

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY AND ANY SECURITY ISSUED ON EXERCISE HEREOF MUST NOT TRADE THE SECURITY BEFORE [THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DATE OF THIS CREDIT AGREEMENT]

**CREDIT AGREEMENT**

between

**ASCOT RESOURCES LTD.**

as Borrower

and

**IDM MINING LTD.**

and

**ASCOT POWER LTD.**

as Guarantors

and

**BEEDIE INVESTMENTS LTD.**

as Agent

and

**BEEDIE INVESTMENTS LTD.**

and

**SPROTT PRIVATE RESOURCE LENDING II (COLLECTOR), LP**

and

**609912 B.C. LTD.**

as Lenders

Dated as of December 9, 2020

**Dentons Canada LLP  
Barristers and Solicitors  
20th Floor - 250 Howe Street  
Vancouver, British Columbia V6C 3R8**

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THIS CREDIT AGREEMENT is made as of the 9th day of December, 2020

BETWEEN:

**ASCOT RESOURCES LTD.**, a corporation subsisting under the laws of the Province of British Columbia, as Borrower

(the "**Borrower**")

AND:

**IDM MINING LTD.**, a corporation subsisting under the laws of the Province of British Columbia, as Guarantor

("IDM Mining")

AND:

**ASCOT POWER LTD.**, a corporation subsisting under the laws of the Province of British Columbia, as Guarantor

("Ascot Power")

AND:

**BEDDIE INVESTMENTS LTD.**, as Agent

AND:

**BEDDIE INVESTMENTS LTD.**, as Lender

AND:

**SPROTT PRIVATE RESOURCE LENDING II (COLLECTOR), LP**, as Lender

AND:

**609912 B.C. LTD.**, as Lender

WHEREAS:

- A. The Borrower has requested that a non-revolving term convertible credit facility be made available to it by the Lenders in the principal amount of up to \$25,000,000; and
- B. Beedie and the Lenders have agreed to provide the requested credit facility to the Borrower subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties to this Agreement hereby agree as follows:

## **ARTICLE 1 DEFINED TERMS**

### **1.1 Defined Terms**

**“Acquisition”** means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in: (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person; (b) the acquisition of a controlling interest in the capital stock, partnership interests, membership interests or equity of any Person; or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Credit Party), provided that the Borrower or a Person that is or will become a Credit Party is the surviving entity.

**“Advance”** means an advance by the Lenders, or either of them, and their respective successors and assigns, under the Credit Facility, including the Initial Advance and the Subsequent Advance.

**“Affiliate”** of a Person means any other Person which, directly or indirectly, controls or is controlled by or is under common control with the first Person, and for purposes of this definition, “control” (including with correlative meanings the terms “controlled by” and “under common control with”) means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or by contract or otherwise.

**“Agent”** means Beedie Investments Ltd., in its capacity as administrative and collateral agent in respect of the Credit Facility and the Credit Documents appointed pursuant to the Interlender and Agency Agreement, and any successor Agent appointed pursuant to the terms thereof.

**“Agreement”**, **“hereof”**, **“herein”**, **“hereto”**, **“hereunder”** or similar expressions mean this Agreement, as amended, supplemented, restated and replaced from time to time.

**“Applicable Law”** means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter (whether or not having the force of law), and also includes any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation.

**“Applicable Securities Legislation”** means all applicable securities laws of each of the Reporting Jurisdictions and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of the Reporting Jurisdictions and such other jurisdictions as may be agreed to between the Borrower and the Agent.

**“Arm’s Length”** has the meaning attributed thereto in the *Income Tax Act* (Canada).

**"Ascot Power"** means Ascot Power Ltd., a corporation subsisting under the laws of the Province of British Columbia, and its successors and permitted assigns.

**"Authorization"** means any authorization, consent, approval, resolution, licence, permit, concession, exemption, filing, notarization or registration.

**"Beedie"** means Beedie Investments Ltd. and its successors and assigns.

**"Benefits Agreement"** means the benefits agreement dated as of March 19, 2019 between Nisga'a Nation and IDM Mining Ltd.

**"Borrower"** means Ascot Recourses Ltd., a corporation subsisting under the laws of the Province of British Columbia, and its successors and permitted assigns.

**"Borrower's Auditors"** means, at any time, a firm of chartered accountants duly appointed as auditors of the Borrower.

**"Business Day"** means a day of the year, other than Saturday or Sunday, on which banks are open for business in Vancouver, British Columbia and Toronto, Ontario.

**"Canadian Dollars", "Cdn. Dollars" and "Cdn. \$"** mean lawful money of Canada.

**"Certificate of the Borrower"** means an instrument signed in the name of the Borrower and without personal liability by any Director or officer of the Borrower, certifying the matters specified therein.

**"Change of Control"** means the occurrence of any of the following events:

- (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in section 1.1 of Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids) has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Shares, that together with the offeror's securities (as such term is defined in section 1.1 of Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids) in relation to any Voting Shares, would constitute Voting Shares representing more than (i) 40% of the total voting power attached to all Voting Shares then outstanding if such report is filed in connection with an issuance of Voting Shares which constitutes a portion of the Minimum Equity Financing or (ii) 30% of the total voting power attached to all Voting Shares then outstanding if such report is not filed in connection with an issuance of Voting Shares which constitutes a portion of the Minimum Equity Financing;
- (b) there is consummated any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of the Borrower (1) in which the Borrower is not the continuing or surviving corporation or (2) pursuant to which any Voting Shares would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of the Borrower in which the holders of the Voting Shares immediately prior to the amalgamation, consolidation, statutory arrangement or merger

have, directly or indirectly, more than 70% of the Voting Shares of the continuing or surviving corporation immediately after such transaction;

- (c) any Person or group of Persons shall succeed in having a sufficient number of its nominees elected as Directors of the Borrower such that such nominees, when added to any existing Directors after such election who were nominees of or Affiliates or related Persons of such Person or group of Persons, will constitute a majority of the Directors; or
- (d) there occurs any other change of Control of any Credit Party as it exists as of the date of this Agreement.

**"Closing Date"** means the date of the Initial Advance upon satisfaction of all conditions precedent set out in Section 6.1, or such earlier or later date as agreed to by the parties hereto.

**"Collateral"** means the Property charged or intended to be charged by the Security Documents and any other Property, whether real or personal, tangible or intangible, now existing or hereafter acquired by the Credit Parties that may at any time be or become subject to the Security Documents.

**"Commitment Fee"** means the non-refundable commitment fee in the amount of [Redacted: dollar amount] earned by Beedie of which [Redacted: dollar amount] has been paid, with the remaining [Redacted: dollar amount] to be paid to Beedie on the Closing Date and deducted from the Initial Advance hereunder.

**"Common Shares"** means common shares in the capital of the Borrower as such shares exist at the close of business on the date of execution and delivery of this Agreement.

**"Completion"** means, in respect of the Premier Project, the concurrent satisfaction or fulfillment of each of the following:

- (a) passage of the Completion Test set forth in Schedule H to the Agent's satisfaction, in consultation with the Project Consultant (except to the extent that any requirement of the Completion Test is waived in writing by the Agent);
- (b) all of the covenants and agreements of the Credit Parties contained herein and in any other Credit Documents required to be fulfilled or satisfied, including but not limited to the Project Repayment Covenant, shall have been so fulfilled or satisfied to the Agent's satisfaction; and
- (c) no Default or Event of Default shall have occurred and be continuing,

evidenced by the delivery of a certificate by the Borrower to the Agent confirming each of the foregoing (the **"Completion Certificate"**).

**"Completion Date"** means the date on which the Agent has confirmed to the Borrower in writing its receipt and acceptance of the Completion Certificate.

**"Completion Long Stop Date"** means September 30, 2023 or such later date as the Agent may agree to in writing.

**“Completion Test”** has the meaning attributed to such term in Schedule H.

**“Compliance Certificate”** means the certificate of the Borrower in the form attached hereto as Schedule G.

**“Constating Documents”** means, with respect to a corporation, its articles of incorporation, amalgamation or continuance or other similar document and its by-laws or articles and with respect to a partnership, its partnership agreement and its certificate of registration, or other similar document and with respect to a trust or a fund, its declaration of trust and its certificate of registration if applicable, or other similar document and with respect to any other Person which is an artificial body the organization and governance documents of such person, all as amended from time to time.

**“Contested Taxes”** has the meaning set out in paragraph (d) of the definition of Permitted Encumbrances.

**“Contingent Liabilities”** means, with respect to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the **“primary obligations”**) of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Liability does not include endorsements of instruments for deposit or collection in the ordinary course of business.

**“Control”** of any Person means:

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of such Person; or
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of such Person; or
  - (iii) give directions with which the directors or other equivalent officers of such Person are obliged to comply; or
  - (iv) to direct or cause the direction of the management or policies of a Person; and/or
- (b) the holding beneficially of more than 50% of the issued share capital of such Person.

**“Conversion”** means conversion, in whole or in part, of the outstanding principal amount of the Credit Facility to Common Shares as contemplated in Section 2.5 hereof.

**“Conversion Amount”** is defined in Section 2.5.1.

**“Conversion Date”** is defined in Section 2.5.1.

**“Conversion Price”** means the Initial Advance Conversion Price or the Subsequent Advance Conversion Price, as applicable.

**“Conversion Shares”** means the Common Shares of the Borrower issuable to the Lenders upon conversion of all or part of the outstanding principal amount of the Credit Facility pursuant to Section 2.5 hereof.

**“Credit Documents”** means this Agreement, the Security Documents and all other documents now or hereafter delivered pursuant to this Agreement.

**“Credit Facility”** means the non-revolving term convertible credit facility more particularly described in Section 2.1.

**“Credit Limit”** means \$25,000,000 subject to permanent cancellation and reduction pursuant to Sections 2.2 and 2.4.

**“Credit Parties”** means, collectively, the Borrower and all Guarantors and **“Credit Party”** means any one of them.

**“Credit Parties’ Counsel”** means Blake, Cassels & Graydon LLP and, at any time, any other legal counsel retained by a Credit Party in the relevant jurisdiction to the matter in question.

**“Current Assets”** means, at any time, all current assets on the consolidated balance sheet of the Borrower, determined as of such time in accordance with IFRS.

**“Current Liabilities”** means, at any time, all current liabilities on the consolidated balance sheet of the Borrower, less the current portion of the outstanding Senior Obligations, the current portion of the Obligations, and any premium portion of flow through shares held by a Credit Party classified as current liabilities on the Borrower’s balance sheet, determined as of such time in accordance with IFRS.

**“Default”** means any event or circumstance specified in Section 9.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) be an Event of Default.

**“Disclosure Record”** means all information circulars, prospectuses (including preliminary prospectuses), annual information forms, offering memoranda, financial statements, material change reports and news releases filed by the Borrower with the Exchange and all securities regulatory authorities in each Reporting Jurisdiction during the 12 months preceding the date hereof.

**“Distribution”** means, with respect to any Person, any payment by such Person in cash or property (a) of any dividends on any of its Equity Interests, (b) on account of, or for the purpose of

setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of its Equity Interests or any warrants, options or rights to acquire any such Equity Interests, or the making by such Person of any other distribution in respect of any of its Equity Interests, (c) of any principal of or interest or premium on any Indebtedness of such Person to a holder of Equity Interests (excluding the Agent, Lenders and Senior Lenders) of such Person or to an Affiliate of a holder of Equity Interests (excluding the Agent, Lenders and Senior Lenders) of such Person or other Related Party where such Indebtedness is primarily held by holders of Equity Interests (excluding the Agent, Lenders and Senior Lenders) of such Person excluding Indebtedness issued on an arm's length basis and on a widely held basis, or (d) of any management, consulting or similar fee or any bonus payment or comparable payment, or by way of cash gift or other cash gratuity, to any Affiliate of such Person or to any director or officer or Related Party thereof but excluding (i) directors' fees and reimbursement of expenses, and (ii) salary, bonus, and other employment-related compensation, and reimbursement of expenses, paid to the senior officers of the Borrower, in each case, incurred and paid in the ordinary course of business in relation to their directorship and employment with the Borrower and its Subsidiaries on reasonable market terms.

**"Drawdown Request"** means a notice in the form of Schedule I hereto given by the Borrower to the Lenders for the purpose of requesting an Advance.

**"Encumbrance"** means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, claim, deed of trust, royalty, assignment by way of security, hypothecation, security interest (including a security interest), conditional sales agreement, lease or title retention agreement, financing statement or other registration or recording in any public registry system affecting any of such Person's property or other encumbrance, granted or permitted by such Person or arising by operation of law, in respect of any of such Person's property, or any consignment by way of security or lease of property by such Person or consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, and **"Encumbrances"**, **"Encumbrancer"**, **"Encumber"** and **"Encumbered"** have corresponding meanings.

**"Environmental Laws"** means all federal, provincial, state, municipal, national, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other Authorizations, as well as common law, civil law and other jurisprudence or authority, in each case, domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, direction, certificate, approval, consent, registration, licence or other Authorization of any kind held or required to be held in connection with any Environmental Matters.

**"Environmental Matters"** means:

- (a) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism;
- (b) any waste, toxic substance, contaminant, pollution or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere; and

- (c) the protection and conservation of any component of the earth and its surrounding atmosphere, human health or any plant, animal or other living organism.

**“Equity Interests”** means, with respect to any Person, shares in the capital of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or acquisition from such Person of shares in the capital of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares in the capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

**“Equivalent Amount”** means, in relation to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency determined by reference to the applicable Exchange Rate at the time of such determination.

**“Event of Default”** has the meaning defined in Section 9.1.

**“Event of Taking”** means any taking, seizure, confiscation, requisition, exercise of rights of eminent domain, public improvement, inverse condemnation, condemnation, expropriation or similar action or threat of any such action of or proceeding by any Governmental Authority or other Person relating to (unless otherwise specified) all or any part of either Project.

**“Exchange”** means the Toronto Stock Exchange and each successor thereto.

**“Exchange Rate”** in connection with any amount of U.S. Dollars or Cdn. Dollars to be converted into another currency pursuant to this Agreement for any reason, or vice-versa, means the spot rate of exchange for converting U.S. Dollars or Cdn. Dollars into such other currency or vice-versa, as the case may be, quoted by Royal Bank of Canada as its offering rate for wholesale transactions at approximately noon (Toronto time) on such date.

**“Excluded Taxes”** means with respect to the Lenders, income Taxes, franchise Taxes imposed on (or measured by) the taxable capital of the Lenders, or capital Taxes imposed on (or measured by) the taxable capital of the Lenders, in each case, imposed by the jurisdiction (or any political subdivision thereof) under the laws of which a Lender is organized or in which such Lender’s principal office is located or in which such Lender’s applicable lending office is located.

**“Existing Sprott Debt”** means the indebtedness of the Credit Parties under the Senior Unsecured Convertible Promissory Note dated January 18, 2019 in the principal amount of \$8,830,000 issued by the Borrower in favour of Sprott Private Resource Lending (Collector), LP and the Senior Unsecured Convertible Promissory Note dated January 18, 2019 in the principal amount of \$1,170,000 issued by the Borrower in favour of Resource Income Partners Limited Partnership.

**“Financial Assistance”** means, with respect to any Person, any loan, guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise).

**“Financial Instrument Obligations”** means, with respect to any Person, obligations arising under:

- (a) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is interest rates or the price, value or amount payable thereunder is dependent or based upon interest rates or fluctuations in interest rates in effect from time to time (but excluding non-speculative conventional floating rate indebtedness);
- (b) currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates in effect from time to time; and/or
- (c) any agreement for the making or taking of any commodity (including gold, coal, natural gas, oil and electricity), swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity,

or any other similar transaction, including any option to enter into any of the foregoing, or any combination of the foregoing, in each case to the extent of the net amount due or accruing due by the Person under the obligations determined by marking the obligations to market in accordance with their terms.

**“Fiscal Quarter”** means the three-month period commencing on the first day of each Fiscal Year and each successive three-month period thereafter during such Fiscal Year.

**“Fiscal Year”** means the fiscal year of the Borrower commencing on January 1 of each year and ending on December 31 of each year, or such other fiscal year of the Borrower as approved by the Agent.

**“Governmental Authority”** means:

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances and includes without limitation the Exchange;
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof; and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**“Guarantee”** means the guarantees to be provided by the Guarantors in connection with the Credit Facility, as amended, modified, supplemented, restated or replaced from time to time.

**“Guarantors”** means the Subsidiaries of the Borrower who are guarantors of the Obligations from time to time (including any Person who becomes a Guarantor after the date hereof as required by any Credit Document); as of the date hereof, the Guarantors are IDM Mining Ltd., a British Columbia company, and Ascot Power Ltd., a British Columbia company.

**“Hazardous Materials”** has the meaning attributed to such term in Section 7.1(mm).

**“IDM Mining”** means IDM Mining Ltd., a corporation subsisting under the laws of the Province of British Columbia and its successors and permitted assigns.

**“IFRS”** means international financial reporting standards, approved by the International Accounting Standards Board or any successor thereto (**“IASB”**), as at the date on which any calculation or determination is required to be made, provided that, in accordance with such international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard.

**“Impermissible Qualification”** means relative to the financial statements (including notes thereto) of any Person or report or opinion of any independent auditor in respect thereof, any qualification to such financial statements (or notes thereto) or report or opinion thereon which states that such Person is not, or may in the future not be, a “going concern” or any statement detailing any limitation imposed by a Person on the scope of review of the financial statements (or notes thereto) beyond any customary limitations or statements of a similar nature.

**“Indebtedness”** means, with respect to a Person, without duplication:

- (a) all obligations of the Person for borrowed money, including debentures, notes or similar instruments and other financial instruments and obligations with respect to bankers' acceptances and contingent reimbursement obligations relating to letters of credit;
- (b) all Financial Instrument Obligations of the Person;
- (c) all Lease Obligations and Purchase Money Obligations of the Person;
- (d) all obligations to pay the deferred and unpaid purchase price of property or services, which purchase price is due and payable more than six months after the date of placing such property or service or taking delivery at the completion of such services;
- (e) all indebtedness of any other Person secured by an Encumbrance on any asset of the Person;
- (f) all obligations to repurchase, redeem or repay any Equity Interests of such Person that fall due on or prior to the Maturity Date;
- (g) any other obligation arising under arrangements or agreements that, in substance, provide financing to such Person and which, in accordance with IFRS, would be classified upon a balance sheet as a liability (absolute or contingent) of such Person

including an obligation to accept or deliver goods or services designed to provide credit support or a take or pay arrangement; and

- (h) all Contingent Liabilities of the Person with respect to obligations of another Person if such obligations are of the type referred to in paragraphs (a) to (g), specifically excluding:
  - (i) regular accrued interest not yet due and payable provided that the amount of capitalized interest shall be included as “**Indebtedness**”; and
  - (ii) such other liabilities as may be agreed by the Agent from time to time in its sole discretion.

“**Initial Advance**” means the initial advance under the Credit Facility in the principal amount of \$10,000,000 to be made by the Lenders to the Borrower on the Closing Date.

“**Initial Advance Conversion Price**” means CAD\$1.32672.

“**Initial Advance Forced Conversion Notice**” is defined in Section 2.5.

“**Initial Advance Forced Conversion Trigger**” is defined in Section 2.5.

“**Initial Advance Subscription Price**” is defined in Section 2.5.

“**Initial Model Delivery Date**” means the date on which the first Model prepared by the Borrower is delivered to and approved by the Agent, as contemplated herein.

“**Interlender and Agency Agreement**” means the interlender and agency agreement dated the date hereof made between Beedie, in its capacity as Agent and Beedie, Sprott Private Resource Lending II (Collector), LP and 609912 B.C. Ltd., in their capacity as Lenders, as amended, supplemented, restated or replaced from time to time.

“**Investment**” means:

- (a) any loan or other extension of credit (including the delivery of guarantees, indemnities or other financial assistance) or capital contribution (including a transfer of property) to, or acquisition of any Equity Interests, bonds, notes, debentures or other securities of, any Person; and
- (b) any purchase of any assets constituting all or part of a business unit from any Person;

and “**Invest**” and “**Invested**” shall be construed accordingly.

“**Lease**” means, with respect to a Person, a lease or other arrangement in respect of personal property that is required to be classified and accounted for as a lease obligation on a balance sheet of the Person in accordance with IFRS.

“**Lease Obligation**” means, with respect to a Person, the obligation of the Person to pay rent or other amounts under a Lease and for the purposes of this definition, the amount of such obligation at any date shall be the capitalized amount of such obligation at such date as determined in accordance with IFRS.

**"Lenders"** means Beedie, Sprott Private Resource Lending II (Collector), LP and 609912 B.C. Ltd., and their respective successors and permitted assigns.

**"Make Whole Fee"** is defined in Section 3.2.

**"Material Adverse Effect"** means, when used with reference to any event or circumstance, any event or circumstance which has, had, or could reasonably be expected to have a material adverse effect on (or in the case of paragraph (f) below, to result in or require a material adverse change or amendment to):

- (a) the business, operations, prospects, results of operations, assets, liabilities (contingent or otherwise), capitalization, condition (financial or otherwise) or cash flows of the Credit Parties taken as a whole;
- (b) the ability of the Borrower to construct and operate the Premier Project as contemplated by the Model and to achieve Completion on or before the Completion Long Stop Date;
- (c) the ability of the Credit Parties or any of them to perform any of their material obligations under this Agreement or any of the other Credit Documents;
- (d) the validity or enforceability of this Agreement or any other Credit Document;
- (e) the priority or ranking of any Encumbrance granted pursuant to any of the Security Documents or any of the rights or remedies of the Lenders thereunder or under any other Credit Document; or
- (f) the Model or any projections, forecasts or other information contained therein,

in each case as determined by the Agent.

**"Material Contract"** means, with respect to any Credit Party, any contract instrument or other agreement (including all Project Documents) which (i) is prudent or necessary for the continuing operation and development of either Project and (ii) contains terms and conditions which, if amended or, upon breach, termination, non-renewal or non-performance, could be expected to have a Material Adverse Effect, as of the date hereof, as more particularly described on Schedule E hereto.

**"Maturity Date"** means the date that is 36 months following the Closing Date, provided that the Maturity Date shall be extended for an additional 12 months to 48 months following the Closing Date if each of the following conditions are satisfied to the satisfaction of the Agent, acting reasonably, by no later than 35 months following the Closing Date:

- (a) confirmation that (i) all material Authorizations necessary or required to enable the Borrower to construct and operate the Premier Project have been obtained and are valid, subsisting and in good standing including without limitation the Permit Amendments, (ii) all Material Contracts have been executed and provided to the Agent, acting reasonably, and (iii) each material Authorization necessary or required to enable the Borrower to construct and operate the Premier Project, which by its nature does not need to be obtained until a future date, will have been obtained prior to the time it becomes

necessary or required for the then current stage of the development or operation of the Premier Project; and

(b) no Default or Event of Default shall have occurred and be continuing at the time.

**“Minimum Equity Financing”** means an equity financing to be completed by the Borrower on or before the date which is six months after the Closing Date, pursuant to which the Borrower shall raise total net cash proceeds (which shall include an amount invested by the Senior Lender or one of its Affiliates equal to 10% of such equity financing up to a maximum amount of \$3,000,000) of not less than \$25,000,000.

**“Model”** means a financial model to be prepared by the Borrower in respect of the Premier Project (based on and incorporating the terms of the Premier Project mining plan being prepared by INNNovexplo Inc.) and related financial projections, along with the Borrower’s financial forecast for all other revenues, costs and expenses to be incurred by the Borrower or any of its Subsidiaries, in a form and substance satisfactory to the Agent, acting reasonably, as delivered to and accepted by the Agent prior to the Subsequent Advance, as updated by the Borrower and approved by the Agent from time to time, acting reasonably, as required or contemplated herein. All references to the Model herein shall be to the most recent Model, as approved by the Agent.

**“Mt. Margaret Property”** means mineral rights in the following tracts held by Ascot USA Inc.: Germania Nos. 1 and 2, Germania Jr. Nos. 1 and 2, Germania Secundus Nos. 1 and 2, Ardentine Nos. 1 and 2, Zenith Nos. 1 and 2 and Adamantine No. 2 located in sections 7, 8, 17 and 18, Township 10 North, Range 6 East, U.S. Mineral Survey #708 located in the St. Helens Mining District, Skamania County, Washington.

**“NSR”** means net smelter royalty;

**“Obligations”** means all of the present and future indebtedness, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured of the Credit Parties, and each of them, to the Agent and the Lenders, and each of them, under, pursuant to or in connection with this Agreement, the Credit Facility and the other Credit Documents, including without limitation all principal, interest, fees, indemnities, costs and expenses owing hereunder and thereunder, and including the Standby Fee, the Prepayment Fee and the Make Whole Fee, as applicable.

**“Ordinary Course”** means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the usual course of the normal day-to-day operations of the Person.

**“Permit Amendments”** means collectively, the amendment to the *Mines Act* Permit M-179 and the amendment to the PE-8044 Waste Discharge Permit, as described in more detail in Schedule F Part B hereto.

