirely extinguished, or the SECURED PARTY, by instrument in writing, terminates this Agreement.

21. Attachment

The DEBTOR acknowledges that Value has been given. The Security Interest created hereby is intended to attach when this Agreement is signed by the DEBTOR, or in the case of any after-acquired property of the DEBTOR, upon the date the DEBTOR acquires rights in such property.

22. No Representations

There are no representations, warranties, agreements or conditions expressed or implied, statutory or otherwise, affecting the rights and liabilities of the parties hereto or the attributes of the COLLATERAL other than specifically contained or referred to herein.

23. Unenforceable Term

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or the application of such term, covenant or condition to a party or a circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

24. Assignment

This Agreement is not assignable by the DEBTOR without the express prior written consent of the SECURED PARTY.

25. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, the assigns of the SECURED PARTY and the permitted assigns of the DEBTOR.

26. Schedules

The parties hereto confirm and ratify the matters contained in the schedules to this Agreement and agree that the same are expressly incorporated into and form part of this Agreement.

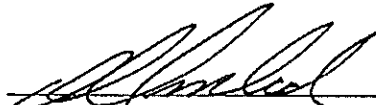
27. Acknowledgment of Receipt

The DEBTOR acknowledges having received a duplicate executed copy of this Agreement on the date of its execution, and waives any right it may have to receive a Financing Statement, Financing Change Statement or verification statement relating to it.

IN WITNESS WHEREOF the DEBTOR has executed this Agreement all on the day and year first above written.

ALSTON VENTURES INC.

Per:



Don Umbach, President

SCHEDULE A
DESCRIPTION OF COLLATERAL

All of the DEBTOR'S present and after-acquired property and proceeds therefrom.

Transmitting Party

MILLER THOMSON LLP

3000, 700 9 AVENUE SW
CALGARY, AB T2P 3V4

Party Code: 50062611

Phone #: 403 298 2400

Reference #: 130905.7/RP

Security Agreement

Control #: F01454893

Registration Date: 2011-Jan-21

Registration #: 11012129759

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Security Agreement

Control #: F01454893

Registration Date: 2011-Jan-21

Registration #: 11012129759

The Registration Term is 2 Years

This Registration Expires at 11:59 PM on 2013-Jan-21

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Secured Party / Parties

Block

1 BABCOCK, WAYNE
1006 - 2201 Pine Street
Vancouver, BC V6J 5E7

Collateral: General

Block Description

1 All of the Debtor's present and after-acquired property and proceeds therefrom.

End of Verification Statement

Transmitting Party

A. ACCU. SEARCH INC

320 EDM CITY CENTRE E, 10205 101 STREET
EDMONTON, AB T5J 4H5

Party Code: 50073170
Phone #: 780 424 2340
Reference #:

Amendment and Renewal of Security Agreement

Control #: M02323609

Registration Date: 2013-Jan-02

Registration #: 13010212724

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Amendment and Renewal of Security Agreement

Control #: M02323609

Registration Date: 2013-Jan-02

Registration #: 13010212724

Registration Renewed for 10 Years

This Registration Expires at 11:59 PM on 2023-Jan-21

Latest Registration # is 11051223658.

First Current Debtor is ALSTON ENERGY INC..

First Current Secured Party is BABCOCK, WAYNE.

Deletions

Debtor(s)

Block

1 ALSTON VENTURES INC.
510, 1011 - 1st Street S.W.
Calgary, AB T2R 1J2

Additions

Debtor(s)

Block

2 ALSTON ENERGY INC.
1100, 744-4 Avenue SW
Calgary, AB T2P 3T4

End of Verification Statement