**“Permitted Acquisition”** means: (a) an Acquisition to which the Agent has given its prior written consent, or (b) an Acquisition of all or substantially all of the business of any Person engaged primarily in the mining or exploration business, or of a specific exploration target, project or mine owned by any Person, of all of the outstanding Equity Interests in the capital of any Person engaged primarily in the mining or exploration business, or of interests in the nature of royalties

payment due from due from any Person engaged primarily in the mining or exploration business in each case, provided that:

- (a) the consideration payable by the Borrower for such acquisition consists entirely of Equity Interests in the capital of the Borrower;
- (b) the assets so acquired, or the assets of the Person so acquired, upon the consummation of such acquisition, are not subject to any Encumbrance (except for Permitted Encumbrances);
- (c) if requested by the Agent, promptly (and, in any event, within 10 Business Days) following the consummation of such acquisition, the Borrower shall, to the extent the assets or Equity Interests so acquired have not become subject to the Encumbrances created by the Security Documents, grant or cause the Person so acquired to deliver a Guarantee and to grant Second Ranking Security Interest over such assets or Equity Interests to and in favour of the Agent as security for, *inter alia*, the Obligations;
- (d) such acquisition does not have any adverse impact on any of the Agent's or the Lenders' rights or interests;
- (e) at the time of such acquisition there exists no Default or Event of Default and no Default or Event of Default shall exist after giving effect to the completion of the acquisition; and
- (f) such acquisition does not result in a Change of Control.

**"Permitted Disposal"** means:

- (a) any sale, lease, license, transfer or other disposal:
  - (i) of the Mt. Margaret Property, with the prior written consent of the Agent, not to be unreasonably withheld;
  - (ii) of the Swamp Point Property, with the prior written consent of the Agent, not to be unreasonably withheld;
  - (iii) of IDM Mining's Equity Interests in Strikepoint Gold Inc.;
  - (iv) of inventory in the ordinary course of business;
  - (v) made by a Credit Party to another Credit Party, provided that if the disposing Credit Party had granted an Encumbrance in favour of the Agent over the asset or property subject to such disposal, equivalent security over such asset or property shall be granted in favour of the Agent by the acquiring Credit Party, in each case, on terms and conditions satisfactory to the Agent;
  - (vi) of obsolete or redundant vehicles, plant and equipment on arms-length terms with a party who is at arm's length from the Credit Parties;
  - (vii) made with the prior written consent of the Agent;

- (viii) of fixed assets where the proceeds of disposal are used to purchase replacement assets comparable or superior as to type, value and quality;
- (ix) of assets (other than shares) for cash where the consideration receivable (when aggregated with the consideration receivable for any other sale, lease, license, transfer or disposal not allowed under paragraphs (i) to (viii) above) does not exceed [Redacted: dollar amount] in the aggregate in any 12 month period;
- (b) any sale, lease, license, transfer or other disposal to which the Agent has given its prior written consent.

**"Permitted Encumbrances"** means with respect to any Credit Party:

- (a) any Encumbrance granted pursuant to the Security Documents;
- (b) any Encumbrance or deposit under workers' compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secure related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any builders', mechanics', materialman's, carriers', warehousemen's and landlords' liens and privileges, in each case, which relate to obligations (i) not yet due or overdue for a period of 15 days, or (ii) which the applicable Credit Party is contesting in good faith by appropriate proceedings diligently conducted if such contest will involve no material risk of loss of any material part of the property of such Credit Party and in respect of which reserves have been established in accordance with IFRS;
- (d) any Encumbrance for Taxes, assessments, unpaid wages or governmental charges or levies for the then current year and not at the time due and delinquent or the validity of which Taxes ("**Contested Taxes**") the applicable Credit Party is reasonably contesting at the time in good faith by appropriate proceedings diligently conducted and in respect of which reserves have been established in accordance with IFRS;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by any Credit Party, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) any Encumbrance created or assumed by any Credit Party in favour of a public utility or Governmental Authority when required by the utility or Governmental Authority in connection with the operations of such Credit Party (including any Encumbrance arising to secure performance of statutory obligations or regulatory requirements relating to reclamation obligations and any Encumbrance securing the Indebtedness described in paragraph (k) of the definition of Permitted Indebtedness) that do not in the aggregate detract from the value of any of the Collateral or impair their use in the operation of the business of such Credit Party;
- (g) Encumbrances of or resulting from any judgement or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the applicable Credit Party be prosecuting an appeal or proceeding for review in good faith and by

appropriate proceedings in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured;

- (h) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority or the terms of any lease from any Governmental Authority;
- (i) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning by-laws or other restrictions applicable to the use of real property by any Credit Party, or title defects, encroachments or irregularities, that do not detract from the value of the property or impair its use in the operation of the business of any Credit Party;
- (j) undetermined or inchoate liens and charges incidental to construction or current operations (including unpaid sellers' liens) which have not at such time been filed pursuant to law against the Borrower or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested at the time in good faith if such contest will involve no material risk of loss of any material part of the property of the Borrower;
- (k) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of any Credit Party;
- (l) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which the Borrower is a party;
- (m) any Encumbrance that secures Permitted Indebtedness referred to under subsection (d) of the definition of "Permitted Indebtedness" provided that such Encumbrance shall be subject to the inter-creditor agreement referred to in such subsection (d);
- (n) any Encumbrance that secures Permitted Indebtedness referred to under subsection (j) of the definition of "Permitted Indebtedness" provided that such Encumbrance is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness;
- (o) Encumbrances granted by the Credit Parties to the Senior Lender securing the Senior Obligations, but no more;
- (p) the refinancing of the Senior Obligations by a lender approved by the Agent acting reasonably, provided that (i) the aggregate amount of all advances to the Borrower under the refinancing together with the aggregate of all prior advances to the Borrower by any prior Senior Lender does not exceed \$80,000,000, (ii) the terms of such refinancing are no more onerous or adverse to the interests of the Agent and the Lenders, and (iii) the lender in respect of such refinancing agrees in writing with the Agent and the Lenders to

assume and be bound by the Senior Lender Intercreditor Agreement or enters into another form of intercreditor agreement with the Agent and the Lenders in form and substance satisfactory to the Agent, acting reasonably, provided that the terms of such intercreditor agreement shall be no more onerous or adverse to the interests of the Agent and the Lenders as the Senior Lender Intercreditor Agreement (herein called a **"Permitted Refinancing"**);

- (q) in respect of the Red Mountain Project only, the Seabridge Metal Stream and the mortgage, charge and security interests granted by IDM Mining to and in favour of Seabridge pursuant to the Seabridge Security Agreement;
- (r) in respect of the Red Mountain Project only, the Seabridge Option Agreement;
- (s) any Royalty Obligations;
- (t) the rights of Boliden Limited under an asset purchase agreement with the Borrower made as of July 31, 2017 (as amended) for a right of first offer, a right of first refusal and an offtake agreement in respect of the mineral claims and crown grants comprising the Premier Gold Assets defined under such agreement;
- (u) customary rights of set-off in favour of a financial institution with respect to deposits maintained by it; and
- (v) any Encumbrance consented to, or agreed to, or approved of, in writing by the Agent,

provided that in each case where it is contesting any obligations, taxes (excluding Contested Taxes) or assessments as contemplated herein, such Encumbrances shall only be Permitted Encumbrances: (A) if such Person establishes to the satisfaction of the Agent (acting reasonably) a sufficient reserve for, or if requested by the Agent after the Agent (acting reasonably) believe that a determination adverse to such Person could be reasonably expected, deposits with a court of competent jurisdiction or the assessing authority, or to such other Person as is acceptable to the Agent, acting reasonably, sufficient funds or a surety bond, for the total amount claimed to be secured by such Encumbrances, where the application of such reserve, funds or bond would result in their discharge; and (B) for so long as such contestation effectively postpones the enforcement of the rights of the holder thereof.

**"Permitted Indebtedness"** means:

- (a) Indebtedness under this Agreement;
- (b) Indebtedness under the Senior Credit Agreement securing the Senior Obligations, but no more and any Permitted Refinancing in respect thereof;
- (c) Indebtedness comprised of amounts owed to trade creditors and accruals in the Ordinary Course, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by such Credit Party by appropriate proceedings diligently conducted, and provided always that the failure to pay such Indebtedness could not be expected to result in a Material Adverse Effect;

- (d) any Indebtedness approved by the Agent and, if applicable, permitted pursuant to the terms of an inter-creditor agreement, in form and substance satisfactory to the Agent providing for, inter alia, the full subordination and postponement of such Indebtedness and any security therefor to the Obligations and the Encumbrances granted under the Security Documents, executed and delivered in favour of the Agent;
- (e) any inter-company Indebtedness between any Credit Parties;
- (f) any guarantee or indemnity in respect of Permitted Indebtedness;
- (g) any other Indebtedness which the Agent agrees in writing is Permitted Indebtedness for the purposes of this Agreement;
- (h) any unsecured Indebtedness arising under a future forward foreign exchange transaction, currency swap transaction, rate floor transaction, rate collar transaction, and any other exchange or rate protection transaction, or any combination of such transactions or any option with respect to any such transaction entered into by any Credit Party (provided that such hedging transaction is not entered into for investment or speculative purposes);
- (i) any Indebtedness outstanding under the Seabridge Option Agreement;
- (j) any Indebtedness under Leases and Purchase Money Obligations, which Indebtedness does not exceed \$40,000,000 in the aggregate for the Credit Parties at any time;
- (k) Indebtedness of up to a maximum aggregate amount of \$30 million in respect of surety bonds, letters of credit or bank guarantees in favour of a Governmental Authority in connection with any reclamation or remediation obligations relating to either Project;
- (l) any Indebtedness arising under the Production Payment Agreement; and
- (m) any unsecured Indebtedness not permitted by the preceding paragraphs (a) to (j) and the outstanding amount of which does not exceed \$2,500,000 in aggregate for the Credit Parties at any time.

**“Permitted Investment”** means:

- (a) direct or indirect Investments held by Borrower in the other Credit Parties that have provided Security as contemplated in Section 8.1(y);
- (b) (i) marketable direct obligations issued or unconditionally guaranteed by Canada or any Province thereof maturing within one year from the date of acquisition thereof; (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service; (iii) certificates of deposit maturing no more than one year from the date of investment therein, and (iv) money market accounts;
- (c) repurchases of stock from former employees or directors of Borrower under the terms of applicable repurchase agreements (i) in an aggregate amount not to exceed \$100,000 in any Fiscal Year, provided that no Event of Default has occurred, is continuing or would exist after giving effect to the repurchases; or (ii) in any amount where the consideration

for the repurchase is the cancellation of indebtedness owed by such former employees to the Borrower regardless of whether an Event of Default exists;

- (d) Investments accepted in connection with Permitted Disposals;
- (e) Investments not to exceed \$500,000 in the aggregate during the term of the Credit Facility consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business; and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower pursuant to employee stock purchase plan agreements approved by Borrower's Board of Directors; and
- (f) Investments in and Financial Assistance provided to Ascot USA Inc., up to an aggregate amount of \$150,000 in any calendar year.

**"Permitted Refinancing"** is defined in clause (p) of the definition of Permitted Encumbrances.

**"Permitted Reorganization"** means:

- (a) any amalgamation solely between Credit Parties;
- (b) any winding-up (including any voluntary dissolution) of any Credit Party into another Credit Party; and
- (c) any capital reorganization of any Credit Party,

provided (i) in each case, no Default or Event of Default has occurred and is outstanding at the time of such amalgamation, winding-up or capital reorganization or would arise immediately thereafter, (ii) in each case, the Borrower provides notice to the Agent of the amalgamation, winding-up or capital reorganization not less than 30 days prior to the anticipated effective date thereof and the Agent confirms its approval of same, acting reasonably, not less than 15 days prior to the anticipated effective date thereof; (iii) in the case of a capital reorganization of a Credit Party (other than the Borrower), such Credit Party will, after the completion thereof, continue to be a wholly owned, direct or indirect, Subsidiary of the Borrower; and (iv) any such transaction shall not, in the Agent's sole discretion, adversely affect the creditworthiness of any Credit Party or the Credit Parties taken as a whole, the Credit Parties' ability to pay or service the Obligations, or adversely affect the Agent's interests in the Encumbrances constituted by the Security Documents.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

**"PPSA"** means the *Personal Property Security Act* (British Columbia).

**"Premier Project"** means the Premier gold project owned by the Borrower, consisting of 8,133 hectares located approximately 19 km to the northwest of the town of Stewart, British Columbia, as more particularly described on Schedule A hereto.

**"Prepayment Fee"** is defined in Section 3.2.

**“Project Repayment Covenant”** is defined in Section 8.1(t).

**“Projects”** means collectively, the Premier Project and the Red Mountain Project, as more particularly described on Schedule A and Schedule B hereto, respectively, and **“Project”** means either of them.

**“Project Consultant”** means any project consultant appointed by the Senior Lender on its behalf and on behalf of the Agent, in consultation with the Borrower, and following repayment in full of the Senior Obligations, means any Project Consultant appointed by the Agent in consultation with the Borrower.

**“Project Document”** means any agreement, contract, license, permit, instrument, lease, easement or other document which (i) deals with or is related to the construction, operation or development of either Project, and (ii) is executed from time to time by or on behalf of or is otherwise made or issued in favour of any Credit Party.

**“Property”** means, with respect to any Person, all or any portion of its property, assets and undertaking.

**“Proven and Probable Reserves”** shall mean the aggregate of the Proven and Probable Mineral Reserves (as such terms are defined in and measured in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves Definition Guidelines for the grade and contained amount of gold scheduled for extraction, and demonstrated to be mineable at a profit at a stated metal price, set forth in the Borrower’s most recently filed National Instrument 43-101 Standards of Disclosure for Mineral Projects technical report for the Premier Project, or as the reserve tables therein may be amended from time to time) for the Premier Project, as confirmed by the Agent in consultation with the Project Consultant.

**“Purchase Money Obligation”** means, with respect to a Person, Indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring any mobile asset.

**“Quarterly Interest Period”** means each three-month period ending on March 31, June 30, September 30 and December 31 of each year.

**“Red Mountain Project”** means the Red Mountain gold project owned by IDM Mining, consisting of 17,125 hectares located approximately 23 km to the southeast of the Premier Project, as more particularly described on Schedule B hereto.

**“Related Party”** means, with respect to any Person, an Affiliate of such Person, a shareholder of such Person (if applicable), or a Person related to or not at Arm’s Length to such Person or shareholder of such Person.

**“Relevant Jurisdiction”** means, from time to time, any jurisdiction in which any Credit Party is existing, has any property or asset, or in which it carries on business and, for the purposes of this Agreement, includes as of the Closing Date, the Province of British Columbia.

**“Reporting Jurisdictions”** means all of the jurisdictions in Canada in which the Borrower is a “reporting issuer”, including as of the date hereof, the Provinces of British Columbia, Alberta, and Ontario.

**“Reserve Tail Ratio”** means the ratio expressed as a percentage of (A) the then current total forecasted gold production derived from the Proven and Probable Reserves from December 31, 2025, the maturity date of the Senior Obligations, through the remainder of the Premier Project's life of mine as set forth in the Model divided by (B) the then current total forecasted gold production derived from the Proven and Probable Reserves through the remainder of the Premier Project's life of mine.

**“Royalty Buyback Agreements”** means collectively:

- (a) in respect of the Joint Kasum/Boliden 5% NSR Royalty, the option amending agreement dated July 19, 2013 to the option agreement dated March 23, 2007 between Rick Kasum, Boliden Limited and the Borrower;
- (b) in respect of the Kasum/Dilworth 1% NSR Royalty, the option agreement dated March 23, 2007 between Rick Kasum, Boliden Limited and the Borrower; and
- (c) in respect of the Boliden/Premier 5% NSR Royalty, the option agreement dated June 12, 2009 between the Borrower and Boliden Limited, the option amending agreement dated July 19, 2013 between Rick Kasum, Boliden Limited, and the Borrower, and the asset purchase agreement dated July 31, 2017 between Boliden Limited and the Borrower,

copies of which have been delivered to the Agent.

**“Royalty Buybacks”** means collectively the repurchase by the Borrower of:

- (a) the Joint Kasum/Boliden 5% NSR royalty, for and at a purchase price of CAD \$4,150,000, of which Rick Kasum and Boliden Limited are each paid an equal payment of \$2,075,000;
- (b) the Kasum/Dilworth 1% NSR royalty, for and at a purchase price of CAD \$1,000,000; and
- (c) the Boliden/Premier 5% NSR royalty, for and at a purchase price of CAD \$9,550,000.

**“Royalty Obligations”** means collectively:

- (a) in respect of the Premier Project:
  - (i) a joint 5% NSR royalty payable to both R. Kasum and Boliden Limited in respect of the Kasum Mineral Claims (the **“Joint Kasum/Boliden 5% NSR Royalty”**);
  - (ii) a 1% NSR royalty payable to R. Kasum and the estate of J. Wang in respect of the Kasum Mineral Claims (the **“Kasum/Dilworth 1% NSR Royalty”**);
  - (iii) a 1% NSR royalty payable to Chase Manhattan Bank of Canada in respect of the Boliden Mineral Claims;
  - (iv) a 5% net profits interest royalty payable to Chase Manhattan Bank of Canada in respect of the Boliden Mineral Claims;

- (v) a 5% NSR royalty payable to Boliden Limited in respect of the Boliden Mineral Claims (the “**Boliden /Premier 5% NSR Royalty**”);
  - (vi) a 1% NSR royalty payable to the estate of F. McEwan in respect of the McEwan Claims; and
  - (vii) a 2% NSR royalty payable to Nanika Resources Inc., in respect of a portion of the Silver Coin Claims (the “**Nanika/Silver Coin 2% NSR Royalty**”);
- (b) in respect of the Red Mountain Project:
- (i) a 2.5% NSR royalty payable to Wotan Resources Corp. on production from claims 513683, 513041, 513001, 513007, 513005, 513017, and from any other properties within a 2 km area of influence therefrom;
  - (ii) a 2% NSR royalty payable to Darcy Krohman and Greg Sinitsin on production in respect of a portion of the Red Mountain Claims (claims 513128 and 513130);
  - (iii) a 3% NSR royalty payable to Harkley Silver on production in respect of a portion of the Red Mountain Claims (claims 512991, 513042 and 513054); and
  - (iv) a 1% NSR royalty payable to Franco Nevada Corporation on production of claims set out in Schedule A of the separated royalty agreement dated May 25, 2017 between IDM Mining and Franco Nevada Corporation. Additionally, Franco Nevada Corporation will also receive an additional \$10 per ounce cash production payment on all ounces of gold produced from the property thereunder in excess of 1,850,000 ounces; and
- (c) such other royalty obligations acquired by a Credit Party pursuant to a Permitted Acquisition.

“**Seabridge**” means Seabridge Gold Inc.

“**Seabridge Metal Stream**” means the Metal Stream (as defined in the Seabridge Option Agreement) granted in favour of Seabridge, as more particularly described in Schedule I to the Seabridge Option Agreement.

“**Seabridge Option Agreement**” means the option agreement made and entered into as of the 14<sup>th</sup> day of April, 2014 between Seabridge and Revolution Resources Corp. (predecessor to IDM Mining) (“**Revolution**”), pursuant to which, among other things, Revolution agreed (i) to pay Seabridge a CAD \$1,500,000 production payment on or before the fifth business day following the date that Revolution provides Seabridge with notice of the commencement of Commercial Production (as defined therein) (the “**Seabridge Production Payment**”), (ii) to sell and deliver Refined Gold to Seabridge pursuant to the terms of the metal stream described in Schedule I to the Seabridge Option Agreement (as defined therein) and (iii) to pay to Seabridge a CAD \$4,000,000 metal stream put price in the event that Seabridge exercises its right and option to require Revolution to buy back the Metal Stream (as defined therein) following the date that Revolution provides Seabridge with notice of commencement of Commercial Production (as defined therein) (the “**Seabridge Put Price**”).

**“Seabridge Security Agreement”** means the mortgage, charge and security agreement made as of the 25<sup>th</sup> day of May, 2017 by IDM Mining in favour of Seabridge, securing the obligations of IDM Mining to pay and perform its obligations under the Seabridge Option Agreement.

**“Section”** means the designated section of this Agreement.

**“Second Ranking Security Interest”** in respect of any Collateral means a security interest and charge held by the Agent in such Collateral which is registered as required under this Agreement to record and perfect the security interests and charges contained therein, provided that such Collateral is not subject to any other Encumbrances except Permitted Encumbrances, and provided further that such security interests and charges in such Collateral held by the Agent ranks in priority to any such Permitted Encumbrances except (a) those which may have a priority in accordance with Applicable Law, (b) Encumbrances held by the Senior Lender that have priority in accordance with the terms of the Senior Lender Intercreditor Agreement, and (c) Encumbrances held by any other Person the priority of which has been agreed to by the Agent.

**“Securities Act”** means the *Securities Act* (British Columbia).

**“Security Documents”** means, collectively the guarantees and security held from time to time by the Agent for and on behalf of the Lenders, securing or intended to secure payment and performance of the Obligations, including without limitation, the agreements, instruments and documents listed in Schedule C hereto and delivered pursuant to Article 5 of this Agreement, as amended, modified, supplemented, restated or replaced from time to time.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval.

**“Senior Credit Agreement”** means the credit agreement dated December 9, 2020 made between the Borrower, as borrower, the Guarantors, as guarantors, the Senior Lender, as lender, Sprott Resource Lending Corp., as lead arranger, and Sprott Resource Lending Corp., as security agent, providing for a senior secured multi-advance reducing term credit facility in an amount up to \$80,000,000 on the terms and conditions set forth therein and any other credit agreement entered into with respect to a Permitted Refinancing.

**“Senior Debt Documents”** means the Senior Credit Agreement, and the guarantees, security and all other documents and registrations delivered or created pursuant thereto.

**“Senior Lender”** means Sprott Private Resource Lending II (Collector), LP, a limited partnership subsisting under the laws of the Province of Ontario, and its successors and permitted assigns and any lender pursuant to a Permitted Refinancing.

**“Senior Lender Intercreditor Agreement”** is defined in Section 5.4.

**“Senior Obligations”** means all present and future indebtedness, liabilities and obligations of the Borrower under the Senior Credit Agreement limited to the maximum aggregate principal amount of \$80,000,000 (together with all interest related thereto), excluding any advances or readvances in excess of \$80,000,000, and excluding any increases in availability, provided that the total aggregate amount of all advances by the Senior Lender to the Borrower including under a Permitted Refinancing shall not exceed \$80,000,000.

**"Shares"** means shares in the capital stock of any corporation or other ownership or equity interest in a corporation, partnership or other Person including without limitation, shares, units or interests which carry a residual right to participate in the earnings of such corporation, partnership or other Person or, upon the liquidation or winding up of such corporation, partnership or other Person, to share in its assets.

**"Specified Number"** is defined in Section 2.5.1.

**"Standby Fee"** is defined in Section 4.3.

**"Subsequent Advance Conversion Price"** is defined in Section 2.5.

**Subsequent Advance Forced Conversion Notice"** is defined in Section 2.5

**Subsequent Advance Forced Conversion Trigger"** is defined in Section 2.5

**"Subsequent Advance Subscription Price"** is defined in Section 2.5.

**"Subsidiary"** means with respect to any Person (the "parent") at any date, (i) any corporation, limited liability company, association or other business entity which the parent and/or one or more subsidiaries of the parent Controls, (ii) any partnership, (x) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (y) the only general partners of which are the parent and/or one or more subsidiaries of the parent, and (iii) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

**"Subsequent Advance"** means the single advance of the Credit Facility made subsequent to the Initial Advance as contemplated herein.

**"Swamp Point Property"** means the Swamp Point Sand and Gravel deposit owned by the Borrower, located on the east side of the Portland Canal, 50 km south of the port of Stewart, BC.

**"Taxes"** means all taxes, levies, imposts, stamp taxes, duties, deductions, withholdings and similar impositions payable, levied, collected, withheld or assessed by a Governmental Authority as of the date of this Agreement or at any time in the future under Applicable Laws, and **"Tax"** shall have a corresponding meaning.

**"Transfer"** means the conveyance, sale, lease, license, transfer or other disposition of property.

**"Unrestricted Cash"** means, at any time in respect of the Credit Parties, cash denominated in Cdn \$ or US \$ at a bank and credited to a bank account located in Canada or the US in the name of the Person with an account bank satisfactory to the Agent, acting reasonably, and to which the Person is the sole beneficiary thereof, provided that:

- (a) such cash is repayable on demand;
- (b) the repayment of such cash is not contingent on the prior discharge of any Indebtedness of any Person whatsoever or on the satisfaction of any other condition;

- (c) there is no Encumbrance over such cash or account (other than Encumbrances in favour of the Agent and the Senior Lender); and
- (d) such cash is freely and immediately available to the Borrower,

and further provided that (i) Unrestricted Cash shall exclude all cash or near cash required or designated for bonding, reclamation or other similar obligations, and (ii) in the case of a deposit bank account located in the US held by a Credit Party, the bank account deposit institution shall have entered into a deposit account control agreement with the Agent on terms satisfactory to the Agent subject to any prior rights of the Senior Lender under the Senior Lender Intercreditor Agreement.

**“U.S. Dollars”** or **“US \$”** means the lawful money of the United States of America.

**“Voting Shares”** means shares of capital stock of any class of the Borrower carrying voting rights under all circumstances, provided that for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of any event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event.

**“VWAP”** means the volume-weighted average trading price of the Common Shares on the Exchange or, subject to any required Exchange approval, such other principal stock exchange approved by the Agent and the Borrower on which the Common Shares are trading, calculated by dividing the total value by the total volume of securities traded for the relevant period.

**“Working Capital Ratio”** means Current Assets divided by Current Liabilities.

## **1.2 Knowledge**

1.2.1 The words “best knowledge”, “to the best of the Borrower’s knowledge”, “to the best of the Credit Parties’ knowledge”, “to the knowledge of”, “of which they are aware”, “any knowledge of” or other similar expressions limiting the scope of any representation, warranty, acknowledgement, covenant or statement by the Borrower or the other Credit Parties will be understood to be made on the basis of the actual knowledge of any of the directors and/or senior officers of the Borrower or the other Credit Parties, as applicable, in each case, after due and diligent inquiry.

1.2.2 A Default being “continuing” means that such Default has not been remedied to the Agent’s satisfaction or waived by the Agent, and an Event of Default being “continuing” means that such Event of Default has not been waived by the Agent.

1.2.3 Any reference to “indebtedness” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.

## **1.3 Accounting Terms and Computations**

Each accounting term used in this Agreement has the meaning assigned to it under IFRS unless otherwise defined herein and reference to any balance sheet item or income statement item means such item as computed from the applicable statement prepared in accordance with IFRS. All financial statements required to be delivered hereunder shall be reported in Canadian thousand Dollars and shall

be made and prepared in accordance with IFRS consistently applied throughout the periods involved. All financial covenant testing shall be in Dollars or Canadian Dollars, as applicable. In the event of a change in IFRS, the Borrower and the Agent shall negotiate in good faith to revise (if appropriate) such ratios and covenants to give effect to the intention of the parties under this Agreement as at the Closing Date, and any new ratio or covenant shall be subject to the approval of the Agent. In the event that such a negotiation is unsuccessful, all calculation thereafter made for the purpose of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with IFRS in existence at the Closing Date.

#### **1.4 Currency**

Any reference in this Agreement to “Dollars”, “dollars” or “\$” shall be deemed to be a reference to lawful money of the United States of America and any reference to any payments to be made by any Credit Party shall be deemed to be a reference to payments made in lawful money of the United States of America. Any reference in this Agreement to “CAD\$” shall be deemed to be a reference to lawful money of Canada. Except as specifically provided in this Agreement or in any other Credit Document, the equivalent on any given date in one currency of an amount denominated in another currency is a reference to the amount of the first currency which could be purchased with the amount of the second currency at the screen rate published on Reuters or any substitute or successor of such service selected by the Agent or, if not available, the spot rate of exchange quoted to the Agent in the ordinary course of business at or about 11:00 a.m. (Toronto time) on such date for the purchase of the first currency with the second currency.

#### **1.5 Paramountcy**

In the event of a conflict or inconsistency between the application of any of the provisions of this Agreement and the application of any of the provisions of any of the other Credit Documents, the provisions giving the Agent and the Lenders greater rights or remedies shall govern (to the maximum extent permitted by Applicable Law), it being understood that the purpose of this Agreement and any other Credit Document is to add to, and not detract from, the rights granted to the Agent and the Lenders under the Credit Documents.

#### **1.6 Non-Business Days**

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day and each Lender shall be entitled to all additional accrued interest or other applicable payment in respect of such delay.

#### **1.7 Schedules**

The Schedules listed below are incorporated into this Agreement by reference and are deemed to be an integral part thereof:

Schedule A	Premier Project
Schedule B	Red Mountain Project
Schedule C	Security Documents

Schedule D	Shares and Ownership Interests
Schedule E	Material Contracts
Schedule F	Authorizations and Third Party Documents to be Obtained
Schedule G	Form of Compliance Certificate
Schedule H	Completion Test
Schedule I	Draw Request

## 1.8 Joint and Several Obligations

The Obligations of the Borrower and the Guarantors under this Agreement, including the obligation to make all payments hereunder and all other indebtedness and liability, present and future, incurred hereunder, are joint and several.

## ARTICLE 2 THE CREDIT FACILITY

### 2.1 Establishment of Credit Facility

Upon and subject to the terms and conditions of this Agreement, the Lenders agree to provide a non-revolving term convertible credit facility (the “**Credit Facility**”) under which the Borrower may borrow by way of an initial advance of \$10,000,000 (the “**Initial Advance**”) on the Closing Date and a single Subsequent Advance following the Closing Date from the Lenders up to the aggregate principal amount (including the Initial Advance) of \$25,000,000, subject to permanent cancellation and reduction pursuant to Sections 2.2 and 2.4 (the “**Credit Limit**”), and subject to satisfaction of the conditions precedent set forth in Sections 6.1 and 6.2. The Credit Facility shall be non-revolving and any amount repaid under the Credit Facility may not be re-borrowed.

### 2.2 Expiry of Credit Facility

No Advances will be available or made under the Credit Facility on or after the date that is 30 days prior to the Maturity Date. Any amounts not drawn on the Credit Facility on or before such date shall be terminated and cancelled.

### 2.3 Use of the Advances

Advances shall only be used by the Credit Parties (i) in the case of the Initial Advance, to repay in full of all amounts outstanding (including principal, interest and other amounts) under the Existing Sprott Debt on the Closing Date and for general working capital purposes of the Credit Parties; (ii) in the case of the Subsequent Advance, to finance the construction of the Premier Project and for general working capital purposes in respect of the Premier Project.

### 2.4 Voluntary Cancellation

The Borrower may voluntarily cancel all (no partial cancellations permitted) of the undrawn available amount of the Credit Facility at any time after 24 months following the Closing Date by providing not less than five Business Days’ prior written notice to the Agent. From and after receipt of such written notice by the Agent and expiry of the notice period, the Credit Facility and the Credit Limit shall be permanently reduced to the principal amount then outstanding under the Credit Facility and no further

Advances shall be available to the Borrower. Any prepayment of the Credit Facility prior to the expiry of the availability of the Credit Facility pursuant to Section 2.2, will be deemed to be a voluntary cancellation of the undrawn available amount of the Credit Facility.

## 2.5 Conversion

2.5.1 At any one or more times prior to the repayment of the principal amount outstanding of the Credit Facility, or upon notification by the Borrower to the Agent of the Borrower's intention to prepay the principal amount of the Credit Facility in full, each Lender (acting independently of other Lenders) shall be entitled to elect to convert all or any portion of the principal amount of the Credit Facility outstanding to such Lender at such time (together with all Standby Fees and all interest including compound interest accrued and outstanding thereon) (the "**Conversion Amount**") into such number (the "**Specified Number**") of fully paid and non-assessable Common Shares in the capital of the Borrower as is equal to the Conversion Amount divided by the Initial Advance Conversion Price or the Subsequent Advance Conversion Price, as applicable, but provided that conversion of (i) any Conversion Amount of the Credit Facility which represents the Subsequent Advance shall be subject to Exchange approval in connection with the Subsequent Advance and such amount will be converted into Common Shares at the Subsequent Advance Conversion Price, in accordance with Section 2.5.3 and (ii) any Conversion Amount which represents Standby Fees or interest (or any other fees or expenses under this Agreement, if applicable) thereon shall be subject to Exchange approval at the future time of conversion and such amount will be converted into Common Shares at a price per Common Share equal to the five day VWAP of the Common Shares less the maximum permitted discount under the rules and policies of the Exchange measured on the close of trading on the trading day immediately prior to the date on which such Standby Fee or interest (or any other fees or expenses under this Agreement, if applicable) becomes payable or accrued under this terms of this Agreement. Such election by a Lender shall be made on notice to the Borrower in accordance with Section 10.13 and shall specify the date for conversion (the "**Conversion Date**"). The Initial Advance Conversion Price and the Subsequent Advance Conversion Price, as applicable, shall be in Canadian Dollars, and the Conversion Amount for determining the Specified Number of Common Shares, shall be the Equivalent Amount thereof expressed in Canadian Dollars determined as at the Business Day immediately prior to the Conversion Date. If any conversion is in respect of any Conversion Amount which represents Standby Fees or interest (or any other fees or expenses under this Agreement, if applicable) thereon, the Borrower shall promptly following receipt of the notice contemplated by this Section 2.5.1 make, and diligently pursue, an application to the Exchange to seek approval for the conversion of such Standby Fees or interest (or any other fees or expenses under this Agreement, if applicable).

2.5.2 Subject to Section 2.5.1 in respect of fees, interest or expenses, the Conversion Amount in respect of any outstanding balance of the Initial Advance which a Lender may elect to convert will be converted into Common Shares at a price per Common Share equal to Initial Advance Conversion Price. On the Conversion Date such Lender will be deemed to have subscribed for the Specified Number of Common Shares at a total subscription price (each, a "**Initial Advance Subscription Price**") equal to such Conversion Amount, and the total Initial Advance Subscription Price payable by such Lender to the Borrower in accordance with this Section 2.5.2 will be automatically set-off against the full amount of such Conversion Amount owing by the Borrower to such Lender in full payment of each other effective as of the Conversion Date, whereupon the full amount of such Conversion Amount will be deemed to have been paid by the Borrower to such Lender and the total Initial Advance Subscription Price will be deemed to have been paid by such Lender to the Borrower.

2.5.3 Subject to Section 2.5.1, the Conversion Amount in respect of any outstanding balance of the Subsequent Advance which a Lender may elect to convert will be converted into Common Shares at a price per Common Share equal to the higher of (as adjusted from time to time in accordance with the terms hereof, the “**Subsequent Advance Conversion Price**”): (i) the Initial Advance Conversion Price of the Common Shares, and (ii) the five day VWAP of the Common Shares less the maximum permitted discount under the rules and policies of the Exchange, in each case measured on the close of trading on the trading day immediately prior to the Subsequent Advance. On the Conversion Date such Lender will be deemed to have subscribed for the Specified Number of Common Shares at a total subscription price (each, a “**Subsequent Advance Subscription Price**”) equal to such Conversion Amount, and the total Subsequent Advance Subscription Price payable by such Lender to the Borrower in accordance with this Section 2.5.3 will be automatically set-off against the full amount of such Conversion Amount owing by the Borrower to such Lender in full payment of each other effective as of the Conversion Date, whereupon the full amount of such Conversion Amount will be deemed to have been paid by the Borrower to such Lender and the total Subsequent Advance Subscription Price will be deemed to have been paid by such Lender to the Borrower.

2.5.4 Subject to the rules and policies of the Exchange, if for a period of 20 consecutive trading days on the Exchange, the VWAP of the Common Shares measured on the close of the trading on each such day equals or exceeds a 45% premium above the Initial Advance Conversion Price (the “**Initial Advance Forced Conversion Trigger**”), the Borrower shall, provided that no Default or Event of Default shall have occurred and be continuing, be entitled by written notice to the Lenders (the “**Initial Advance Forced Conversion Notice**”) have the one time right exercisable after the Initial Advance Forced Conversion Trigger, to elect to cause the Lenders to convert up to 50% of the principal amount outstanding of the Initial Advance and such principal amount (together with all Standby Fees and all interest including compound interest accrued and outstanding thereon) in the event of such an election shall constitute the Conversion Amount and shall be converted into Common Shares in accordance with Section 2.5.1 and Section 2.5.2 hereof, as applicable. Upon a forced Conversion pursuant to this Section 2.5.4, the Borrower shall pay to the Lenders any applicable Prepayment Fee or Make Whole Fee as if the amount converted was a prepayment of outstanding principal under the Credit Facility pursuant to Section 3.2 hereof. Notwithstanding the foregoing, the Borrower shall not be entitled to give a Initial Advance Forced Conversion Notice if at any time after the first Initial Advance Forced Conversion Trigger the 30-day VWAP of the Common Shares measured on the close of trading on each such day at any time is less than 105% of the Initial Advance Conversion Price then in effect.

2.5.5 Subject to the rules and policies of the Exchange, if for a period of 20 consecutive trading days on the Exchange, the VWAP of the Common Shares measured on the close of the trading on each such day equals or exceeds a 45% premium above the Subsequent Advance Conversion Price (the “**Subsequent Advance Forced Conversion Trigger**”), the Borrower shall, provided that no Default or Event of Default shall have occurred and be continuing, be entitled by written notice to the Lenders (the “**Subsequent Advance Forced Conversion Notice**”) have the one time right exercisable after the Subsequent Advance Forced Conversion Trigger, to elect to cause the Lenders to convert up to 50% of the principal amount outstanding of the Subsequent Advance and such principal amount (together with all Standby Fees and all interest including compound interest accrued and outstanding thereon) in the event of such an election shall constitute the Conversion Amount and shall be converted into Common Shares in accordance with Section 2.5.1 and Section 2.5.3 hereof, as applicable. Upon a forced Conversion pursuant to this Section 2.5.5, the Borrower shall pay to the Lenders any applicable Prepayment Fee or Make Whole Fee as if the amount converted was a prepayment of outstanding principal under the Credit Facility pursuant to Section 3.2 hereof. Notwithstanding the foregoing, the Borrower shall not be entitled to give a Subsequent Advance Forced Conversion Notice if at any time after the first Subsequent

Advance Forced Conversion Trigger the 30-day VWAP of the Common Shares measured on the close of trading on each such day at any time is less than 105% of the Subsequent Advance Conversion Price then in effect.

2.5.6 Upon the conversion of a Conversion Amount, the Lenders or such other Persons as the Lenders may direct in writing, subject to the prior approval of the Borrower, not to be unreasonably withheld, shall be entered in the books (including its central securities register) of the Borrower as at the date of conversion as the holder of the number of Common Shares into which such Conversion Amount is convertible and, as soon as practicable, the Borrower shall deliver to the Lenders or such other Persons as the Lenders may direct in writing, a certificate or certificates for such Common Shares.

2.5.7 If and whenever the Borrower shall (a) subdivide or re-divide the outstanding Common Shares into a greater number of shares, (b) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares, or (c) issue any Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend, the number of Common Shares which may be acquired on conversion of a Conversion Amount on the date of the subdivision, redivision, reduction, combination or consolidation or on the record date for the issue of Common Shares by way of a stock dividend, as the case may be, shall be increased, in the case of the events referred to in (a) and (c) above, in the proportion which the number of Common Shares outstanding before the subdivision, redivision or dividend bears to the number of Common Shares outstanding after the subdivision, redivision or dividend, or shall be decreased, in the case of the events referred to in (b) above, in the proportion which the number of Common Shares outstanding before the reduction, combination, or consolidation bears to the number of Common Shares outstanding after the reduction, combination or consolidation. Any issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for the stock dividend for the purpose of calculating the number of outstanding Common Shares under this Section 2.5.7. For greater certainty, an equity issuance, issuance of securities for value, dividend reinvestment plan or similar transaction will not trigger the re-adjustment provisions of this Section 2.5.7.

2.5.8 Each Lender shall be prohibited from converting a portion of any Conversion Amount into Common Shares if, as a result of the conversion of such portion, such Lender, together with any person(s) or company(ies) acting jointly or in concert with such Lender, would in the aggregate beneficially own, or exercise control or direction over, 20% or more of the issued and outstanding Common Shares (taking into account all other Common Shares held by the Holder) (the **"20% Threshold"**), unless shareholder approval is obtained by the Borrower in accordance with Applicable Securities Legislation and the rules of policies of the Exchange, if applicable. Upon written notice from a Lender that such Lender intends to elect a Conversion Amount that would result in such Lender exceeding the 20% Threshold, the Borrower shall use commercially reasonable efforts to seek any shareholder approval required in accordance with the rules and policies of the Exchange. Notwithstanding the foregoing, but subject to Exchange approval, this Section 2.5.8 shall not prevent any conversion of any Conversion Amount in connection with any of the following permitted transactions:

- (a) in connection with any (i) offer to purchase Common Shares made to all holders of Common Shares by way of take-over bid, plan of arrangement, merger, amalgamation or other similar transaction or series of transactions; (ii) recapitalization, reclassification or change of Common Shares (other than changes resulting from a share split or consolidation) as a result of which Common Shares would be converted into, or exchanged for, securities or other property or assets; or (iii) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the

consolidated assets of the Borrower and its subsidiaries; in all cases to allow the Lender to participate in such transaction or transactions on a *pari passu* basis with all other holders of Common Shares; or

- (b) in connection with any transaction where substantially concurrently with such conversion (or promptly thereafter) the Lender sells or transfers the Common Shares received as a result of such conversion to a third party not affiliated with the Lender (which third party may include an underwriter or placement or distribution agent).

2.5.9 In the case of any reclassification of the Common Shares at any time outstanding (other than any subdivision or consolidation of Common Shares into a greater or lesser number of Common Shares) or change of the Common Shares into other shares, or in case of a corporate reorganization of the Borrower (other than a corporate reorganization which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), the Lenders shall be entitled to receive upon conversion, and shall accept, in lieu of the number of Common Shares to which they were previously entitled upon such conversion, the kind and amount of shares, warrants and other securities or property which the Lenders would have been entitled to receive as a result of the corporate reorganization if, on the effective date, it had been the registered holder of the number of Common Shares to which it was previously entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Section 2.5 with respect to the rights and interests thereafter of the Lenders so that the provisions set forth in this Section 2.5 shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of the applicable Conversion Amount.

2.5.10 The adjustments provided for in this Section 2.5 are cumulative and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 2.5, provided that, notwithstanding any other provision of this Section 2.5 but subject to the rules and policies of the Exchange, no adjustment shall be made which would result in an increase in the Conversion Price (except on a combination or consolidation of the outstanding Common Shares) and no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this Section 2.5.10 are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

2.5.11 If any question arises with respect to the adjustments provided in this Section 2.5, such question shall be conclusively determined by a firm of chartered accountants (who may be the Borrower's auditors) appointed by the Agent and acceptable to the Borrower acting reasonably. Such chartered accountants shall be given access to all necessary records of the Borrower and their determination shall be binding upon the Borrower and the Lenders.

2.5.12 The Borrower shall not be required to issue fractional Common Shares upon the conversion of a Conversion Amount. In lieu of the Borrower issuing a fractional Common Share, the Borrower shall round such fractional Common Share down to the next whole Common Share.

2.5.13 The Borrower shall, from time to time immediately after the occurrence of any event which requires an adjustment or re-adjustment as provided in this Section 2.5, deliver a certificate of the Borrower to the Agent and the Lenders specifying the nature of the event requiring the same and the amount of the necessary adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment

specified therein shall be verified by an opinion of a firm of chartered accountants (who may be the Borrower's auditors) appointed by the Borrower and acceptable to the Agent acting reasonably and such certificate shall be conclusive and binding on all parties in interest absent manifest error.

2.5.14 The Borrower shall give notice to the Agent and the Lenders of its intention to fix a record date for any event mentioned in this Section 2.5 which may give rise to an adjustment in the number of Common Shares which may be acquired on conversion of a Conversion Amount, and, in each case, the notice shall specify the particulars of the event and the record date and the effective date for the event; provided that the Borrower shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 10 Business Days prior to the applicable record date.

2.5.15 The Borrower shall at all times reserve and keep available out of its authorized Common Shares and solely for the purpose of conversion as in this Section 2.5, and conditionally allot to the Lenders, such number of Common Shares as shall then be issuable upon the exercise of any right of conversion held by the Lenders hereunder, including without limitation upon the conversion of each Conversion Amount. The Borrower covenants with the Lenders that all Common Shares which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

2.5.16 Each Lender covenants and agrees with the Borrower that, for as long as there is any principal amount outstanding of the Credit Facility, it and its Affiliates, are prohibited from, directly or indirectly, holding any "short positions", entering into any forward contract, equity swap, put, call, collar, or similar transaction or any other arrangement that results in a gain only if the value of the Borrower's securities declines in the future, on any securities of the Borrower or any of its successors, including without limitation the Common Shares.

### **ARTICLE 3- TERM, PREPAYMENT AND REPAYMENT**

#### **3.1 Term**

Subject to the Lenders' right to demand accelerated payment upon an Event of Default that is continuing, the outstanding principal amount of the Credit Facility together with all other outstanding Obligations shall be immediately due and payable by the Borrower on the Maturity Date.

#### **3.2 Voluntary Prepayments**

The Borrower may, at any time so long as an Event of Default has not occurred and is continuing, upon 15 Business Days' prior written notice to the Lenders, make a prepayment in whole, not in part, in respect of the outstanding principal under the Credit Facility, by paying to the Lenders the full outstanding principal amount of the Credit Facility together with (i) accrued and unpaid interest (including compound interest) on such principal amount to the date of prepayment; (ii) if the prepayment occurs after 24 months following the date of the Initial Advance, a fee (the "**Prepayment Fee**") equal to one per cent of the full outstanding principal amount of the Credit Facility; (iii) if the prepayment occurs prior to the second anniversary of the date of the Initial Advance, a fee (the "**Make Whole Fee**") equal to 24 months' interest on the full outstanding principal amount of the Credit Facility at the interest rate then applicable to the Credit Facility less the amount of interest (excluding compound interest) at such interest accrued to the date of prepayment on all Advances; and (iv) all other outstanding Obligations including any Standby Fees accrued or payable under Section 4.3. The Borrower shall have no other right of prepayment. The

parties acknowledge that it is their intention that the Lenders shall earn minimum interest up to 24 months following the Initial Advance on the full principal amount of the Advances made under the Credit Facility. If the Borrower gives notice of prepayment pursuant to this Section 3.2, it shall constitute an Event of Default if the Borrower subsequently fails to prepay all amounts provided for herein on the date stipulated for such prepayment.

### **3.3 Payment of Fees Upon Acceleration**

The occurrence of an Event of Default and the acceleration of the Obligations prior to the Maturity Date will be deemed to be a voluntary prepayment of the outstanding principal amount of the Obligations and a voluntary cancellation of the undrawn available amount of the Credit Facility, and the Borrower will pay to the Lenders in addition to the other outstanding amounts of the Obligations:

- (a) if the acceleration of the Obligations occurs after the second anniversary of the date of the Initial Advance, the Prepayment Fee as if the outstanding principal amount of the Obligations was being prepaid by the Borrower pursuant to Section 3.2 on the next Business Day following the date of acceleration; and
- (b) if the acceleration of the Obligations occurs prior to the second anniversary of the date of the Initial Advance, the Make Whole Fee as if the outstanding principal amount of the Obligations was being prepaid by the Borrower pursuant to Section 3.2 on the next Business Day following the date of acceleration.

The Credit Parties acknowledge that the Prepayment Fee and the Make Whole Fee that are payable upon acceleration of the Obligations prior to the Maturity Date are not a penalty but are liquidated damages intended to compensate the Lenders to ensure that the Lenders earn interest on each Advance up to and including the second anniversary of the date of the Initial Advance, and that the Credit Parties do not avoid payment of the Prepayment Fee and the Make Whole Fee by intentionally defaulting hereunder.

## **ARTICLE 4 PAYMENT OF INTEREST AND FEES**

### **4.1 Interest**

Subject to Section 4.2, from and including the date of the Initial Advance the outstanding principal amount of the Credit Facility (including compound interest added to principal) shall bear interest, both before and after maturity, default and judgment until all such Obligations have been satisfied in full, at a rate of 8% per annum. Prior to Completion of the Premier Project, interest will be accrued and shall be compounded quarterly and added to principal at the end of each Quarterly Interest Period commencing December 31, 2020. Following Completion of the Premier Project, interest on the outstanding principal amount of the Credit Facility shall be paid in cash quarterly at the end of each Quarterly Interest Period commencing with the Quarterly Interest Period during which Completion of the Premier Project occurs.

### **4.2 Default Interest Rate**

Upon the occurrence and during the continuance of an Event of Default, interest on the outstanding principal amount of the Obligations payable pursuant to Section 4.1 will be [Redacted: percentage] (the "**Default Rate**") payable on demand. The Credit Parties acknowledge and agree that

the increased rate of interest on the occurrence of an Event of Default is not a penalty but rather a genuine pre-estimate of the Lenders' increased cost and risk of the outstanding Credit Facility.

#### **4.3 Standby Fee**

The Borrower agrees to pay to the Lenders a standby fee (the "**Standby Fee**") with respect to the undrawn portion of the Credit Facility, calculated on a daily basis from the Closing Date, notwithstanding the non-fulfillment of any conditions precedent to the Initial Advance or the Subsequent Advance, equal to the difference between (i) the Credit Limit; and (ii) the aggregate amount of Advances (including the Initial Advance) made to date under the Credit Facility, multiplied by 3.0% and divided by 365. The Standby Fees will be accrued and shall be compounded quarterly and added to principal at the end of each Quarterly Interest Period commencing December 31, 2020 and payable on the Maturity Date.

#### **4.4 Commitment Fee**

The Borrower shall pay the outstanding balance of the Commitment Fee to Beedie as a condition to the Initial Advance.

#### **4.5 Matters Relating to Interest**

4.5.1 Unless otherwise indicated, interest on any outstanding principal amount shall be calculated daily and shall, after the Completion of the Premier Project, be payable quarterly in arrears on the last Business Day of each and every Fiscal Quarter. If the last day of a Fiscal Quarter is not a Business Day, the interest payment due on such day shall be made on the next Business Day, and interest shall continue to accrue on the said principal amount and shall also be paid on such next Business Day. Interest shall accrue from and including the day upon which the Advance is made, and ending on and including the day on which any portion of the Advance is repaid or satisfied.

4.5.2 Unless otherwise stated, in this Agreement if reference is made to a rate of interest, fee or other amount "per annum" or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a year of 365 or 366 days, as the case may be. If the amount of any interest, fee or other amount is determined or expressed on the basis of a period of less than one year of 365 or 366 days, as the case may be, the equivalent yearly rate is equal to the rate so determined or expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.

4.5.3 Notwithstanding any other provisions of this Agreement, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under the Credit Documents would otherwise contravene the provisions of Section 347 of the *Criminal Code* (Canada), Section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which the Lenders are legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received such Lenders shall apply such excess against the Obligations and refund any further excess amount.

#### **4.6 Place of Repayments**

4.6.1 All payments of principal, interest and other amounts to be made by the Borrower pursuant to this Agreement shall be made directly to the Lenders, on a pro rata proportionate basis as set forth in the Interlender and Agency Agreement, with such payments being made by the Borrower at such address

and to such account as each Lender may direct in writing from time to time. All such payments received by the Lenders on a Business Day before 1:00 p.m. (Vancouver, British Columbia time) shall be treated as having been received by the Lenders on that day; payments made after such time on a Business Day shall be treated as having been received by the Lenders on the next Business Day.

4.6.2 Whenever any payment shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. Interest shall continue to accrue and be payable thereon as provided herein, until the date on which such payment is received by the Lenders.

#### **4.7 Evidence of Obligations (Noteless Advances)**

The Agent shall open and maintain, in accordance with its usual practice, accounts evidencing the Obligations; and the information entered in such accounts shall constitute *prima facie* evidence of the Obligations in absence of manifest error. The Lenders may, but shall not be obliged to, request the Borrower to execute and deliver from time to time such promissory notes as may be required as additional evidence of the Obligations.

#### **4.8 Determination of Equivalent Amounts**

Whenever it is necessary or desirable at any time to determine the Equivalent Amount in Canadian Dollars of an amount expressed in U.S. Dollars or any other currency, as applicable, or vice-versa (specifically including the determination of the Equivalent Amount in Canadian Dollars of any portion of the Advance made in U.S. Dollars), the Equivalent Amount shall be determined by reference to the Exchange Rate on the date of such determination.

#### **4.9 Agent**

The Borrower shall not be concerned to inquire whether the powers which the Agent is purporting to exercise under the Credit Documents have become exercisable or otherwise as to the proprietary or regularity of any other action on the part of the Agent, and accordingly in so far as the Borrower is concerned, the Agent shall for all purposes hereof be deemed to have full and unconditional authority from the Lenders to exercise the powers and take the actions which are in fact exercised by the Agent under the Credit Documents. Any delivery to the Agent by the Borrower, and communication or agreement between the Borrower and the Agent, shall be deemed to be a delivery to and communication or agreement between the Borrower and the Lenders. All notifications by the Borrower to the Agent shall be deemed to be a notification to all Lenders, and in no instance shall the Borrower be required to notify any Lender separate from a notification to the Agent. The Agent may share with the Lenders, and the Lenders may share among themselves, any information they may have from time to time concerning the Borrower and any other Credit Party. The Borrower hereby consents to any such sharing of information, subject to the Lenders maintaining the confidentiality of any such information.

## **ARTICLE 5 SECURITY**

### **5.1 Security**

The Security Documents to be provided to the Agent for and on behalf of the Lenders for the granting of the Credit Facility will consist of the documents listed in Schedule C and shall be in form and substance satisfactory to the Agent.

### **5.2 Additional Security and Registration**

The Credit Parties shall promptly execute and deliver to the Agent and the Lenders or cause to be delivered to the Agent and the Lenders, at the expense of the Credit Parties, such additional or complementary security documents or such confirmations or such notices or documents containing such further description of properties charged or intended to be charged by the Security Documents as may in the reasonable opinion of the Agent or its counsel be necessary or advisable to create and maintain charges over all assets and the issued Shares of the Credit Parties wherever same may be situated. The Credit Parties shall cause to be promptly made all registrations and filings under any Applicable Law (including financing statements) and to be delivered all opinions, necessary, in the reasonable opinion of the Agent or its counsel, to render the Security Documents fully effective. Each Credit Party authorizes the Agent to file any such financing statement or similar documents without the signature of such Credit Party, or to execute such financing statement as attorney for such Credit Party in the event such Credit Party fails to do so promptly upon request by the Agent. Each Credit Party acknowledges that the Security Documents have been prepared on the basis of Applicable Law in effect on the date hereof, and that changes to Applicable Law may require the execution and delivery of different forms of documentation, and accordingly the Agent shall have the right to require that the Security Documents be amended, supplemented or replaced (and the Credit Parties shall duly authorize, execute and deliver to the Agent on request any such amendment, supplement or replacement with respect to any of the Security Documents to which such Credit Party is a party consistent with the intent of the Security Documents on the Closing Date): (i) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (ii) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

### **5.3 After Acquired Property, Further Assurances**

Each of the Credit Parties agrees to execute and deliver from time to time, and cause each of their Subsidiaries and the shareholders thereof to execute and deliver from time to time, all such further documents and assurances as may be reasonably required by the Agent from time to time in order to provide the Security Documents contemplated hereunder, specifically including: supplemental or additional security agreements, assignments and pledge agreements which shall include lists of specific assets to be subject to the security interests required hereunder.

### **5.4 Senior Lender Intercreditor Agreement**

The Agent and the Lenders agree to enter into an intercreditor agreement with the Senior Lender, on terms reasonably acceptable to the Agent and the Lenders (the "**Senior Lender Intercreditor Agreement**"), pursuant to which the Agent and the Lenders subordinate the security granted under the Security Documents to Encumbrances granted by the Borrower and the other Credit Parties to the Senior Lender securing the Senior Obligations, but no more.

## **ARTICLE 6 DISBURSEMENT CONDITIONS**

### **6.1 Conditions Precedent to the Initial Advance**

The obligation of the Lenders under this Agreement to make the Initial Advance under the Credit Facility is subject to and conditional upon the following conditions being satisfied on the Closing Date (unless otherwise waived by the Agent, in its discretion):

- (a) receipt by the Agent, of the following documents, each in full force and effect, and in form and substance satisfactory to the Agent (unless delivery has been waived by the Agent):
  - (i) this Agreement, duly executed and delivered by the Credit Parties;
  - (ii) certified copies of the Constating Documents of each of the Credit Parties;
  - (iii) certificates of incumbency of each of the Credit Parties;
  - (iv) certified copies of the resolutions of the board of directors of each of the Credit Parties authorizing the execution, delivery and performance of its respective obligations under the Credit Documents to which each is a party;
  - (v) duly executed copies of the Security Documents, duly registered to the Lenders' satisfaction, where applicable subject only to Permitted Encumbrances;
  - (vi) releases, discharges and postponements (in registrable form where appropriate) covering all Encumbrances affecting the collateral Encumbered by the Security Documents which are not Permitted Encumbrances, if any, or undertakings satisfactory to the Agent to provide such releases, discharges and postponements;
  - (vii) the Senior Lender Intercreditor Agreement;
  - (viii) the Interlender and Agency Agreement; and
  - (ix) letters of opinion of legal counsel to the Credit Parties, each addressed to the Lenders relating to, among other things, the subsistence of the Credit Parties, the due authorization, execution, delivery and enforceability of the Credit Documents, the registration, validity and perfection of the security granted under the Security Documents, non-contravention of laws and Constating Documents, and the valid issuance of the Conversion Shares upon conversion as contemplated in Section 2.5, in accordance with all Applicable Laws and all Applicable Securities Legislation;
  
- (b) receipt by the Agent, of the following documents, each in full force and effect, and in form and substance satisfactory to the Agent (unless delivery has been waived by the Agent):
  - (i) confirmation from the Borrower that (i) except for the Authorizations identified on Schedule F Part B as not having been obtained prior to the Closing, all material Authorizations necessary or required to enable the Borrower to develop and

operate the Premier Project have been obtained and are valid, subsisting and in good standing, and (ii) except for those Material Contracts identified on Schedule E as not having been executed prior to the Initial Advance Closing Date, all Material Contracts required to construct and operate the Premier Project have been executed and provided to, and accepted by, the Agent, and (iii) each material Authorization necessary or required to enable the Borrower to construct and operate the Premier Project, which by their nature do not need to be obtained until a future date, will be obtained prior to the time it becomes necessary or required for the then current stage of the development or operation of the Premier Project;

- (ii) financial program (sources and uses);
  - (iii) customary search reports as the Agent may require;
  - (iv) an up-to-date list of the properties and assets owned by each Credit Party;
  - (v) a Compliance Certificate;
  - (vi) certificates of status or other similar type of evidence of existence for each of the Credit Parties from all Relevant Jurisdictions;
  - (vii) certified copies of all agreements and documents evidencing all Royalty Obligations of the Credit Parties;
  - (viii) all requisite Authorizations and regulatory approvals to the transactions contemplated herein, including conditional Exchange approval of this Agreement and the issuance of the Conversion Shares upon Conversion, and other third party consents and approvals listed in Schedule F Part A, except in respect of the Minimum Equity Financing;
  - (ix) consolidated corporate model in Excel from December 31, 2019 to the end of the Premier Project and Red Mountain Project, including project models for combined Premier Project / Red Mountain Project and for Premier Project only; and
  - (x) third party due diligence reports as required by the Agent including technical, environmental and permitting review.
- (c) the Borrower shall have paid all fees, costs and expenses then owing to the Agent and the Lenders in respect of the Credit Facility, including the Commitment Fee;
- (d) the Agent shall be satisfied with its review of all Material Contracts;
- (e) the Agent shall be satisfied with the results of its due diligence investigations (including, without limitation, accounting, business, environmental, regulatory, tax and legal review) in respect of the Credit Parties;
- (f) all of the representations and warranties of the Credit Parties contained herein or in any other Credit Document are true and correct on and as of the Closing Date as though

made on and as of such date, and the Agent has received a certificate of the Borrower so certifying to the Agent;

- (g) no event or circumstance shall have occurred since October 26, 2020 that in the opinion of the Lenders would reasonably be expected to have a Material Adverse Effect;
- (h) no Default or Event of Default shall have occurred and be continuing;
- (i) the Agent shall be satisfied with all terms and conditions of any Indebtedness, including the Senior Obligations and the Senior Debt Document;
- (j) the Senior Debt Documents shall have been executed and delivered and all conditions precedent to the availability of the first advance under the Senior Credit Agreement shall have been satisfied;
- (k) receipt of evidence, to the satisfaction of the Agent, that appropriate levels of insurance are in place;
- (l) receipt by the Lenders of a signed Drawdown Request from the Borrower in the amount of their respective proportionate interest in the Initial Advance at least two Business Days prior to the date that the Initial Advance is to be made together with a Compliance Certificate showing full compliance with the financial covenants set forth herein as at the Closing Date assuming the Initial Advance is made; and
- (m) signed direction to pay in respect of the Initial Advance authorizing the deduction of all outstanding fees and costs and directing repayment in full of the Existing Sprott Debt.

## **6.2 Conditions Precedent to the Subsequent Advance**

The obligation of the Lenders under this Agreement to make the Subsequent Advance under the Credit Facility following the Initial Advance, is subject to and conditional upon the following (unless otherwise waived by the Agent in its discretion):

- (a) receipt by the Agent of the following documents, each in full force and effect, and in form and substance satisfactory to the Agent and its counsel:
  - (i) in respect of the Subsequent Advance, a copy of the initial Model;
  - (ii) confirmation from the Borrower that (i) all material Authorizations necessary or required to enable the Borrower to construct and operate the Premier Project have been obtained and are valid, subsisting and in good standing, (ii) all Material Contracts required to construct and operate the Premier Project have been executed and provided to, and accepted by, the Agent, and (iii) each material Authorization necessary or required to enable the Borrower to construct and operate the Premier Project, which by its nature does not need to be obtained until a future date, will have been obtained prior to the time it becomes necessary or required for the then current stage of the development or operation of the Premier Project;

- (iii) except for those Authorizations, regulatory approvals and other third party consents obtained in connection with the Initial Advance, copies of all requisite Authorizations and regulatory approvals required at such time to the transactions contemplated herein and the Authorizations and Material Contracts contemplated in Section 6.2(a)(ii)(A) and 6.2(a)(ii)(B), including all Authorizations listed in Schedule F Part B; and
  - (iv) customary search reports as the Agent may require;
- (b) the Borrower shall have delivered to the Agent, and the Agent shall have reviewed and be satisfied with, a written report prepared by the Project Consultant, dated and delivered to the Agent no earlier than [Redacted: number] Business Days and no later than [Redacted: number] Business Days prior to the scheduled date of the Subsequent Advance, confirming:
  - (i) that the development of the Premier Project has not deviated from the Model in an adverse manner;
  - (ii) the intended use of proceeds of the Subsequent Advance is in accordance and consistent with the Model;
  - (iii) that for the work completed to date, construction is progressing in accordance with the construction schedule and budget, and failing which, all cost overruns have been settled and paid from sources other than the Credit Facility proceeds or proceeds of the Senior Credit Agreement;
  - (iv) the undrawn portion of the Credit Facility and undrawn amounts under the Senior Credit Agreement, together with the Borrower's Unrestricted Cash or cash otherwise unconditionally available to it by drawdown of Permitted Indebtedness, less the Borrower's current accounts payable, will be sufficient to pay all costs to complete the Premier Project and to achieve Completion, by the Completion Long Stop Date;
  - (v) all other funds required to achieve Completion, including but not limited to the proceeds of the Minimum Equity Financing but excluding undrawn amounts under the Senior Credit Agreement, have been advanced to the Borrower and have been fully utilized in furtherance of achieving Completion; and
  - (vi) the Borrower's compliance with the Project Repayment Covenant on a pro-forma basis, inclusive of the Subsequent Advance,and in connection therewith, the Agent may review such report and conduct a site visit of the Premier Project in conjunction with such review in accordance with Section 8.1(d), at the Borrower's sole cost and expense;
- (c) the Agent shall have received, reviewed and be satisfied with all permit amendments for the Premier Project, leases and licences for the current stage of the Premier Project;
- (d) the Agent shall have received, reviewed and be satisfied with a detailed life of mine plan for the Premier Project prepared by INNNovexplo Inc. and the Model;

- (e) on or before the date which is six months after the date of the Initial Advance, the Borrower shall have completed the closing of the Minimum Equity Financing, raising net proceeds of not less than \$25,000,000;
- (f) the Agent shall have received evidence that all of the proceeds of the Minimum Equity Financing have been utilized solely in the construction of the Premier Project;
- (g) all of the representations and warranties of the Credit Parties contained herein or in any other Credit Document are true and correct on and as of the date of the Subsequent Advance as though made on and of such date, and the Agent has received a certificate of the Borrower so certified to the Agent;
- (h) receipt by each of the Lenders of a signed Drawdown Request from the Borrower in the amount of their respective proportionate interest in the Subsequent Advance at least five Business Days prior to the date that the Subsequent Advance is to be made;
- (i) no Default or Event of Default shall have occurred and be continuing or would result from the Subsequent Advance; and
- (j) no event or circumstance shall have occurred or exists that could be expected to have a Material Adverse Effect.

### **6.3 Waiver**

The conditions in Sections 6.1 and 6.2 are inserted for the sole benefit of the Lenders and may be waived by the Lenders, in whole or in part (with or without terms or conditions).

## **ARTICLE 7 REPRESENTATIONS AND WARRANTIES**

### **7.1 Representations and Warranties of the Credit Parties**

The Credit Parties hereby represent and warrant to the Lenders as of the date hereof and as of the date of each Advance that:

- (a) each Credit Party has been duly incorporated and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all filings required to be made under the laws of its jurisdiction of incorporation to maintain its corporate existence and has all requisite corporate power to carry on its business as now conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
- (b) each Credit Party and any representative signing on its behalf has full power and capacity to enter into each of the Credit Documents to which it is a party and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof, and each Credit Party has taken all necessary corporate action to duly authorize the creation, execution, delivery and performance of each of the Credit Documents to which it is a party and to observe and

perform the provisions of such Credit Documents in accordance with the provisions thereof;

- (c) upon the execution and delivery thereof, the Credit Documents will create legal, valid and binding obligations of each Credit Party that is party to them enforceable against each such Credit Party in accordance with their respective terms;
- (d) the entry into and the performance of its obligations under each Credit Document to which it is a party is in its best interests and for a proper purpose;
- (e) none of the execution and delivery of the Credit Documents, the compliance by the Credit Parties with the provisions of the Credit Documents or the consummation of the transactions contemplated herein or therein (as applicable) does or will: (i) require the consent, approval, Authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority or other Person, except (A) those listed on Schedule F Part A, all of which will have been obtained on or before the Closing Date, (B) conditional Exchange approval which will be obtained on or before the Closing Date, and (C) in respect of the Minimum Equity Financing, Exchange approval; (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement (including any Material Contract) or instrument to which any Credit Party is a party or by which it or any of its properties or assets is bound; or (iii) conflict with or result in any breach or violation of any provisions of, or constitute a default under the Constatng Documents of any Credit Party or any resolution passed by the directors (or any committee thereof) or shareholders of any Credit Party, or any Applicable Law or any order, rule, policy or regulation of any arbitrator, stock exchange or securities regulatory authority applicable to any Credit Party or any of the properties or assets thereof;
- (f) the Borrower is authorized to issue an unlimited number of Common Shares, of which Common Shares are issued and outstanding as fully paid and non-assessable Common Shares;
- (g) the Common Shares are listed and posted for trading on the Exchange;
- (h) each Credit Party (other than the Borrower) is authorized to issue that number of Equity Interests as are set out on Schedule D and that number of Equity Interests as are listed on Schedule D are issued and outstanding;
- (i) except as set forth in Schedule D, none of the Credit Parties own, beneficially or of record, or exercise control or direction over, any Equity Interests of any Person except the Equity Interests in any wholly-owned Subsidiaries acquired pursuant to a Permitted Acquisition;
- (j) no Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement, for the purchase, acquisition, subscription for or issue of any of the unissued shares or Equity Interests of any Credit Party other than the Borrower;

- (k) no Credit Party carries on business, has an office or owns any properties or assets located, outside of British Columbia;
- (l) each Credit Party is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of any of its owned or leased properties or assets or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in material compliance with all Applicable Laws of each such jurisdiction;
- (m) (i) each Credit Party has conducted and is conducting its business in compliance in all material respects with Applicable Law and possesses all material Authorizations necessary to carry on the business currently carried on by it, is in compliance in all material respects with, and has fulfilled all material obligations with respect to, the terms and conditions of all such material Authorizations, and none of the Credit Parties has received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such material Authorization and (ii) there are no Authorizations (other than the Benefits Agreement) required with respect to any interest or right of any indigenous or aboriginal person or entity with respect to the business of any Credit Party;
- (n) the Borrower is a reporting issuer or the equivalent in the Reporting Jurisdictions and is in compliance with all its obligations under the Applicable Securities Legislation of such jurisdictions and of the Exchange in all respects and is not included in any list of defaulting reporting issuers (or similar list) maintained by the securities commission of any such jurisdiction;
- (o) no order or ruling suspending the sale or ceasing the trading in any securities of the Borrower or prohibiting the sale of such securities has been issued by any securities regulatory authority to or against the Borrower or, to its knowledge, its directors, officers or promoters and, no investigations or proceedings for such purposes are pending or, to the Borrower's knowledge, have been threatened or contemplated;
- (p) there has been no material change, as defined in the Applicable Securities Legislation, relating to the Borrower, which has not been fully disclosed in accordance with the requirements of the Applicable Securities Legislation and the rules and policies of the Exchange;
- (q) no Credit Party has incurred or suffered to exist any Indebtedness or guaranteed the obligations of any Person, except for Permitted Indebtedness;
- (r) the Borrower has the corporate power and authority to create, issue and deliver the Conversion Shares upon Conversion;
- (s) the Conversion Shares have been or will be validly issued as fully paid and non-assessable Common Shares and none of the Conversion Shares will be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Borrower;

- (t) upon completion of the Initial Advance, the Borrower will have received the conditional approval of the Exchange as described in Schedule A;
- (u) the issuance of the Conversion Shares upon due conversion of and in accordance with the terms and subject to the conditions of this Agreement will be exempt from the prospectus requirements of Applicable Securities Legislation and no document will be required to be filed and no proceeding taken or approval, permit, consent, order or Authorization obtained under any Applicable Securities Legislation in connection with the first trade of such Conversion Shares (assuming that: at the time of such trade: the Borrower is and has been a "reporting issuer" (as defined under Applicable Securities Legislation), in a jurisdiction of Canada for the four months immediately preceding the trade; at least four months have elapsed from the "distribution date" (as defined in National Instrument 45-102 Resale of Securities); the certificates evidencing such Conversion Shares, if any, carries the legend prescribed by section 2.5(2)3(i) of National Instrument 45-102 Resale of Securities, and if the Conversion Shares are entered into a direct registration system or other electronic book entry system, or if the Lenders did not directly receive a certificate evidencing the Conversion Shares, the Lenders received a copy of this Agreement; such trade is not a "control distribution" (as defined in National Instrument 45-102 Resale of Securities); no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; no extraordinary commission or consideration is paid to a Person in respect of the trade; and, if a Lender is an insider of the Borrower, it has no reasonable grounds to believe that the Borrower is in default of "securities legislation" (as defined in National Instrument 14-101 Definitions));
- (v) the contracts, agreements and other documents listed in Schedule E represent all Material Contracts of the Credit Parties, each of which is in full force and effect, unamended, and true and complete copies of which have been provided to the Agent;
- (w) any and all of the agreements and other documents and instruments pursuant to which any Credit Party holds any property and/or assets (including any interest in, or right to earn an interest in, any property) and all Material Contracts are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof. No Credit Party is in default of any of the material provisions of any such agreements, documents or instruments in any material respect nor has any such default been alleged, and such properties and assets are in good standing under the Applicable Laws of the jurisdictions in which they are situated, and all leases, licenses and claims pursuant to which any Credit Party derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or claim. None of the properties or assets (or any interest in, or right to earn an interest in, any property) of any Credit Party is subject to any right of first refusal, purchase, acquisition or similar right (other than under the asset purchase agreement dated July 31, 2017 and the option agreement dated June 12, 2001, in each case, as amended and between Boliden Limited and the Borrower);
- (x) each Credit Party holds freehold title, mining leases, mining claims or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies, metals and minerals located in properties in which it has an interest as described in the Disclosure Record, as more particularly described in Schedule A in respect of the Premier Project and

Schedule B in respect of the Red Mountain Project, under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit such Credit Party to explore and extract the metals and minerals relating thereto as contemplated in the Borrower's mine plan (and subsequent to the Initial Model Delivery Date, as contemplated in the Model), all such property, leases or claims and all property, leases or claims in respect of the Projects in which any Credit Party has an interest or right have been and are being validly located and recorded in accordance with Applicable Law in all respects and are valid and subsisting, the Credit Parties have all necessary surface rights, access rights and other necessary rights and interests relating to the properties in which the Credit Parties have an interest as described in the Disclosure Record in respect of the Projects granting the applicable Credit Parties the right and ability to access, explore and extract for minerals, ore and metals for development purposes as contemplated in the Borrower's mine plan (and subsequent to the Initial Model Delivery Date, as contemplated in the Model), as are appropriate in view of the rights and interest therein of the applicable Credit Parties, with only such exceptions as do not interfere with the use made by the applicable Credit Parties of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the applicable Credit Party;

- (y) each Credit Party has good and valid right, title and interest in and to all of its properties and assets, movable (personal) or immovable (real), free and clear of all Encumbrances, whether registered or unregistered, except Permitted Encumbrances, and no such properties or assets are subject to any earn-in right, right of first refusal, purchase, acquisition or similar right, granted in favour of any Person, except Permitted Encumbrances;
- (z) the description of the Premier Project contained in Schedule A is a true and complete description of the Premier Project and includes all mineral and other real property interests legally and beneficially owned by the Borrower which are prudent or necessary to explore and extract the metals and minerals therein, as contemplated in the Borrower's mine plan (and subsequent to the Initial Model Delivery Date, as contemplated in the Model);
- (aa) the description of the Red Mountain Project contained in Schedule B is a true and complete description of the Red Mountain Project and includes all mineral and other real property interests legally and beneficially owned by the Borrower which are prudent or necessary to explore and extract the metals and minerals therein;
- (bb) each Credit Party owns or has the right to use under license, sub-license or otherwise all intellectual property used by it in its business, including copyrights, industrial designs, trademarks, trade secrets, know-how and proprietary rights, free and clear of any and all Encumbrances except Permitted Encumbrances;
- (cc) no Credit Party maintains, or has any obligation or liability in relation to, any pension plan, including, for greater certainty, any "defined benefit provision" of a "registered pension plan", as each such term is defined in the *Income Tax Act* (Canada);

- (dd) there are no pending or, to the Credit Parties' knowledge, threatened legal, judicial or administrative actions, suits, demands, claims, liens, notices of non-compliance or violations investigations, audits or proceedings of any kind involving the Credit Parties which could have a Material Adverse Effect, including in relation to any interest or right of any indigenous or aboriginal person or entity;
- (ee) except for Permitted Encumbrances, there are no royalty obligations or similar obligations applicable to the properties of any Credit Party, including but not limited to the property interests comprising the Projects;
- (ff) no Credit Party has approved entering into any agreement in respect of (i) the sale of any property of such Credit Party, or assets or any interest therein or the sale, transfer or other disposition of any property of such Credit Party, or assets or any interest therein currently owned, directly or indirectly, by such Credit Party whether by asset sale, transfer of shares or otherwise, other than with respect to a Permitted Disposal or (ii) any Change of Control;
- (gg) since December 31, 2018, (i) the Disclosure Record contained no misrepresentation except as may have been corrected by subsequent disclosure, (ii) the Disclosure Record conforms in all material respects to Applicable Securities Legislation at the time such documents were filed on SEDAR and (iii) no portion of the Disclosure Record contains an untrue statement of a material fact as of the date thereof nor does it omit to state a material fact which, at the date thereof, was required to have been stated therein or was necessary to prevent a statement that was made therein from being false or misleading in any material respect in the circumstances in which it was made;
- (hh) the consolidated financial statements of the Borrower contained in the Disclosure Record are in accordance with Applicable Law, and give a true and fair view of the Borrower's consolidated financial position as at the date thereof and comply with IFRS, and no adverse material change in the financial position of any Credit Party has taken place since the date thereof;
- (ii) none of the Credit Parties has any liabilities, fixed or contingent, of the type required to be reflected as liabilities in financial statements prepared in accordance with IFRS, that are not reflected in the consolidated financial statements of the Borrower contained in the Disclosure Record or in the notes thereto;
- (jj) the Borrower's Auditors are independent chartered professional accountants and have participant status with the Canadian Public Accountability Board as required under Applicable Securities Legislation and there has never been a reportable event (within the meaning of National Instrument 51-102 Continuous Disclosure Obligations) between the Borrower and the Borrower's Auditors;
- (kk) the Borrower has in all material respects complied with all continuous disclosure obligations under Applicable Securities Legislation and the rules and regulations of the Exchange and, without limiting the generality of the foregoing, there has not occurred an adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of the Borrower or the Subsidiaries (taken as a whole) which has not been publicly disclosed on a

non-confidential basis; and the Borrower has not filed any confidential material change reports which remain confidential as at the date hereof;

- (II) all Taxes other than Contested Taxes (the Borrower representing and warranting that there are no Contested Taxes as at the Closing Date), of each Credit Party have been paid and all Tax returns, declarations, remittances, forms and filings required to be filed by any Credit Party have been filed with all appropriate Governmental Authorities in the form and manner required by Applicable Law, and all such returns, declarations, remittances, forms and filings were, at the time of filing, complete and accurate in all material respects and no fact or facts have been omitted therefrom which could make any of them misleading. There are no objections, appeals or other legal proceedings outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by any Credit Party and no audit or investigation of any Tax return of any Credit Party is currently in progress (save in respect of any dispute, audit or investigation which the relevant Credit Party (or Credit Parties) is disputing in good faith and pursuant to appropriate proceedings diligently conducted), and with respect to which adequate reserves in conformity with IFRS have been provided on the books and records of the relevant Credit Party (or Credit Parties), and there are no Encumbrances for Taxes (other than Permitted Encumbrances);
- (mm) (i) no Credit Party is in material violation of or has any material liability under any Environmental Laws including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, and any other substance controlled or regulated under Environmental Laws (collectively, "**Hazardous Materials**") or the creation, processing, distribution, use, management, treatment, storage, disposal, transport or handling of Hazardous Materials, or the provision of any financial assurance with respect to such Hazardous Materials; (ii) each Credit Party has all material Authorizations required under any applicable Environmental Laws and, each Credit Party is in compliance with, and has fulfilled all current material obligations with respect to, such material Authorizations; (iii) there are no pending or, to the Credit Parties' knowledge, threatened administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, audits or proceedings relating to any Environmental Laws against any Credit Party which have resulted in or could reasonably be expected to result in a Material Adverse Effect; and (iv) there are no events or circumstances that could be expected to form the basis of an order under Environmental Laws (including for clean-up or remediation of Hazardous Materials), or an action, suit, claim or proceeding by any private party or Governmental Authority, against or affecting any Credit Party relating to any Environmental Laws that could reasonably be expected to have a Material Adverse Effect;
- (nn) each Credit Party operates its business in compliance in all material respects with all Applicable Laws relating to employment and, there are no legal proceedings nor, to the Credit Parties' knowledge, any threatened legal proceedings, against any Credit Party pursuant to any Applicable Laws relating to employment. There are no outstanding decisions, orders, judgments or settlements or pending settlements under any Applicable Laws relating to employment which place any material obligation upon any Credit Party to do or refrain from doing any act. Each Credit Party is up to date in the payment of all premiums or assessments under applicable workers compensation and profit sharing or

other worker safety legislation applicable in the Relevant Jurisdictions, and no Credit Party is subject to any special assessment or penalty under any such legislation;

- (oo) (i) no complaint for wrongful dismissal, constructive dismissal or any other claim, complaint, litigation or other proceeding respecting employment and employment practices, terms and conditions of employment, pay equity and wages is pending against any Credit Party or threatened in writing against any Credit Party as of the date hereof; (ii) no grievance or arbitration arising out of or under any collective bargaining agreement is pending against any Credit Party or threatened in writing against it; and (iii) no strike, labour dispute, slowdown or stoppage is pending or threatened in writing against any Credit Party;
- (pp) none of the directors, officers or employees of any Credit Party or any Affiliate of a Credit Party had or has any interest, direct or indirect, in any transaction or any proposed transaction with any Credit Party;
- (qq) all insurance required to be obtained by the Credit Parties hereunder (including the Borrower) has been obtained and is in full force and effect and materially complies with Section 8.1(n), and all premiums then due and payable on all such insurance have been paid and no Credit Party has failed to promptly give any notice of any claim thereunder. There are no claims by any Credit Party under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights or similar clause;
- (rr) no Credit Party is in violation of any material term of its Constatng Documents. No Credit Party is in violation of any term or provision of any agreement, indenture or other instrument (including any Material Contract) applicable to it which could result in any Material Adverse Effect, and there is no action, suit, proceeding or investigation commenced, pending or, to the Credit Parties' knowledge, threatened which, either in any case or in the aggregate, could result in any Material Adverse Effect or which places, or could place, in question the validity or enforceability of this Agreement, or any document or instrument delivered, or to be delivered, by any Credit Party pursuant hereto;
- (ss) no Credit Party is in default of any term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which any Credit Party is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could have a Material Adverse Effect;
- (tt) no Credit Party has committed or commenced any act of bankruptcy, or commenced any proceedings seeking administration, arrangement, liquidation, receivership, dissolution, winding-up, adjustment of debt, relief of debtors, or is otherwise insolvent, or has proposed a compromise or arrangement to its respective creditors generally, or has had an application for a bankruptcy order filed against it, or has made a voluntary assignment in bankruptcy, or has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have a receiver, monitor or similar official

appointed for any of its property or assets or has had any judgement, order, execution or distress become enforceable or become levied against it or upon any of its property or assets;

- (uu) the Credit Parties on a consolidated basis are able to meet their obligations as they generally become due and have not ceased paying their current obligations in the Ordinary Course as they generally become due;
- (vv) the Borrower is able to meet its obligations as they generally become due and has not ceased paying its current obligations in the Ordinary Course as they generally become due;
- (ww) there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the Credit Parties' knowledge, threatened against or affecting any Credit Party or to which any of their properties or assets is subject, at law or equity, or before or by any Governmental Authority and no Credit Party is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority;
- (xx) no Credit Party and no director or officer, agent, employee or other Person acting on behalf of any Credit Party has, in the course of its actions for, or on behalf of, any Credit Party (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act (Canada)*, the US Foreign Corrupt Practices Act of 1977, or any other similar laws; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official, employee or other Person;
- (yy) no Credit Party is in violation of any of the country or list based economic and trade sanctions applicable to it and administered and enforced by OFAC. No Credit Party: (i) is a Sanctioned Person or a Sanctioned Entity; (ii) has more than 10% of its assets located in Sanctioned Entities; or (iii) derives more than 10% of its revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities;
- (zz) no part of the proceeds of the Advances shall be used, directly or indirectly: (i) to offer or give anything of value to any official or employee of any foreign government department or agency or instrumentality or government-owned entity, to any foreign political party or party official or political candidate or to any official or employee of a public international organization, or to anyone else acting in an official capacity (collectively, "**Foreign Official**"), in order to obtain, retain or direct business by (A) influencing any act or decision of such Foreign Official in his official capacity, (B) inducing such Foreign Official to do or omit to do any act in violation of the lawful duty of such Foreign Official, (C) securing any improper advantage or (D) inducing such Foreign Official to use his influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality; (ii) to cause the Lenders to violate the U.S. Foreign Corrupt Practices Act of 1977; or (iii) to cause the Lenders to violate any other anti-corruption law applicable to the Lenders;

- (aaa) no Credit Party acting or benefiting in any direct capacity in connection with the Advances is any of the following (a “**Restricted Person**”): (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”); (ii) a Person that is named as a “specially designated national and blocked person” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list or similarly named by any similar foreign governmental authority; (iii) a Person that is owned 50 percent or more by any Person described in this Section 7.1(aaa); (iv) any other Person with which any Credit Party is prohibited from dealing under any Sanctions laws applicable to such Credit Party; or (v) a Person that derives more than 10% of its annual revenue from investments in or transactions with any Person described in this Section 7.1(aaa)(i), (ii), (iii) or (iv). Further, none of the proceeds from the Advances shall be used to finance or facilitate, directly or indirectly, any transaction with, investment in, or any dealing for the benefit of, any Restricted Person;
- (bbb) no Credit Party enjoys immunity from suit or execution in relation to its obligations under any Credit Document to which it is a party;
- (ccc) from and after the Initial Model Delivery Date, the Credit Parties represent and warrant as follows: the Model has been prepared in good faith by the Borrower based upon (i) the assumptions stated therein (which assumptions are believed by the Borrower on the date of delivery of such Model, to be reasonable), and (ii) the best information available to the Borrower as of the date of delivery of such Model; as of the date of delivery of the Model, no fact, occurrence, circumstance or effect has occurred that could result in or require any adverse change to such Model that could reasonably be expected to have a Material Adverse Effect; the development of the Premier Project has not deviated in any adverse manner from the Model that could reasonably be expected to have a Material Adverse Effect; the intended use of proceeds of each Advance is in accordance and consistent with the Model; for the work completed to date, construction is progressing in all material respects in accordance with the construction schedule and budget (and failing which all cost overruns after taking into account any contingencies, in each case as set out in the Model, have been settled and paid from sources other than the Facility proceeds);
- (ddd) all written information and data concerning the Credit Parties or the Projects (other than projections) that has been prepared by the Credit Parties or any of their representatives or advisors and that have been made available to the Lenders by the Credit Parties, at the time such information and data (other than projections) were made available, were, to the best of each Credit Party’s knowledge and belief after due inquiry, true and correct in all material respects, and, at the time such information and data were made available, did state a material fact necessary in order to make the statements contained in such information and data (other than projections) not misleading in light of the circumstances under which such statements were made; and
- (eee) the provisions of the Security Documents are effective to create in favor of the Lenders, a legal, valid and enforceable Second Ranking Security Interest on all of the Collateral purported to be covered thereby, and all necessary recordings and filings have been made, or shall be made on or prior to the Closing Date, in all necessary public offices, and all other necessary and appropriate action has been taken, so that, once perfected,

each such Security Documents creates a perfected Second Ranking Security Interest on all right, title and interest of the applicable Credit Party which is a party thereto in the Collateral covered thereby, and all necessary consents to the creation, perfection and enforcement of such Second Ranking Security Interest, if required, have been obtained from each of the parties to the Material Contracts, as applicable.

## **7.2 Acknowledgement**

The Credit Parties acknowledge that the Lenders are relying upon the representations and warranties in this Article 7 in discharging their obligations under this Agreement and that such representations and warranties shall be deemed to be restated in every respect effective on the date each Advance is made, on each repayment date and the first day of each calendar month.

## **7.3 Survival and Inclusion**

The representations and warranties in this Article 7 will survive the execution of this Agreement and all other Credit Documents. All statements, representations and warranties contained in any other Credit Document or in any instruments delivered by or on behalf of the Credit Parties or the Lenders pursuant to this Agreement or any other Credit Document will be deemed to constitute statements, representations and warranties made by the Credit Parties to the Lenders under this Agreement.

# **ARTICLE 8 COVENANTS AND REPORTING REQUIREMENTS**

## **8.1 Positive Covenants**

While any Obligations are outstanding or the Credit Facility remains available to the Borrower, the Credit Parties covenant and agree with the Lenders as follows (and agree to cause each other Credit Party to so comply):

- (a) the Borrower will duly and punctually pay or cause to be paid to the Lenders all Obligations, on the dates, at the places, in the currency and in the manner mentioned herein, including, without limitation, upon the occurrence of any Event of Default, the outstanding balance of the Obligations;
- (b) they will at all times maintain their corporate existence, obtain and maintain all material Authorizations required or necessary in connection with their business, the Projects and/or all of the Collateral, observe and perform in all material respect all their obligations under all material Authorizations and to carry on and conduct their business and exploit the Projects in accordance with prudent mining industry standards in the jurisdiction where the Projects are located;
- (c) they will keep or cause to be kept proper books of account and make or cause to be made therein true and complete entries of all of their dealings and transactions in relation to their businesses in accordance with IFRS, and at all times they will furnish or cause to be furnished to the Agent or its duly authorized representative, agent or attorney such information relating to their operations as the Agent may request and such books of account shall be open for inspection by the Agent or such representative, agent or attorney, upon reasonable prior notice (unless a Default or Event of Default has occurred and is continuing, in which case no prior notice shall be required) and during regular

business hours in the location of the requested information (unless a Default or Event of Default has occurred and is continuing, in which case the Agent will be entitled to conduct such inspection at any time);

- (d) they will (at the Borrower's cost and expense) provide the Agent and its representatives or any agent or attorney thereof access to all its properties (including the Projects), assets and books and records, upon reasonable prior notice and during regular business hours (unless a Default or Event of Default has occurred and is continuing in which case no prior notice is required and the Agent will have access at any time, at the Borrower's cost and expense);
- (e) the Borrower will diligently pursue, in all material respects, all mining and related activities in respect of the Premier Project, as contemplated by the Borrower's mine plan (and subsequent to the Initial Model Delivery Date, as contemplated in the Model);
- (f) the Borrower will diligently pursue all requisite Authorizations and regulatory approvals to the transactions contemplated herein;
- (g) the Borrower will confirm to the Lender the completion and delivery of and provide the Lender with fully executed copies of those notices, consents and agreements referred to in items C.1 to C.4 on terms satisfactory to the Agent executed by all counterparties (including Seabridge, Boliden Limited, Nisga'a Nation and BC Hydro and Power Authority), inclusive on Schedule Part C, on or before the date which is [Redacted: number] days after the Closing Date;
- (h) the Borrower will use all reasonable commercial efforts to cause the McEwan Claims to be transferred into the name of the Borrower and shall provide evidence of such transfers to the Lender within 30 days of the completion of such transfers;
- (i) on or before the date which is [Redacted: number] days after the date of Completion, the Borrower shall have completed each of the Royalty Buybacks in accordance with the terms of the Royalty Buyback Agreements and provide the Agent with evidence of same and the discharge, cancellation or termination of all registrations or recordings in any public or other governmental registry in respect of each of the royalties so repurchased pursuant to the Royalty Buybacks;
- (j) the Credit Parties will ensure that each of the Security Documents will at all times constitute valid and perfected Second Ranking Security Interest on all of the Collateral, in accordance with their terms, at all times take all actions necessary or requested by the Agent to create, perfect and maintain the Encumbrances granted pursuant to the Security Documents as perfected Second Ranking Security Interest over the Collateral;
- (k) they will duly and punctually perform and carry out all of the covenants and acts or things to be done by them as provided in this Agreement and each of the other Credit Documents;
- (l) they will comply, and conduct their business in such a manner so as to comply in all material respects with all Applicable Law, including all Applicable Securities Legislation and all Environmental Law (including, without limitation, laws relating to the release or

threatened release of Hazardous Materials and the creation, processing distribution, use, management, treatment, storage, disposal, transport or handling of Hazardous Materials) and material Authorizations;

- (m) the Borrower shall promptly, and in any event no later than five days after the Borrower obtains knowledge thereof, deliver written notice to the Agent of the occurrence of: (i) any release or spill of a Hazardous Material to the environment (other than as expressly permitted under the Authorizations) which is reasonably expected to adversely affect any Credit Party, any Collateral or the Projects or (ii) any other condition, event or circumstance that results in material non-compliance or material liability of any Credit Party or the Projects with respect to any Environmental Law or material Authorizations;
- (n) they will: (i) maintain policies of insurance with carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Credit Parties operate and otherwise on terms and in such amounts as may be acceptable to the Agent, acting reasonably, and add and maintain the Agent as second loss payee or as an additional insured under all such policies to the extent of its interest; and (ii) on an annual basis and/or at any other time, promptly at the request of the Agent, deliver to the Agent evidence of and all certificates and reports prepared in connection with such insurance;
- (o) the Borrower will, immediately upon obtaining knowledge thereof, notify the Agent in writing after the date of this agreement of:
  - (i) any Default or Event of Default;
  - (ii) any pending or threatened administrative, regulatory or judicial actions, suits, claims, liens, material demands, notices of actual or potential material non-compliance or violation, or proceedings;
  - (iii) any notification of any challenge to the validity of, cancellation or non-renewal of, or material change to, any material Authorization, relating to the Credit Parties, the Projects or any of the Collateral;
  - (iv) any material waiver, amendment or modifications of any agreements to which the Borrower is party with respect to any Indebtedness (other than any Indebtedness permitted under paragraph (j) of the definition of Permitted Indebtedness, provided such waiver, amendment or modification would not reasonably be expected to have a Material Adverse Effect) in excess of \$500,000 (or its equivalent amount in the applicable currency, as the case may be) of such Person; and
  - (v) the receipt of any notice from, or other action taken by or proposed to be taken by, any creditor (other than the Lenders) of the Credit Parties which could reasonably be expected to result in a Material Adverse Effect;
- (p) the Credit Parties will maintain, preserve and protect or cause to be maintained, preserved and protected the Collateral and the Projects in accordance with prudent

mining industry standards (and in the case of tangible Collateral, in good condition subject to normal wear and tear);

- (q) no later than 45 days following the end of each Fiscal Quarter, the Borrower shall deliver to the Agent a Compliance Certificate executed by a senior financial officer of the Borrower dated as at the end of the last completed Fiscal Quarter;
- (r) no later than 15 Business Days following the last day of each calendar month if requested by the Agent, provide the Agent with consolidated monthly financial and operational reports, consisting of the Borrower's consolidated balance sheet, income statement, statement of accounts payables and accrued liabilities, standard monthly costs and operating reports provided to management or the board of directors, in the form agreed with the Agent from time to time, and such other information with respect to the Credit Parties as the Agent may request;
- (s) the Borrower will ensure that:
  - (i) its Working Capital Ratio, on a consolidated basis, is on the applicable reporting date equal to or greater than:
    - (A) 1.10 to 1.00 from the Closing Date to and including the Completion Date; and
    - (B) 1.25 to 1.00 after the Completion Date; and
  - (ii) the amount of Unrestricted Cash of the Credit Parties is at all times greater than:
    - (A) \$5,000,000 from the Closing Date to and including the Completion Date; and
    - (B) \$7,500,000 after the Completion Date;
- (t) commencing on the date of the Subsequent Advance, and no later than 30 days after the end of each Quarterly Interest Period thereafter (and within 30 days of any material adverse change to the mine plan or inputs to the Model or the written request of the Agent), the Borrower will deliver an updated Model applying Bloomberg consensus gold and USD:CAD FX forward prices, stress tested by less/greater than [Redacted: percentage], demonstrating that the Premier Project has the capacity to meet all future obligations as they come due under the Facility (the "**Project Repayment Covenant**"), which shall be satisfactory to and approved by the Agent. The Borrower shall remedy any breach or deficiency in meeting the Project Repayment Covenant, as determined by the Agent in its sole discretion, within [Redacted: number] days after the required delivery date of the Model. For clarity, for quarterly Compliance Certificates, the Model technical inputs (e.g. operating expenditures, capital expenditures, recoveries, mining rates, etc.) are not required to be updated, unless there is a material adverse change to those inputs or to the overall results reflected in the Model. Technical inputs will require annual update, as accepted by the Agent, acting reasonably, with input from its Project Consultant. Forecast corporate expenses will be updated quarterly;

- (u) they will timely file all Tax returns as and when required pursuant to Applicable Law and pay and discharge or cause to be paid and discharged, promptly when due, all Taxes imposed upon them or in respect of the Projects or any of the Collateral or upon the income or profits therefrom as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become an Encumbrance thereupon; provided, however, that they shall not be required to pay or cause to be paid any Contested Taxes provided that the applicable Credit Party is reasonably contesting such Contested Taxes in good faith by appropriate proceedings diligently conducted and appropriate reserves have been established in accordance with IFRS;
- (v) they will withhold and collect all Taxes required to be withheld and collected by them and remit such Taxes to the appropriate Governmental Authority at the time and in the manner required by Applicable Law, and pay and discharge immediately upon knowledge by the applicable Credit Party of the existence of any Encumbrance unless such Encumbrance is a Permitted Encumbrance;
- (w) they will cause all necessary and proper steps to be taken diligently to protect and defend the Projects and the Collateral and the proceeds thereof against any adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand;
- (x) if and to the extent that any Credit Party holds or is granted any Encumbrances, it will take all steps necessary to ensure that such Encumbrance is attached, enforceable and continuously perfected under the PPSA (or such similar legislation pursuant to which such Encumbrance is granted) until the obligations it secures are satisfied or it is released for value;
- (y) at all times after the Closing Date, if any existing or future Subsidiary of a Credit Party:
  - (i) has earnings before interest, tax, depreciation and amortization representing 5% or more of the earnings before interest, tax, depreciation and amortization of the Borrower on a consolidated basis or has gross assets or turnover (excluding turnover relating to items from any Credit Parties or other Subsidiaries of any Credit Parties) representing 5% or more of the gross assets or turnover of the Borrower on a consolidated basis;
  - (ii) holds any interest in either Project; or
  - (iii) owns or has any interest in Equity Interests of any Guarantor or any Person who satisfied the tests set out in Section 8.1(y)(i),

such Subsidiary shall (and the Borrower will ensure that such Subsidiary shall):

- (A) promptly (and in any event within 10 Business Days following demand by the Agent) accede to this Agreement as a Guarantor pursuant to an accession agreement to be agreed between the Agent and the Borrower and such Subsidiary, which accession shall include the delivery of customary conditions precedent documentation, including that

Subsidiary's Constatng Documents, appropriate authorizations and confirmations and a legal opinion of counsel to the Credit Parties in the jurisdiction of that Subsidiary in a form satisfactory to the Agent, and grant to the Agent an unlimited guarantee substantially similar to the Guarantees; and

- (B) promptly (and in any event within 10 Business Days following demand by the Agent) arrange for a share pledge, in a form satisfactory to the Agent, granting a first priority Encumbrance over all of the issued and outstanding Shares in its capital to and in favour of the Agent to be delivered by the holders of such Shares, together with any necessary or desired registration, perfection, filing, opinions and further assurance steps as the Agent may determine, and together with any other documents reasonably requested by the Agent in order to evidence the validity and enforceability of such share pledge;

provided that the Borrower shall ensure that Subsidiaries that have granted Guarantees and Security in accordance with this Section 8.1(y) together with the Borrower have earnings before interest, tax, depreciation and amortization representing 95% or more of the earnings before interest, tax, depreciation and amortization of the Borrower on a consolidated basis and have gross assets or turnover (excluding turnover relating to items from any Credit Parties or other Subsidiaries of any Credit Parties) representing 95% or more of the gross assets or turnover of the Borrower on a consolidated basis;

- (z) the Borrower shall deliver to the Agent true and complete copies of:
  - (i) all amendments, supplements, restatements, waivers or other modifications made to any Material Contracts; and
  - (ii) all Material Contracts entered into or existing after the date hereof and not listed on Schedule E,

in each case promptly (and in any event within five Business Days) following the execution and/or delivery of the same;

- (aa) if, after the date hereof, the Agent, through information received from any Governmental Authority or any other Person as a result of a request for information delivered by or on behalf of the Agent or otherwise, identifies any material adverse condition or circumstance relating to any Credit Party or the Projects, each Credit Party shall take all steps as may be required by the Agent to remedy any such material adverse condition or circumstance to the satisfaction of the Agent, acting reasonably; and
- (bb) from and after the Initial Model Delivery Date, it shall maintain a Reserve Tail Ratio of not less than 30%, as calculated and determined at the end of each Fiscal Quarter. The Reserve Tail will be based on the Model.

## 8.2 Negative Covenants of the Credit Parties

The Credit Parties hereby covenant and agree with the Lenders that, except with prior written consent of the Agent, they will not and will not permit any Credit Party to:

- (a) use the Credit Facility except as set forth in Section 2.3;
- (b) directly or indirectly issue, incur, assume or otherwise become liable for or in respect of any Indebtedness other than Permitted Indebtedness;
- (c) directly or indirectly create, incur, assume, permit or suffer to exist any Encumbrance against any of their properties or assets, including, without limitation, the Projects, any of the Collateral or the Material Contracts, other than Permitted Encumbrances;
- (d) bring the Red Mountain Project into production unless the aggregate principal amount outstanding under the Senior Lender Credit Agreement, including all capitalized interest is less than or equal to \$30,000,000;
- (e) other than for purposes of complying with the terms of this Agreement, expend any monies in furtherance of bringing the Red Mountain Project into production, unless such monies are derived from equity financings of the Borrower or from any excess cash flow generated from the Premier Project not required to service the Senior Lender Obligations, the Credit Facility or to otherwise pay the costs and expenses associated with the development and operation of the Premier Project;
- (f) convey, sell, lease, assign, transfer or otherwise dispose of any of their properties or assets other than pursuant to a Permitted Disposal;
- (g) enter into or materially amend, modify, vary or terminate or otherwise make any change to any Material Contract, license, permit or other Authorization now or hereafter held by any of the Credit Parties (or permit or request any of the foregoing) in any manner which could reasonably be expected to be adverse to the Lenders or any Encumbrance granted under the Security Documents;
- (h) enter into any scheme for the reconstruction or reorganization of it or any of its Subsidiaries or for the consolidation, amalgamation, merger, arrangement or similar transaction of it or any of its Subsidiaries with or into any other Person except pursuant to a Permitted Reorganization unless the Agent has given its written consent to such reconstruction, reorganization, consolidation, amalgamation, merger, arrangement or similar transaction;
- (i) make any payment, repayment, prepayment on, purchase, redeem, or otherwise acquire or retire for value, prior to any scheduled final maturity, any Indebtedness other than the Senior Obligations and the Credit Facility;
- (j) amend, modify, vary or otherwise make any change to their Constating Documents (or permit or request any of the foregoing) in any manner which could be adverse to the Lenders or any Encumbrance granted under the Security Documents;

- (k) in respect of any Credit Party, change its name, amend or change its jurisdiction of organization, location of its principal place of business, chief executive office, domicile or registered office address, without the prior written notice to the Agent delivered at least 15 days prior to any of the foregoing becoming effective;
- (l) transfer or permit the transfer of any Equity Interests of any Credit Party, other than the transfer of any Equity Interests of the Borrower, or otherwise allow any Credit Party, other than the Borrower, to cease to be direct or indirect wholly-owned Subsidiary of the Borrower;
- (m) declare, make, provide for or pay any Distribution other than a Distribution payable to a Credit Party;
- (n) enter into any transaction with any Related Party (other than another Credit Party);
- (o) provide any Financial Assistance to any Person, other than (i) Financial Assistance that constitutes a Permitted Indebtedness, (ii) to a Credit Party or (iii) to Ascot USA Inc. up to an aggregate amount of \$150,000 in any calendar year;
- (p) except pursuant to a Permitted Reorganization, enter into or become party or subject to any dissolution, winding-up, reorganization, arrangement or similar transaction or proceeding;
- (q) engage in the conduct of any business other than the business of such Credit Party as existing on the date of this Agreement or in businesses reasonably related thereto on a basis consistent with the conduct of such business as conducted on the date of this Agreement;
- (r) create, acquire or suffer to exist any Subsidiary except (i) pursuant to a Permitted Acquisition, and (ii) in compliance with Section 8.1(y);
- (s) maintain, or have any obligation or liability in relation to, any pension plan, including, for greater certainty, any "defined benefit provision" of a "registered pension plan", as each such term is defined in the *Income Tax Act* (Canada);
- (t) make or permit to be made any amendments to the Senior Debt Documents that would (i) at any time, extend credit accommodation to the Credit Parties in an amount which exceeds the permitted Senior Obligations, (ii) prohibit the Borrower from making payments in respect of the Credit Facility that are permitted by the Senior Lender Intercreditor Agreement, or (iii) reasonably be expected to be adverse to the interests of the Lenders under the Credit Documents;
- (u) accept any advances under the Senior Debt Documents in excess of the aggregate amount of \$20,000,000 prior to (i) all material Authorizations necessary or required to enable the Borrower to construct and operate the Premier Project have been obtained and are valid, subsisting and in good standing including without limitation the Permit Amendments, and (ii) all Material Contracts have been executed and provided to the Agent;

- (v) make any Acquisition or other Investment except for Permitted Acquisitions and Permitted Investments; and
- (w) make any payment in respect of any Subordinated Obligations (whether by way of interest, principal, fees or otherwise) unless permitted by the terms of any related subordination agreement or postponement agreement with the Agent.

### **8.3 Continued Listing**

The Borrower shall take all reasonable steps and actions as may be required to maintain the listing and posting for trading of the Common Shares on the Exchange and to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of the Applicable Securities Legislation.

### **8.4 Certain Continuous Disclosure Obligations**

If the Borrower is not at any time subject to Applicable Securities Legislation, the Borrower shall deliver to the Agent: (i) within 90 days after the end of each fiscal year, copies of its annual report and audited annual financial statements, and (ii) within 45 days after the end of each of the first three Fiscal Quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports by a “reporting issuer” (as such term is defined in such Applicable Securities Legislation) under the Applicable Securities Legislation. Each of such reports will be prepared in accordance with the disclosure requirements of Applicable Securities Legislation.

### **8.5 Agent Observer**

The Agent shall, until the Obligations have been paid in full, be entitled to have one individual who is reasonably acceptable to the Borrower (the “**Agent Observer**”) to attend and participate (but not vote) at all formally called meetings (in person and teleconference) of the Board of Directors for the Borrower in a non-voting capacity; provided, that the Board of Directors reserves the right to exclude the Agent Observer from any meeting or portion thereof and to withhold any information or materials from the Agent Observer if attendance at such meeting or portion thereof or delivery of such information would (i) affect the attorney-client privilege of the Borrower and its Subsidiaries, or (ii) result in a conflict of interest; provided, further however, that in any event, the Agent Observer shall receive notice of (A) the occurrence of such meeting at the same time as the Board of Directors of Borrower and (B) the exclusion of such materials (but not the substance thereof). The Agent Observer shall be sent notices of meetings of the Board of Directors of the Borrower and provided with copies of all other materials provided to the Board of Directors including material relating to financial performance review, business proposals and budgets of the Borrower, at the same time as such documents are sent to the Board of Directors. For as long as any Obligations remain outstanding, the Agent Observer shall also receive copies of minutes of such meetings of the Board of Directors of the Borrower and of all resolutions passed by the Board of Directors at such meetings, promptly following such meetings being held or resolutions being passed, as the case may be, which minutes and resolutions may be redacted consistent with the foregoing terms of this Section 8.5. The Agent Observer shall not be entitled to receive director fees or other additional compensation unless otherwise agreed to by the Borrower (e.g., for special projects or initiatives) nor shall the Agent Observer be reimbursed by the Borrower for any out-of-pocket, travel and accommodation and subsistence expenses incurred in connection with attending any meeting of the Board of Directors of the Borrower. If at any time Beedie and its Affiliates own 10% or more of the outstanding Common Shares of the Borrower on a non-diluted basis, then Beedie shall be entitled to nominate a director to the Board of Directors for the Borrower for so long as such minimum ownership is maintained.

## ARTICLE 9 DEFAULT

### 9.1 Events of Default

The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

- (a) the Borrower fails to make any payment of any principal amount of the Credit Facility or interest payable hereunder, when due and such failure shall continue unremedied for a period of two Business Days thereafter;
- (b) the Borrower fails to pay any fees, costs, expenses or other amounts or charges payable hereunder or under any other Credit Document when due and such failure shall continue unremedied for a period of three Business Days thereafter;
- (c) any Credit Party defaults in observing or performing any covenant or condition set out in Sections 8.1(j), 8.1(m), 8.1(n), 8.1(o), 8.1(q), 8.1(r), 8.1(s), 8.1(t), 8.1(x), 8.1(y), 8.1(z), 8.1(bb), Section 8.2 or Section 8.4;
- (d) any Credit Party defaults in observing or performing any covenant or condition of this Agreement or any other Credit Document (other than any covenant or condition referred to in Section 9.1(a), 9.1(b) or 9.1(c)) on its part to be observed or performed and, with respect to such covenants or conditions which are capable of being cured, if such default continues for a period of 15 days;
- (e) any Credit Document ceases to be in full force and effect or any Security Documents ceases to constitute a valid and perfected Second Ranking Security Interest upon all the Secured Assets it purports to charge or encumber, in favour of the Agent;
- (f) the commencement or threatened commencement by any Credit Party of proceedings to be adjudicated a bankrupt or declared insolvent or any similar proceedings or the seeking by it of liquidation, reorganization (by way of arrangement, scheme of arrangement or otherwise) or relief under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, or the filing by it of any such court materials or the appointment under any such law of a receiver, administrator, receiver-manager, liquidator, assignee, trustee, monitor or other similar official of any Credit Party or of any of its property, or assets, or the filing of a general assignment for the benefit of creditors, or the admission by it in writing of its insolvency or inability to pay its debts generally as they become due;
- (g) any proceedings are commenced by a Person other than a Credit Party for the bankruptcy, insolvency, administration, reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise), winding-up, liquidation or dissolution or any similar proceedings of any Credit Party; or its property and assets unless any such proceeding is being contested promptly and in good faith by *bona fide* action on the part of the Borrower and is dismissed or stayed within 30 days after commencement thereof;
- (h) the entry of a decree or order by a court having jurisdiction adjudging any Credit Party to be bankrupt or insolvent or the granting of an application or a petition seeking liquidation,

administration, reorganization (by way of arrangement, scheme of arrangement or otherwise), arrangement or adjustment of or in respect of any Credit Party under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, or appointing under any such law a receiver, receiver-manager, liquidator, administrator, assignee, trustee, monitor or other similar official of any Credit Party or of any of its property, or ordering pursuant to any such law the winding-up or liquidation of its affairs;

- (i) this Agreement or any other Credit Document is claimed by any Credit Party to cease in whole or in any part to be a legal, valid, binding and enforceable obligation of such Credit Party;
- (j) this Agreement or any other Credit Document shall for any reason cease in whole or in any part to be a legal, valid, binding and enforceable obligation of the Credit Party;
- (k) any Credit Party fails to pay the principal of, premium, if any, interest on, or any other amount owing in respect of any of its Indebtedness or obligation which is outstanding in an aggregate principal amount exceeding \$1,000,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace or cure period, if any, specified in the agreement or instrument relating to such Indebtedness or obligation; or any other event occurs or condition exists and continues after the expiry of the applicable grace or cure period, if any, specified in any agreement or instrument relating to any such Indebtedness or obligation, if its effect is to accelerate or permit the acceleration of, such Indebtedness or obligation; or any such Indebtedness or obligation shall be, or may be, declared to be due and payable prior to its stated maturity, in each case in respect of any of its Indebtedness or obligation which is outstanding in an aggregate principal amount exceeding \$1,000,000;
- (l) if any default or event of default under the Senior Debt Documents has occurred and is continuing;
- (m) if the Borrower has not completed the Minimum Equity Financing on or before the date which is six months after the Closing Date;
- (n) any representation or warranty given by any Credit Party in this Agreement or any other Credit Document shall prove to be incorrect, incomplete or misleading in any material respect as at the date on which it was made;
- (o) if Completion is not achieved on or before the Completion Long Stop Date;
- (p) the occurrence or existence of any event or circumstance which has or could reasonably be expected to have a Material Adverse Effect, in the opinion of the Agent, in its sole discretion;
- (q) if: (i) an Event of Taking shall have occurred with respect to all or any material part of either of the Projects or (ii) any Credit Party has received a written notice in respect thereof from any Governmental Authority or (iii) a proceeding has been commenced in respect thereof;

- (r) any destruction, suspension or abandonment of the Premier Project or any part thereof, which destruction, suspension or abandonment causes any material reduction in the value thereof or material delay of its development or the achievement of Completion;
- (s) any Credit Party or its Subsidiaries cease or threaten to cease to carry on business or admit its inability or fails to pay its debts generally;
- (t) final non-appealable judgments or decrees for the payment of money in excess of \$500,000 in the aggregate, are rendered against any Credit Party by any courts having jurisdiction, and such judgments or decrees have not been paid in full by any Credit Party within 30 days after such judgments or decrees have become final non-appealable judgments or decrees;
- (u) if an Impermissible Qualification is included in the financial statements delivered to the Lenders or filed pursuant to Section 8.4;
- (v) the Borrower ceases to own, directly or indirectly, 100% of the shares and other Equity Interests in the capital of any other Credit Party;
- (w) (i) the Borrower is in default of any material provision under any Material Contract and that default continues unremedied after the relevant cure period provided for under such Material Contract or (ii) if any Material Contract is terminated or cancelled, or is amended in any material respect, without the prior written consent of the Lenders;
- (x) an order or ruling suspending the sale or ceasing the trading in any securities of the Borrower or prohibiting the sale of such securities has been issued by any securities regulatory authority to or against the Borrower and has not been vacated for a period of ten consecutive Business Days; or
- (y) there occurs a Change of Control in respect of any Credit Party.

## **9.2 Remedies**

Upon the occurrence of an Event of Default which is continuing, all Obligations (including the Prepayment Fee or the Make Whole Fee, as applicable) shall at the option of the Agent be accelerated and become immediately due and payable (except in the case of an Event of Default referred to in Sections 9.1(e) and 9.1(f) in which case the Obligations (including the Prepayment Fee or the Make Whole Fee, as applicable) shall be automatically accelerated and immediately due and payable) and the security granted under the Security Documents shall become immediately enforceable and the Agent and the Lenders may take such action or proceedings as the Agent and the Lenders in their sole discretion deem expedient to enforce the same, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Credit Parties.

## **9.3 Saving**

The Agent and the Lenders shall not be under any obligation to the Credit Parties or any other Person to realize any Collateral or enforce the security granted under the Security Documents or any part thereof or to allow any Collateral to be sold, dealt with or otherwise disposed of. The Agent and the Lenders shall not be responsible or liable to the Credit Parties or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce any Collateral or any part

thereof or the failure to allow any collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, other than any such loss or damage resulting from the gross negligence or wilful misconduct of or breach of Applicable Law by the Agent or any Lender.

#### **9.4 Perform Obligations**

If any one or more of the Credit Parties has failed to perform any of its covenants or agreements in the Credit Documents within the applicable cure period, the Agent and the Lenders, may, but shall be under no obligation to perform any such covenants or agreements in any manner deemed fit by the Agent and the Lenders without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs) paid by the Agent and the Lenders in respect of the foregoing shall be added to and become part of the Obligations and shall be secured by the Security Documents.

#### **9.5 Third Parties**

No Person dealing with the Agent or the Lenders or any agent of the Agent or the Lenders shall be concerned to inquire whether the Security Documents have become enforceable, or whether the powers which the Lenders are purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security Documents or any part thereof.

#### **9.6 Remedies Cumulative**

The rights and remedies of the Agent and the Lenders under the Credit Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Agent or the Lenders of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which the Agent and the Lenders may be lawfully entitled for the same default or breach. Any waiver by the Agent or the Lenders of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Agent or the Lenders shall be deemed not to be a waiver of any subsequent default.

#### **9.7 Set Off or Compensation**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, each of the Lenders may at any time and from time to time after the occurrence of an Event of Default which is continuing without notice to the Credit Parties or any other Person, any notice being expressly waived by the Credit Parties, set off, combine accounts and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness at any time owing by the Lenders to or for the credit of or the account of the Credit Parties, against and on account of the Obligations notwithstanding that any of them are contingent or unmatured. When applying a deposit or other amount owing to a Lender in a currency that is different than the currency of the Obligations, such Lender will convert the deposit or other amount using the Exchange Rate in effect at the time of such conversion.

## **9.8 Judgment Currency**

If for the purposes of obtaining judgment against the Borrower in any court in any jurisdiction with respect to this Agreement, it becomes necessary for the Lenders to convert into the currency of such jurisdiction (in this section called the “**Judgment Currency**”) any amount due to the Lenders by the Borrower hereunder in any currency other than the Judgment Currency, the conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower shall, on the date of payment, pay such additional amounts (if any) or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the Exchange Rate prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due by the Borrower under this section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

## **ARTICLE 10 MISCELLANEOUS PROVISIONS**

### **10.1 Headings and Table of Contents**

The headings of the Articles and Sections and the Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **10.2 Accounting Terms**

Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under IFRS.

### **10.3 Capitalized Terms**

All capitalized terms used in any of the Credit Documents (other than this Agreement) which are defined in this Agreement shall have the meaning defined herein unless otherwise defined in the other document.

### **10.4 Severability**

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not hereby be affected.

### **10.5 Number and Gender**

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, words importing any gender include all genders and references to agreements and other contractual instruments shall be deemed to include all present or future amendments, supplements, restatements or replacements thereof or thereto.

## **10.6 Amendment, Supplement or Waiver**

No amendment, supplement or waiver of any provision of the Credit Documents, nor any consent to any departure by the Credit Parties therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Lenders (and the Credit Parties in the case of an amendment or supplement) and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver or act or omission of the Lenders shall extend to or be taken in any manner whatsoever to affect any subsequent breach by the Credit Parties of any provision of the Credit Documents or the rights resulting therefrom.

## **10.7 Governing Law**

Each of the Credit Documents shall be conclusively deemed to be a contract made under, and shall for all purposes be governed by and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia. Each party to this Agreement hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of British Columbia and all courts competent to hear appeals therefrom.

## **10.8 This Agreement to Govern**

In the event of any conflict between the terms of this Agreement and the terms of any other Credit Document, the provisions of this Agreement shall govern to the extent necessary to remove the conflict. Provided however, a conflict or inconsistency shall not be deemed to occur if one Credit Document provides for a matter and another Credit Document does not.

## **10.9 Permitted Encumbrances**

The designation of an Encumbrance as a Permitted Encumbrance is not, and shall not be deemed to be, an acknowledgment by the Lenders that the Encumbrance shall have priority over the security granted under the Security Documents.

## **10.10 Currency**

All payments made hereunder shall be made in the currency in respect of which the obligation requiring such payment arose. Unless the context otherwise requires, all amounts expressed in this Agreement in terms of money shall refer to Dollars.

## **10.11 Expenses and Indemnity**

10.11.1 All statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to the Lenders by any Credit Party under this Agreement shall be supplied without cost to the Lenders. The Borrower shall pay on demand all out of pocket costs and reasonable expenses of the Agent and the Lenders (including, without limitation, long distance telephone and courier charges and the reasonable fees and expenses of counsel and professional advisors or consultants for the Agent and the Lenders), incurred in connection with: (i) the preparation, execution, delivery, administration, periodic review, modification or amendment of the Credit Documents; (ii) any enforcement of the Credit Documents; (iii) obtaining advice as to its rights and responsibilities in connection with the Credit and the Credit Documents; (iv) reviewing, inspecting and appraising the Collateral in connection with the enforcement of its rights under the Security Documents; and (v) any other matters relating to the

Credit Facility. Such costs and expenses shall be payable whether or not an Advance is made under this Agreement.

10.11.2 The Credit Parties agree on demand to jointly and severally indemnify the Agent and the Lenders against any liability, obligation, loss or expense which it may sustain or incur as a consequence of: (i) any representation or warranty made by the any one or more of the Credit Parties which was incorrect at the time it was made or deemed to have been made; (ii) a default by the Credit Parties in the payment of any sum due from it, including, but not limited to, all sums (whether in respect of principal, interest or any other amount) paid or payable to lenders of funds borrowed by the Lenders in order to fund the amount of any such unpaid amount to the extent the Agent or the Lenders are not reimbursed pursuant to any other provisions of this Agreement; (iii) the failure of the Borrower to complete an Advance or make any payment after notice therefore has been given under this Agreement; and (iv) any other default by the Credit Parties under any Credit Document. A certificate of the Agent as to the amount of any such loss or expense shall be conclusive evidence as to the amount thereof, in the absence of manifest error.

10.11.3 In addition, the Credit Parties agree on demand to jointly and severally indemnify the Agent and the Lenders and their respective directors, officers, employees and representatives (the “**Indemnified Parties**”) from and against any and all actions, proceedings, claims, losses, damages, liabilities, expenses and obligations of any kind that may be incurred by or asserted against any of them as a result of or in connection with the making of an Advance hereunder and the Agent and the Lenders taking, holding and enforcing the Security Documents, other than arising from the gross negligence or willful misconduct of the Indemnified Party. Whenever any such claim shall arise, the Indemnified Party shall promptly notify the Borrower of the claim and, when known, the facts constituting the basis for such claim, and if known, the amount or an estimate of the amount of the claim. The failure of an Indemnified Party to give notice of a claim promptly shall not adversely affect the Indemnified Party’s rights to indemnify hereunder unless such failure adversely effects the Borrower’s position in respect of such claim.

10.11.4 The Agreements in this Section 10.11 shall survive the termination of this Agreement and repayment of the Obligations.

## **10.12 Manner of Payment and Taxes**

10.12.1 All payments to be made by the Credit Parties pursuant to the Credit Documents are to be made without set off, compensation or counterclaim, free and clear of and without deduction for or on account of any Tax, including but not limited to withholding taxes, except for Excluded Taxes. If any Tax, other than Excluded Taxes, is deducted or withheld from any payments under the Credit Documents the Credit Parties shall promptly remit to the Lenders in the currency in which such payment was made, the equivalent of the amount of Tax so deducted or withheld together with the relevant receipt addressed to the Lenders. If the Credit Parties are prevented by operation of law or otherwise from paying, causing to be paid or remitting such Tax, the interest or other amount payable under the Credit Documents will be increased to such rates as are necessary to yield and remit to the Lenders the principal sum advanced or made available together with interest at the rates specified in the Credit Documents after provision for payment of such Tax. If following the making of any payment by the Credit Parties under this Section 10.12, a Lender is granted a credit against or refund in respect of any Tax payable by it in respect of such Taxes to which such payment by the Credit Parties relates that such Lender would not have received had the Borrower not made the payment, such Lender shall (subject to the Borrower having paid the relevant amount) to the extent that it is satisfied that it can do so without prejudice to the retention of the amount of such credit or refund, reimburse the Credit Parties such amount as such Lender shall certify to be the proportion of such credit or refund as will leave such Lender, after such reimbursement in

no worse or better position than it would have been in if the relevant Taxes had not been imposed, or the relevant Taxes had not been deducted or withheld in respect of the payment by the Borrower as aforesaid. Each Lender shall, at the Borrower's request and cost, file such documentation and do such commercially reasonable things as may be necessary to obtain such credit or refund, but each Lender shall not be obligated to disclose any information to the Borrower or any other Person concerning its income or taxes that is not otherwise publicly available.

10.12.2 If any Credit Parties make any payment under this Section 10.12 for the account of any Lender, such Lender shall take reasonable steps to minimize the net amount payable by such Credit Party under this Section 10.12, but the Lenders shall not be obliged to disclose any information to the Credit Parties concerning its income or taxes that is not otherwise publicly available.

10.12.3 Each Lender represents as of the Closing Date, that it is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

### **10.13 Address for Notice**

Notice to be given under the Credit Documents shall, except as otherwise specifically provided, be in writing (including email) addressed to the party for whom it is intended and, unless the law deems a particular notice to be received earlier, a notice shall not be deemed received until actual receipt by the other party of an original of such notice or email thereof if sent by email. The addresses (including email addresses) of the parties hereto for the purposes hereof shall be the addresses specified beside their respective signatures to this Agreement, or such other mailing or email addresses as each party from to time may notify the other as aforesaid.

### **10.14 Time of the Essence**

Time shall be of the essence in this Agreement.

### **10.15 Further Assurances**

The Borrower shall, at the request of the Lenders do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lenders, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Credit Documents.

### **10.16 Term of Agreement**

Except as otherwise provided herein, this Agreement shall remain in full force and effect until the payment and performance in full of all of the Obligations and the termination of this Agreement.

### **10.17 Payments on Business Day**

Whenever any payment or performance under the Credit Documents would otherwise be due on a day other than a Business Day, such payment shall be made on the following Business Day, provided that interest and fees (as applicable) shall continue to accrue and be payable until the applicable payment or performance has been completed.

### **10.18 Interest Act Equivalent**

In this Agreement, each rate of interest which is calculated with reference to a period (the "**deemed interest period**") that is less than the actual number of days in the calendar year of calculation

is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.

#### **10.19 Successors and Assigns**

The Credit Documents shall be binding upon and enure to the benefit of the parties thereto and their heirs, estate trustees, personal and legal representatives, successors and assigns, except that the Credit Parties shall not assign any rights or obligations with respect to this Agreement or any of the other Credit Documents without the prior written consent of the Lenders in their sole discretion. The collective rights and obligations of each Lender under this Agreement, the Security Documents and the Credit Facility are assignable, including by way of participation, in whole or in part to any Person that is (i) another Lender, (ii) a financier of a Lender, (iii) an Affiliate of a Lender or its general partner, (iv) a limited partner or general partner of a Lender, or (v) any other Person that is a resident of Canada or the United States approved by the Agent provided that if such Person is a competitor of the Borrower such Person shall have been approved by the Borrower such approval not to be unreasonably withheld or delayed, provided further that the assignee assumes in writing such Lender's obligations to the extent of such assignment. Notwithstanding the foregoing, upon the occurrence or during the continuance of an Event of Default, each Lender may assign its rights and obligations under this Agreement, the Security Documents and the Credit Facility to any Person approved by the Agent without the consent of the Borrower.

#### **10.20 Advertisement**

The Credit Parties authorize and consent to the reproduction, disclosure and use by the Lenders of the names of the Credit Parties and any identifying logos) and the transaction(s) herein contemplated (including, without limitation, the Credit and the Transactions) (all such information being called the "**Information**") to enable the Lenders to publish promotional "tombstones" and other forms of notices of the Credit in any manner and in any media (including, without limitation, brochures) provided that the form of such "tombstones" and other notices shall be subject to the prior approval of the Borrower, acting reasonably. The Borrower acknowledges and agrees that:

- (a) no compensation will be payable by the Lenders resulting therefrom; and
- (b) the Lenders shall have no liability whatsoever to the Credit Parties or any of their respective employees, officers, directors, shareholders or Affiliates in obtaining and using the Information in accordance with this Section 10.20.

#### **10.21 Interest on Arrears**

Any Obligation, including interest, shall, if not paid when due, bear interest at the rate per annum equivalent to the highest rate applicable to the principal amount of the Obligations, and all such interest shall be compounded monthly until paid.

#### **10.22 Non-Merger**

The Credit Parties covenant and agree with the Lenders that, in the case of any judicial or other proceeding to enforce the rights and remedies of the Lenders under the Credit Documents (or any part thereof), judgment may be rendered against the Credit Parties in favour of the Lenders, for any amount owing by it under the Credit Documents (or for which the Credit Parties may be liable thereunder after the

application to the payment thereof of the proceeds of any sale of any of the property, assets or undertaking of the Credit Parties).

### **10.23 Anti Money Laundering Legislation**

The Credit Parties acknowledge that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and “know your client” Applicable Laws (collectively, including any guidelines or orders thereunder, the “**AML Legislation**”), the Lenders may be required to obtain, verify and record information regarding the Credit Parties and their Subsidiaries (or any of them), their respective directors and signing officers and the transactions contemplated herein. The Credit Parties shall promptly:

- (a) provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lenders, or any prospective assignee of the Lenders, in order to comply with any AML Legislation, whether now or hereafter in existence; and
- (b) notify the Lenders of such information of any changes thereto.

The Credit Parties acknowledge and agree that the Credit Facility is for the use by the Borrower and will be used by the Borrower only for the purposes set out herein.

### **10.24 Interlender and Agency Agreement**

The parties acknowledge and agree that pursuant to the Interlender and Agency Agreement, the obligation of the Lenders to fund any Advance is several, not joint and several, as to the proportionate interest for each of the Lenders. The Credit Parties acknowledge and agree that all representations, warranties, covenants and indemnities, including without limitation the covenants and indemnities set forth in Sections 10.11 and 10.12, are made for the benefit of each of the Agent and the Lenders. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Interlender and Agency Agreement, the provisions of the Interlender and Agency Agreement shall govern to the extent necessary to remove the conflict or inconsistency, provided however that a conflict or inconsistency shall not be deemed to occur if this Agreement or the Interlender and Agency Agreement provides for a matter and the other does not.

### **10.25 Counterparts and Electronic Copies**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section 10.25, the delivery of a facsimile or electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile copy shall deliver an original copy of this Agreement as soon as possible after delivering the facsimile or electronic copy.

**10.26 Entire Agreement**

This Agreement together with the Interlender and Agency Agreement referred to in Section 10.24 constitutes the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancel and supersede any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

***[signature page follows]***

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

Ascot Resources Ltd.  
Suite 1050 – 1095 West Pender Street  
Vancouver, BC V6E 2M6  
  
Attention: [Redacted: personal information]  
Email: [Redacted: personal information]

**ASCOT RESOURCES LTD.**

Per: (Signed) CAROL LI  
Authorized Signatory

IDM Mining Ltd.  
c/o Ascot Resources Ltd.  
Suite 1050 – 1095 West Pender Street  
Vancouver, BC V6E 2M6  
  
Attention: [Redacted: personal information]  
Email: [Redacted: personal information]

**IDM MINING LTD.**

Per: (Signed) CAROL LI  
Authorized Signatory

Ascot Power Ltd.  
c/o Ascot Resources Ltd.  
Suite 1050 – 1095 West Pender Street  
Vancouver, BC V6E 2M6  
  
Attention: [Redacted: personal information]  
Email: [Redacted: personal information]

**ASCOT POWER LTD.**

Per: (Signed) CAROL LI  
Authorized Signatory

Beedie Investments Ltd.  
1570, 1111 West Georgia Street  
Vancouver, BC V6E 4M3  
  
Attention: [Redacted: personal information]  
Email: [Redacted: personal information]  
[Redacted: personal information]

**BEEDIE INVESTMENTS LTD., as Agent**

Per: (Signed) RYAN BEEDIE  
Authorized Signatory

Beedie Investments Ltd.  
1570, 1111 West Georgia Street  
Vancouver, BC V6E 4M3  
  
Attention: [Redacted: personal information]  
Email: [Redacted: personal information]  
[Redacted: personal information]

**BEEDIE INVESTMENTS LTD., as Lender**

Per: (Signed) RYAN BEEDIE  
Authorized Signatory

Sprott Private Resource Lending II  
(Collector), LP  
c/o Sprott Resource Lending Partnership  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2600  
Toronto, ON M5J 2J1

Attention: [Redacted: personal information]  
Email: [Redacted: personal information]

**SPROTT PRIVATE RESOURCE LENDING II  
(COLLECTOR), LP**, as Lender  
by its general partner,  
**SPROTT RESOURCE LENDING CORP.**

Per: (Signed) JIM GROSDANIS  
Authorized Signatory

Attention: [Redacted: personal information]  
Email: [Redacted: personal information]

**609912 B.C. LTD.**, as Lender

Per: (Signed) ROB FIORVENTO  
Authorized Signatory

**SCHEDULE A  
PREMIER PROJECT**

**The Premier Project**

**Property Description**

The Premier Project is focused on re-starting the past producing Premier Gold Mine located approximately 19 km to the northwest of the town of Stewart, British Columbia. The nearest major centre is Terrace, British Columbia located 327 km to the south. The Premier Project can be accessed via Highway 37A. Figure 1 and 2 below show the general location and layout of the Premier Project.

The Premier Project involves three underground mining operations known as the Silver Coin, Big Missouri and Premier deposits and includes 175 Crown grants, 107 mineral claims and 3 mineral leases covering a combined area of 8,133 hectares when overlaps are included. Figure 3 and 4 below illustrate the mineral tenure of the Premier Project. Mining methods will largely consist of [Redacted: scientific and technical information].

**Premier Mineral Tenures**

<b>Tenure Number</b>	<b>Claim Name</b>	<b>Map No.</b>	<b>Expiry Date</b>	<b>Area (ha)</b>
250350	N/A	104B020	March 3, 2031	25
250351	N/A	104B020	March 3, 2031	25
250353	N/A	104B020	March 3, 2031	25
250354	N/A	104B020	March 3, 2031	25
250526	N/A	104B010	March 3, 2031	25
250527	N/A	104B010	March 3, 2031	25
250528	N/A	104B010	March 3, 2031	25
250529	N/A	104B010	March 3, 2031	25
250530	N/A	104B010	March 3, 2031	25
250531	N/A	104B010	March 3, 2031	25
250532	N/A	104B010	March 3, 2031	25
250533	N/A	104B010	March 3, 2031	25
250534	N/A	104B010	March 3, 2031	25
250535	N/A	104B010	March 3, 2031	25
250536	N/A	104B010	March 3, 2031	25
250537	N/A	104B010	March 3, 2031	25
250538	N/A	104B010	March 3, 2031	25
250539	N/A	104B010	March 3, 2031	25
250540	N/A	104B010	March 3, 2031	25
250541	N/A	104B010	March 3, 2031	25
250542	N/A	104B010	March 3, 2031	25
250666	N/A	104B020	March 3, 2031	25

Tenure Number	Claim Name	Map No.	Expiry Date	Area (ha)
250712	N/A	104A	March 4, 2025	25
250713	N/A	104A	March 4, 2025	25
250714	N/A	104B010	March 3, 2031	25
250770	Silver Lake	104B010	March 3, 2031	100
251067	Pam Fr.	104B010	March 3, 2031	25
251120	Melissa	104A	March 3, 2031	75
251121	Mag Fr.	104A	March 3, 2031	25
251122	Mush Fr.	104A	March 3, 2031	25
251778	N/A	104B020	March 3, 2031	25
252194	Marie Rita	104A	March 3, 2031	50
252201	Tiger Fr.	104B020	March 3, 2031	25
252952	Marie No. 2	104B020	March 3, 2031	100
255397	N/A	104B020	March 3, 2031	25
255398	N/A	104B020	March 3, 2031	25
255399	N/A	104B020	March 3, 2031	25
1066175*	Premier FR 1	104B	January 31, 2031	18.08
1069567*	Premier FR 2	104B	December 31, 2021 Title Protected	54.21
1069568*	Premier FR 3	104B	December 31, 2021 Extension of Time – Title Protected	54.23
1066525*		104B	February 14, 2031	18.07
1067076*	Melissa Fraction	104A	March 8, 2031	54.17
1074092 *		104B	January 23, 2021 Title protected	271.03
1074094 *		104B	January 23, 2021 Title protected	361.16
1074095 *		104A	January 23, 2021 Title protected	216.73

\*new claims filed by Ascot not part of the original Boliden Mineral Claims. Where the expiry date for these claims has or will occur during the Provincial State of Emergency regarding the COVID pandemic the date is protected so that the claim will not be forfeit during the Provincial State of Emergency pursuant to the Order of the Chief Gold Commissioner made the 27th day of March, 2020.

**Premier Mining Leases**

Tenure Number	Claim Name	Map No.	Expiry Date	Area (ha)
302030		104B020	December 17, 2050	231.20
302115		104B010	December 17, 2050	0.69
254532		104B020	December 14, 2048	160.11

**Premier – Surface Title Only**

Lot #	Claim Name	PID	Area ha
Lot A of L443	N/A	014-602-709	N/A
DL3901	N/A	010-081-763	N/A

**Premier Crown Grants – Mineral and Surface Title**

Lot #	Registration #	PID	Claim Name	Area ha
L0272	TE25429	011-496-291	Cascade Falls No. 5	16.29
L3590	TE25493	009-675-531	Cascade Falls No. 4	12.95
L3596	TE25494	009-675-507	Pictou	20.89
L3597	TE25495	008-399-701	Rupert	20.12
L3603	TE25430	011-496-347	Cascade Forks No. 1	18.98
L3604	TE25431	011-496-380	Cascade Forks No. 2	11.39
L3605	TE25432	011-496-428	Cascade Forks No. 3	12.75
L3606	TE25433	011-496-461	Cascade Forks No. 4	8.09
L3607	TE25434	011-496-495	Cascade Forks No. 5	12.26
L3608	TE25435	011-496-525	Cascade Forks No. 6	15.66
L3609	TE25436	011-496-568	Wood Fraction	2.27
L4146	TE25437	011-496-576	Halton	13.48
L4147	TE25438	011-496-606	Bush Fractional	13.40

**Premier Crown Grants – Mineral Title Only**

Lot #	Registration #	PID	Claim Name	Area ha
L0511	TF17187	015-581-675	Brookland	20.28
L0512	TF17188	015-581-756	Forty-Five	18.53
L1843	TF17189	015-738-370	Exchange No. 1	1.18
L1844	TF17190	015-738-396	Exchange No. 2	4.25
L1845	TF17191	015-738-418	Exchange No. 3	16.36

<b>Lot #</b>	<b>Registration #</b>	<b>PID</b>	<b>Claim Name</b>	<b>Area ha</b>
L1846	TF17192	015-738-434	Exchange No. 4	8.49
L1847	TF17193	015-738-451	Exchange No. 5	2.31
L1848	TF17194	015-240-118	Exchange Fraction	0.14
L1979	TF17195	015-308-715	Portland No. 2	11.85
L1980	TF17196	015-308-723	Portland No. 1	13.74
L1981	TF17197	015-308-731	Big Dick	16.26
L1982	TF17198	015-308-740	Fritz	10.48
L2315	TF17199	015-308-782	Boundary No. 2	19.08
L2316	TF17200	015-308-791	Missing Link Fraction	13.10
L3591	TE25511	016-657-136	Cascade Falls No. 8	17.00
L3592	TE25512	016-657-179	Simpson	12.55
L3593	TE25513	016-657-225	Essington	19.04
L3594	TE25514	016-657-284	Pat Fraction	9.23
L3595	TE25515	016-657-349	Dolly	20.90
L3610	TE25458	014-185-857	Forks	15.70
L3611	TE25459	014-185-881	Trites	12.18
L3688	TE25463	014-186-055	Premier Extension #1	15.75
L3689	TE25464	014-186-098	Premier Extension #2	9.83
L3690	TE25474	014-186-454	Premier Extension #3	18.41
L3691	TE25465	014-186-110	Premier Extension #4	20.81
L3692	TE25466	014-186-152	Extension Fraction	11.19
L3693	TE25467	014-186-187	True Blue	2.71
L3838	TE25503	016-657-055	Lesley M	20.90
L3839	TE25450	014-185-610	Lesley	20.90
L3840	TE25451	014-185-644	Limit	20.90
L3841	TE25504	016-657-063	Climax	20.63
L3842	TE25452	014-185-661	Bell	16.38
L3843	TE25505	016-657-071	Lesley #2	20.46
L3844	TE25453	014-185-695	Lesley #4	11.53
L3845	TE25506	016-657-080	Lesley #3	16.68
L3846	TE25507	016-657-098	Lesley #5	15.86
L3847	TE25454	014-185-733	Lesley #6	20.82
L3848	TE25455	014-185-768	Lesley Fraction	12.74
L3849	TE25508	016-657-101	Bell #2	16.28

Lot #	Registration #	PID	Claim Name	Area ha
L3850	TE25456	014-185-784	Mahood	12.91
L3851	TE25457	014-185-814	Ten Fraction	16.44
L3852	TE25509	016-657-110	Ax Fraction	2.65
L3922	TE14436	014-391-759	Cabin	16.96
L3923	TE14437	014-391-767	International Fraction	11.25
L3930	TE25460	014-185-911	International	20.29
L3931	TE25461	014-185-946	Wood Fraction	6.84
L4016	TE25510	016-657-128	Gun Fr.	8.28
L4019	TE25499	016-656-962	Hooligan	20.85
L4020	TE25500	016-657-012	Oakwood	2.97
L4021	TE25501	016-657-039	Oakville Fraction	4.81
L4022	TE25502	016-657-047	Oakville #2 Fr.	8.06
L4047	TE25440	013-473-069 and 029-619-904	Northern Light #2	19.90
L4048	TE25441	013-473-107	Northern Light #1 Fract	3.77
L4049	TE25442	013-473-115	Northern Light #3	12.12
L4050	TE25443	013-473-140	Northern Light #4	18.12
L4051	TE25444	013-473-182 and 029-619-904	Northern Light #5	14.12
L4052	TE25445	013-473-239	Northern Light #6	11.99
L4053	TF17201	015-590-909	Cobalt	9.60
L4054	TF17202	015-590-950	Cobalt No. 2	9.53
L4055	TE25446	013-473-263	Northern Light #7	15.27
L4056	TE25439	013-473-301	Loser	14.04
L4057	TE25447	013-473-336	Northern Light Fraction	8.49
L4058	TE25448	013-473-379	Northern Light #1	13.40
L4063	TE25449	013-473-433	Northern Light #8	1.80
L4064	TF17203	015-787-877	Morn	17.52
L4116	TF17204	015-590-984	Winner	6.21
L4119	TE14438	009-892-044	Ruby Silver No. 1	18.23
L4120	TE14439	009-892-052	Ruby Silver No. 2	16.10
L4123	TE14440	009-892-061	Ruby Silver	20.89
L4133	TE25496	016-656-873	Texada	8.92
L4134	TE25475	014-186-519	Texada Fraction	12.63
L4135	TE25476	014-186-578	Dixie	3.57

<b>Lot #</b>	<b>Registration #</b>	<b>PID</b>	<b>Claim Name</b>	<b>Area ha</b>
L4136	TE25497	016-656-938	Humbolt #2 Fraction	7.27
L4137	TE25498	016-656-954	Humbolt Fraction	13.22
L4138	TE25468	014-186-209	Paul	14.38
L4139	TE25469	014-186-250	Joe Fraction	18.92
L4140	TE25470	014-186-314	Bluox	20.90
L4141	TE25477	014-186-586	Mountain	20.90
L4142	TE25478	014-186-594	Grandview	11.76
L4143	TE25479	014-186-616	Rincon	10.68
L4144	TE25480	014-186-675	U and I	20.34
L4145	TE25481	014-186-705	Simcoe	9.95
L4148	TE25482	014-186-721	Neill Fractional	14.46
L4149	TE25471	014-186-331	Mist #1	20.77
L4150	TE25472	014-186-365	Mist #2	10.66
L4151	TE25473	014-186-420	Mist Fr.	20.83
L4165	TE14441	014-384-973	Border	9.64
L4194	TF17205	015-218-783	Sunshine	20.90
L4277	TE14442	009-849-726	Bluebird	16.09
L4278	TE14443	014-384-981	Club Frac	6.44
L4279	TE25462	014-186-004	Premier Fraction	0.39
L4281	TE14444	014-384-965	Lucky Frac	4.09
L4421	TE14445	009-851-534	Glacier No. 7	9.33
L4423	TE14446	014-385-023	ACC Frac	10.29
L4426	TE14447	009-849-751	Blue Jay Frac	10.91
L4427	TE25483	014-186-772	B x 1	20.90
L4428	TE25484	014-186-799	B x 2	20.87
L4429	TE25485	014-186-811	B x 3	20.90
L4430	TE25486	014-186-829	B x 4 Fraction	17.98
L4431	TE25487	014-186-861	B x 5 Fraction	13.07
L4432	TE25488	014-186-896	B x 6 Fraction	17.69
L4433	TE25489	014-186-918	B x 7 Fraction	14.74
L4434	TE25490	014-186-926	B x 8 Fraction	19.06
L4440	TF17206	015-233-448	A.M. Fraction	1.87
L4441	TF17207	015-233-464	O'Brien Fraction	15.34
L4442	TF17208	015-233-481	Maggie Jiggs Fract	2.74

Lot #	Registration #	PID	Claim Name	Area ha
L4447	TF17209	015-591-000	Maple Leaf No. 5	6.12
L4449	TF17210	015-591-034	Maple Leaf No. 3	20.19
L4450	TF17211	015-591-051	Maple Leaf No. 2	20.90
L4451	TF17212	015-591-204	Maple Leaf No. 1	20.58
L4452	TF17213	015-743-829	M.L. Fraction	9.32
L4454	TE25491	008-909-491	Northern Light #9 Fr.	1.77
L4767	TE25492	014-186-934	Pit Fraction	0.04
L5180	TF17214	015-743-977	X.10.U.8.	11.37
L5181	TF17215	015-743-985	X.10.U.8. No. 2	15.96
L5182	TF17216	015-743-993	X.10.U.8. No. 3	14.78
L5183	TF17217	015-744-001	X.10.U.8. No. 4	18.32
L5184	TF17218	015-744-019	X.10.U.8. No. 5	17.23
L5185	TF17219	015-744-027	X.10.U.8. No. 6	14.58
L5188	TF17220	015-744-035	Three	17.97
L5189	TF17221	015-744-043	Three Fraction	4.93
L5190	TF17222	015-744-051	One Fraction	8.72
L5191	TF17223	015-744-060	Four Fraction	20.78
L5192	TF17224	015-744-078	Five Fraction	11.39
L5193	TF17225	015-744-094	Extra	7.51
L5195	TF17226	015-744-116	X.10.U.8. Fraction	18.92
L5524	TF17227	015-791-131	Pay Roll Number 3	19.17
L5525	TF17228	015-791-149	Pay Roll Number 4	18.71

**Big Missouri Crown Grants**

*Mineral and Surface Title*

Lot #	Registration #	PID	Claim Name	Area ha
L3213	TE25518	011-443-618	E Pluribus	20.66
L3216	TE25520	011-443-634	Unum Fraction	4.68
L4540	TE25525	014-167-174	Silver Creek Fraction	5.12

*Minerals Only*

Lot #	Registration #	PID	Claim Name	Area ha
L1521	TE25522	014-385-007	Martha Ellen	19.38
L1522	TE25523	014-446-138	Glacier	17.80

Lot #	Registration #	PID	Claim Name	Area ha
L1525	TE25521	014-385-015	Leckie Fraction	2.67
L3208	TE25516	014-386-941	Province	20.60
L3210	TE25517	014-387-042	Golden Crown	20.90
L3211	TE25524	014-387-140	J P Fraction	3.13
L4036	TE25539	012-630-314	Bella Coola	16.80
L4037	TE25540	012-630-071	Good Hope	11.97
L4038	TE25541	012-630-411	May P.J.	13.97
L4039	TE25542	012-630-446	Silver Leaf	20.80
L4040	TE25543	012-630-268	Ladybird #2	20.90
L4127	TE25534	014-388-928	Day No 1	11.18
L4129	TE25535	014-388-936	Day No 2	20.79
L4130	TE25536	014-388-952	Day No 3	8.99
L4131	TE25519	014-388-961	Day No 4	19.64
L4132	TE25533	014-388-979	Day Fraction	18.91
L4163	TE25544	012-630-489	September Fraction	15.58
L4534	TE25530	011-392-444	Unicorn	13.89
L4535	TE25531	011-392-274	Unicorn No. 2	20.23
L4536	TE25532	011-392-193	Unicorn No. 3	17.70
L4537	TE25528	011-392-061	Unity	7.13
L4538	TE25527	011-392-002	Good Hope	20.39
L4539	TE25526	011-392-371	Snow King	15.60
L4541	TE25529	011-392-339	H and W Fraction	7.80
L4542	TE25537	014-167-239	Unity Fraction	0.62
L4543	TE25538	014-167-280	V Fraction	0.29

*Kasum-Dilworth Mineral Tenures*

Tenure Number	Claim Name	Map no.	Expiry Date	Area (ha)
407410	Helen	104B020	February 22, 2031	500.0
410699	Dickens	104B020	February 22, 2031	100.0
504666	Kicker	104A	March 3, 2031	432.16
507105 Converted from Claim 413667	Honda	104A	March 3, 2031	630.55
507141	Zap	104B	March 3, 2031	216.02
507143	Zip	104B	March 3, 2031	108.01

Tenure Number	Claim Name	Map no.	Expiry Date	Area (ha)
507144	Zip2	104A	March 3, 2031	449.95
512200 Converted from Claim 407411	Montana	104A	March 3, 2031	378.52
517869	Dilworth North Extension	104B	March 3, 2031	108.04
518844	Dills Extension	104B	March 3, 2031	54.0
538639	Fill In Cover	104B	March 3, 2031	72.09

*Dilworth Mineral Tenures*

Tenure Number	Claim Name	Map no.	Expiry Date	Area (ha)
250767	Lindgren	104B020	March 3, 2031	450.0
252193	Chicago Fr.	104B020	March 3, 2031	25.0
255400	Forty Nine	104B020	March 3, 2031	25.0
255401	Oxedental	104B020	March 3, 2031	25.0
255402	Chicago	104B020	March 3, 2031	25.0
255403	Yellowstone	104B020	March 3, 2031	25.0

**Dilworth Crown Grants**

Lot #	Registration #	PID	Claim Name	Area ha
DL4031	8594D	015-715-477	Yellowstone MC	-
DL4032	8595D	015-715-507	Old Timer MC	-
DL4033	8596D	015-715-531	Butte MC	-

**Silver Coin Mineral Tenures**

Tenure Number	Claim Name	Map No.	Expiry Date	Area (ha)
404864	N/A	104B010	February 22, 2031	25.00
404865	N/A	104B010	February 22, 2031	25.00
404866	N/A	104B010	February 22, 2031	25.00
404867	N/A	104B010	February 22, 2031	25.00
404868	N/A	104B010	February 22, 2031	25.00
404869	N/A	104B010	February 22, 2031	25.00
404870	N/A	104B010	February 22, 2031	25.00
404871	N/A	104B010	February 22, 2031	25.00
404872	N/A	104B010	February 22, 2031	25.00

<b>Tenure Number</b>	<b>Claim Name</b>	<b>Map No.</b>	<b>Expiry Date</b>	<b>Area (ha)</b>
405601	Silver Coin 2	104B020	February 22, 2031	25.00
405602	Silver Coin 3	104B020	February 22, 2031	25.00
405603	Silver Coin 4	104B020	February 22, 2031	25.00
405604	Silver Coin 5	104B020	February 22, 2031	25.00
405872	Big Missouri	104B020	February 22, 2031	25.00
405873	Winer	104B020	February 22, 2031	25.00
405874	Packers	104B020	February 22, 2031	25.00
405902	Silver Coin 6	104B010	February 22, 2031	25.00
405903	Silver Coin 7	104B010	February 22, 2031	25.00
405904	Silver Coin 8	104B010	February 22, 2031	25.00
406212	INDI 9	104B010	February 22, 2031	225.00
406213	INDI 10	104B010	February 22, 2031	225.00
406214	INDI 11	104B010	February 22, 2031	150.00
406215	INDI 12	104B010	February 22, 2031	150.00
406223	Silver Coin 9	104B010	February 22, 2031	500.00
412700	Silver Coin 10	104B010	February 22, 2031	500.00
591672	Beau	104B	February 22, 2031	18.05
834945	N/A	104B	February 22, 2031	18.05
834949	N/A	104B	February 22, 2031	18.05
836214	N/A	104B	February 22, 2031	18.05
836218	N/A	104B	February 22, 2031	18.05
836219	N/A	104B	February 22, 2031	18.05
836450	JR 18	104B	February 22, 2031	18.05
842095	N/A	104B	February 22, 2031	108.23
842100	N/A	104B	February 22, 2031	54.14
842104	N/A	104B	February 22, 2031	72.12
842997	N/A	104B	February 22, 2031	36.09
1022577	Jayden 6	104B	February 22, 2031	18.05
1034317	Jayden 2	104B	February 22, 2031	126.37
1034319	Jayden 4	104B	February 22, 2031	18.06
1034320	Jayden 1	104B	February 22, 2031	18.05
1034321	Jayden 3	104B	February 22, 2031	36.11
1034322	Jayden 5	104B	February 22, 2031	18.06
1066178	Silver Coin FR1	104B	January 31, 2031	18.05

Tenure Number	Claim Name	Map No.	Expiry Date	Area (ha)
1066179	Silver Coin FR2	104B	January 31, 2031	18.05

**Silver Coin Crown Grants**

Lot #	Registration #	PID	Claim Name	Area ha
L3218	BB1693386	015-662-853	Kansas	

**Figure 1**

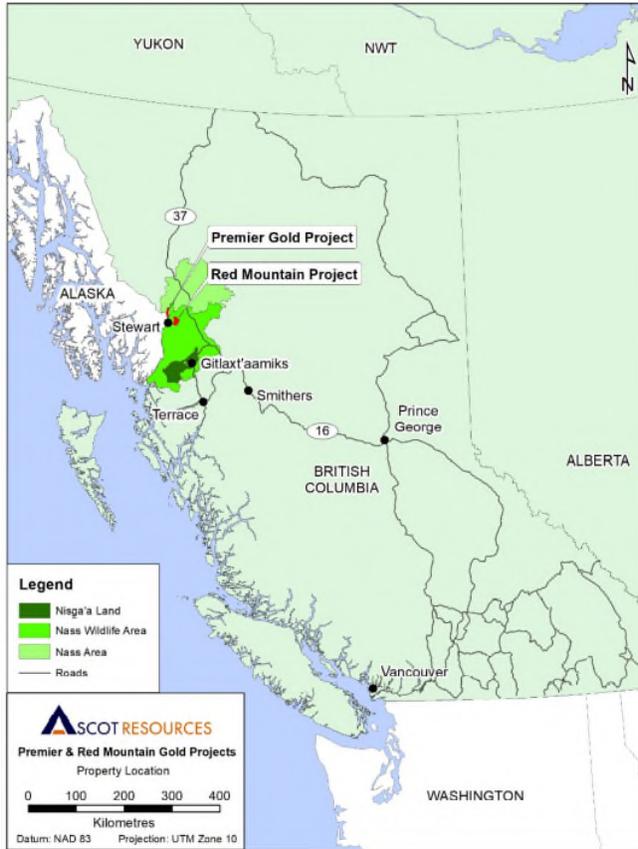


Figure 2

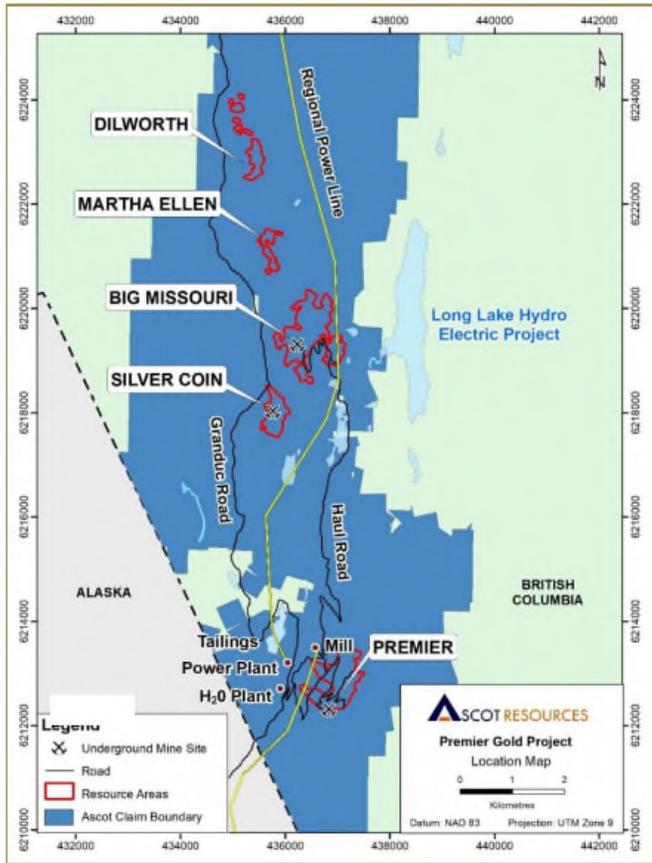


Figure 3

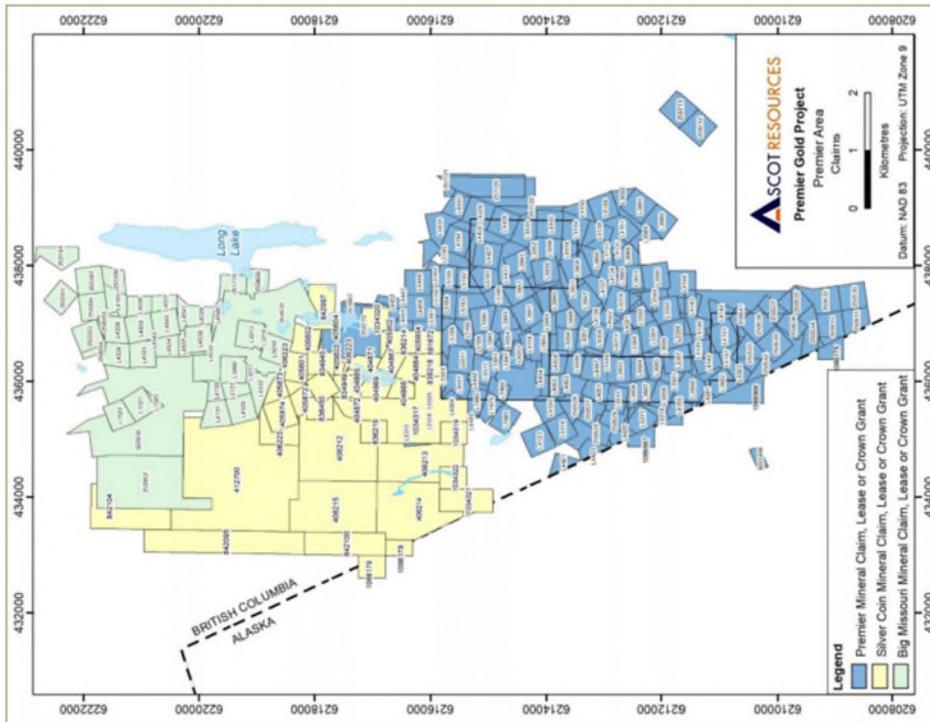
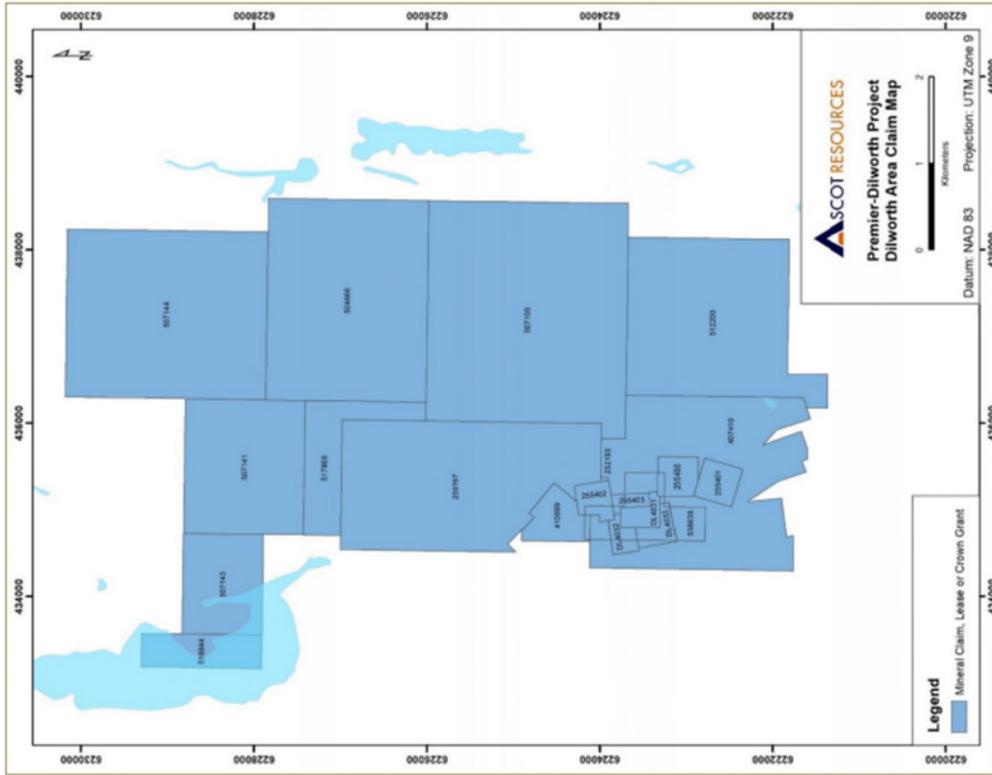


Figure 4



**SCHEDULE B  
RED MOUNTAIN PROJECT**

**The Red Mountain Gold Project**

**Property Description**

The Red Mountain Project comprises 17,125 hectares located approximately 18 km to the east-northeast of the town of Stewart, British Columbia. The nearest major centre is Terrace, British Columbia located 327 km to the south. The Red Mountain Project is currently only accessible by helicopter. Nonetheless, the project benefits from historical underground mining infrastructure, a mill processing facility, nearby Long Lake Hydro power plant, a tailings storage facility, a water treatment plant and mine waste stockpile infrastructure resulting in low initial capital refurbishment cost. Figure 1 in Schedule A shows the general location of the project.

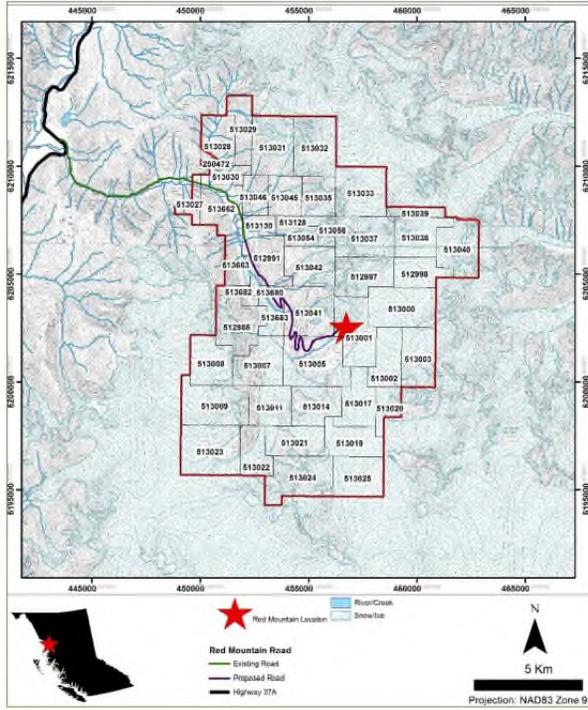
The Red Mountain Project consists of 47 contiguous mineral claims covering a total of 17,125 hectares. All claims are in good standing until May 9, 2023. The Red Mountain Project involves [Redacted: scientific and technical information]. Figure 1-1 below illustrates the mineral tenure of the Red Mountain Project.

**Red Mountain Mineral Titles**

<b>Tenure Number</b>	<b>Map No.</b>	<b>Expiry Date</b>	<b>Area (ha)</b>
512985	103P	May 9, 2028	488.797
512991	103P	May 9, 2028	416.154
512997	103P	May 9, 2028	452.432
512998	103P	May 9, 2028	307.647
513000	103P	May 9, 2028	579.305
513001	103P	May 9, 2028	525.127
513002	103P	May 9, 2028	362.257
513003	103P	May 9, 2028	434.699
513005	103P	May 9, 2028	670.206
513007	103P	May 9, 2028	452.776
513008	103P	May 9, 2028	416.515
513009	103P	May 9, 2028	597.805
513011	103P	May 9, 2028	362.383
513014	103P	May 9, 2028	398.677
513017	103P	May 9, 2028	380.539
513019	103P	May 9, 2028	380.734
513020	103P	May 9, 2028	199.338
513021	103P	May 9, 2028	380.738
513022	103P	May 9, 2028	308.159
513023	103P	May 9, 2028	634.389
513024	103P	May 9, 2028	580.53

<b>Tenure Number</b>	<b>Map No.</b>	<b>Expiry Date</b>	<b>Area (ha)</b>
513025	103P	May 9, 2028	435.383
513027	104A	May 9, 2028	126.577
513028	104A	May 9, 2028	361.393
513029	104A	May 9, 2028	289.073
513030	104A	May 9, 2028	162.691
513031	104A	May 9, 2028	542.145
513032	104A	May 9, 2028	542.161
513033	104A	May 9, 2028	542.426
513035	104A	May 9, 2028	289.308
513037	103P	May 9, 2028	506.513
513038	103P	May 9, 2028	397.977
513039	104A	May 9, 2028	126.596
513040	103P	May 9, 2028	470.395
513041	103P	May 9, 2028	543.126
513042	103P	May 9, 2028	416.2
513045	104A	May 9, 2028	289.307
513046	104A	May 9, 2028	216.972
513054	104A	May 9, 2028	180.89
513056	104A	May 9, 2028	144.704
513128	104A	May 9, 2028	36.173
513130	104A	May 9, 2028	108.522
513662	104A	May 9, 2028	434.001
513663	103P	May 9, 2028	253.327
513680	103P	May 9, 2028	90.495
513682	103P	May 9, 2028	108.596
513683	103P	May 9, 2028	181.046

Figure 1-1



**SCHEDULE C**  
**SECURITY DOCUMENTS**

The Security Documents shall include the following:

- (a) a general security agreement of each Credit Party, pursuant to which such Credit Party shall grant to and in favour of the Agent a Second Ranking Security Interest over all of its present and after acquired real and personal property;
- (b) unlimited guarantees of each of the Guarantors;
- (c) a share pledge agreement of the Borrower pursuant to which the Borrower will pledge and grant to and in favour of the Agent a Second Ranking Security Interest over all of the issued and outstanding shares in the capital of each of the Guarantors;
- (d) a debenture issued by the Borrower in the principal amount of [Redacted: dollar amount], pursuant to which the Borrower shall grant to and in favour of the Agent a Second Ranking Security Interest over all of its present and after-acquired property;
- (e) a debenture issued by IDM Mining in the principal amount of [Redacted: dollar amount], pursuant to which IDM Mining shall grant to and in favour of the Agent a Second Ranking Security Interest over all of its present and after-acquired property;
- (f) second priority real property mortgages granted by the Borrower over all of its real property interests; and
- (g) if requested by the Agent at any time, subordination and postponement agreements in respect of any shareholder or other Related Party loans.
- (h) such security as provided to the Senior Lender from time to time.

**SCHEDULE D  
SHARES AND OWNERSHIP INTERESTS**

<b>Record and Beneficial Owner</b>	<b>Issuer</b>	<b>Certificate No.</b>	<b>Number and Class of Shares</b>	<b>% of Shares Owned</b>
Ascot Resources Inc.	Ascot Power Ltd.	4	1 Common Share	100%
Ascot Resources Inc.	IDM Mining Ltd.	1-4	565,724,135 Common Shares	100%
Ascot Resources Inc.	Ascot USA Inc.	1	100 Common Stock	100%
IDM Mining Ltd.	Strikepoint Gold Inc.	-	6,888,000	-

**SCHEDULE E  
MATERIAL CONTRACTS**

<b>Entity</b>	<b>Counterparty</b>	<b>Date</b>	<b>Term</b>	<b>Description</b>
Ascot Resources Ltd.	British Columbia Hydro & Power Authority	March 14, 2019	No expiry date.	Electrical Service Agreement
Ascot Resources Ltd.	Long Lake Hydro Inc.	April 3, 2018	No expiry date.	Road and Mine Site Co-operation Agreement
Boliden Limited (assigned to Ascot Resources Ltd. pursuant to Assignment and Assumption Agreement dated September 12, 2019)	British Columbia Hydro & Power Authority	September 1, 2018	August 31, 2021	License of Occupation

**SCHEDULE F**  
**AUTHORIZATIONS AND THIRD PARTY DOCUMENTS TO BE OBTAINED**

**A. Authorizations to be Obtained Prior to the Closing Date:**

1. Conditional Exchange approval with respect to the Credit Facility and the listing of the Initial Advance Conversion Shares;

**B. Authorizations to be Obtained After the Closing Date:**

1. Amendment to *Mines Act* Permit M-179 in connection with the Premier Project for the construction, operation and closure of the mine site;
2. Amendment to *Environmental Management Act* PE-8044 Waste Discharge Permit to accommodate operations and closure effluent discharge at the Premier Project;
3. *Mines Act* Explosive Magazine Storage and Use Permit for surface and underground explosives storage and use;
4. Air Emissions Discharge Permit for air emissions discharge;
5. *Land Act* License of Occupation and Statutory Right of Way for the transmission line from the Long Lake Hydro Project;
6. *Forest and Range Practices Act* Occupant License to Cut granting permission to remove trees on the Mine site and/or any lands authorized by a Special Use Permit;
7. *Water Sustainability Act* Approvals for construction/modification of Cascade Creek diversion channel and pump intake at Cascade Creek and Silver Lakes for potable water and other minor works in water;
8. Health Approval from the Northern Health Authority granting permission to open a food facility;
9. WorkSafeBC Notice of Project prior to the start of mine construction activities;
10. Conditional Exchange Approval of the Minimum Equity Financing;
11. Final Exchange Approval of the Minimum Equity Financing;
12. If the Minimum Equity Financing is conducted pursuant to a prospectus, approval of the securities commissions in the jurisdictions of Canada where the Borrower is a reporting issuer;

**C. Third Party Documents to be Obtained Within 90 Days After the Initial Advance Closing Date:**

1. Notice and Agreement to be Bound to be entered into by the Agent in respect of the Seabridge Option Agreement;
2. Notice to the Agent, with a copy to Nisga'a Nation, as contemplated under the Ascot - Nisga'a Nation Funding Agreement dated May 27, 2019 between Nisga'a Nation and the Borrower, and the Ascot - Nisga'a Nation Funding Agreement Amendment dated September 11, 2020 between Nisga'a Nation and the Borrower;

3. Agreement to be Bound to be entered into by the Agent in respect of the Option Agreement dated as of June 12, 2009 between the Borrower and Boliden Limited and the Asset Purchase Agreement dated July 31, 2017 between the Borrower and Boliden Limited; and
4. Consent Agreement with British Columbia Hydro and Power Authority in respect of the Licence of Occupation dated September 12, 2019 between the Borrower (as assignee of Boliden Limited) and British Columbia Hydro and Power Authority.

**SCHEDULE G**  
**FORM OF COMPLIANCE CERTIFICATE**

TO: THE AGENT (as defined in the Credit Agreement referred to below)

c/o Beedie Investments Ltd.  
Suite 1570, 1111 West Georgia Street  
Vancouver, BC V6E 4M3

Attention: [Redacted: personal information]  
Email : [Redacted: personal information]

I, \_\_\_\_\_, the Chief Financial Officer of Ascot Resources Ltd. (the "**Borrower**"), hereby certify that:

1. I am the duly appointed Chief Financial Officer of the Borrower and refer to Section 6.1(b)(v) of the credit agreement dated as of December \_\_\_\_\_, 2020 between the Borrower, as Borrower, IDM Mining Ltd., as Guarantor, Beedie Investments Ltd., as Agent and Lender and the other Lenders party thereto (as amended, modified, supplemented, restated or replaced from time to time, the "**Credit Agreement**").
2. I am familiar with and have examined the provisions of the Credit Agreement.
3. I certify in my position as Chief Financial Officer and not personally that:
  - (a) the representations and warranties made in Article 7 of the Credit Agreement and each other Credit Document, except those expressly stated to be made as of a specific date but including those made with respect to the financial statements for the Borrower's fiscal period ended \_\_\_\_\_, 20\_\_\_\_ (the "**Period End**"), are, in all respects, true on and as of the date of this Compliance Certificate with the same effect as if those representations and warranties had been made on and as of that date; **[Note to Draft: to be included only at the time of each Advance]**
  - (b) no Default or Event of Default has occurred and is continuing on the date of this Compliance Certificate;
  - (c) as of the Period End: **[Note to Draft: Insert as applicable.]**
    - (i) the Working Capital Ratio was \_\_\_\_\_; and
    - (ii) its Unrestricted Cash was USD \$\_\_\_\_\_; and
  - (d) the Model, delivered by the Borrower to the Agent reflecting each Model amendment which has been approved in writing by the Agent, has been prepared in good faith based upon reasonable assumptions and accurately reflects the Borrower's good faith belief of the future operations of the Borrower as of the date hereof.

All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

by \_\_\_\_\_  
Name:  
Title:

**SCHEDULE H  
PROJECT COMPLETION TEST**

[Redacted: project completion test]

**SCHEDULE I  
DRAW REQUEST**

[ON LETTERHEAD OF BORROWER]

To: Beedie Investments Ltd.  
1570, 1111 West Georgia Street  
Vancouver, BC V6E 4M3  
**[Redacted: Personal Information]**

And to: [ \_\_ ]

And to: [ \_\_ ]

From: Ascot Resources Ltd.

Date: ●

We refer to the Credit Agreement dated ● (the “**Credit Agreement**”) between Ascot Resources Ltd., as borrower, IDM Mining Ltd. and Ascot Power Ltd., as guarantors, Beedie Investments Ltd., as administrative and collateral agent, and Beedie Investments Ltd., [ \_\_ ] and [ \_\_ ], as lenders. This is a Drawdown Request in accordance with the Credit Agreement. (Terms defined in the Credit Agreement have the same meaning when used in this Drawdown Request).

- 1) We give you notice that we wish to draw funds on ● or if that is not a Business day, the next Business Day (the “**Funding Date**”);
- 2) The aggregate amount to be drawn is USD ● (the “Advance”), made up of the following proportionate interests of each of the Lenders:
  - a. as to Beedie Investments Ltd, USD ●;
  - b. as to [ \_\_ ], USD ●; and
  - c. as to [ \_\_ ], USD ●;
- 3) We request that on the Funding Date the Advance be paid in accordance with the terms of the direction to pay from the Borrower to the Lenders of even date;
- 4) We represent and warrant that:
  - a. no Material Adverse Effect is subsisting or will result from the provision of the Advance;
  - b. all relevant Conditions Precedent to the Advance under Section **[6.1]/[6.2]** have been satisfied; and
  - c. the proceeds of the Advance are to be used in accordance with Section 2.3 of the Credit Agreement; and
- 5) This Drawdown Request is irrevocable.

Duly authorised on behalf of Ascot Resources Ltd. by

Name: \_\_\_\_\_

Title: \_\_\_\_\_