

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 THE CLOSING DATE.

CREDIT AGREEMENT

Among

ASCOT RESOURCES LTD.

as Borrower

and

IDM MINING LTD.

and

ASCOT POWER LTD.

as Guarantors

and

NEBARI GOLD FUND 1, LP

as Lender

Dated as of June 16, 2023

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THIS CREDIT AGREEMENT is made as of the 16th day of June, 2023

AMONG:

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:

NEBARI GOLD FUND 1, LP, as Lender

(the “**Lender**”)

WHEREAS:

- A. The Borrower has requested that a non-revolving term convertible credit facility be made available to it by the Lender in the principal amount of \$14,000,000; and
- B. The Lender has 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

“**Accredited Investor**” means an “accredited investor” as defined in Rule 501(a) of Regulation D.

“**Acquisition**” means, with respect to any Person, any purchase or other acquisition by such Person, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of: (a) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of an equity interest in, such other Person so that such other Person becomes a Subsidiary of the purchaser or of any of its Affiliates) or of all or substantially all of the property of any other Person; or (b) any division, business, project, operation

or undertaking of any other Person or of all or substantially all of the property of any division, business, project, operation or undertaking of any other Person.

“Advance” means the advance under the Credit Facility in the principal amount of \$14,000,000 to be made by the Lender to the Borrower on the Closing Date.

“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 possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares, the ability to exercise voting power or by contract or otherwise.

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

“Annual Forecast Report” means a written report in relation to a calendar year with respect to the Projects, to be prepared by or on behalf of the Borrower, including with reasonable detail:

- (a) the amount and a description of planned capital expenditures with respect to the following:
 - (i) the amount and a description of planned exploration expenditures, including a breakdown by exploration target;
 - (ii) the amount and a description of planned development capital expenditures; and
- (b) a breakdown by sustaining and non-sustaining costs; and
- (c) a forecast, based on the then current Mine Plan for each Project, for such calendar year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis (which contemplates both the mining of reserves and a portion of assumed resources) of:
 - (i) the estimated tonnes and grade of Minerals to be mined (identified by pit or mining area);
 - (ii) the estimated tonnes and grade of Minerals to be stockpiled (including ore, low-grade ore and waste);
 - (iii) the estimated tonnes and grade of Minerals to be processed, and expected recoveries and grades for gold and silver;
 - (iv) with respect to any Offtake Agreements, the forecasted payable metal and payability deduction amounts; and
 - (v) variation analysis of the Mine Plan relative to that of the prior year, noting any material changes in the latest plan;
- (d) the Mine Plan and Budget assumptions, including operating and capital expenditure assumptions, exchange rates and metal prices used for short-term and long-term planning purposes in developing the forecast referred to in subsection (c) above.

“Annual Report” means a written report in relation to the immediately preceding calendar year with respect to the Projects, to be prepared by or on behalf of the Borrower, including with reasonable detail:

- (a) results of exploration programs;
- (b) a statement setting out the tonnes and grades of Minerals stockpiled as of the start of the period covered by the Mine Plan;
- (c) a reconciliation of the resource model, mine grade control and Processing Facility; and
- (d) annual Mineral Reserve and Mineral Resource reports and the assumptions used, including cut-off grade, metal prices and metal recoveries.

“Anti-Corruption Laws” means:

- (a) the *Corruption of Foreign Public Officials Act* (Canada) (the **“CFPOA”**);
- (b) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997 (the **“OECD Convention”**);
- (c) the United Nations Convention against Corruption 2003;
- (d) the *Foreign Corrupt Practices Act of 1977* of the United States of America (the **“FCPA”**);
- (e) laws pertaining to the disclosure of payments to governments, including but not limited to the *Extractive Sector Transparency Measures Act* (Canada);
- (f) any regulations under any of the above; and
- (g) any other Applicable Law which:
 - (i) prohibits the offering of any gift, payment or other benefit to any person or any officer, employee, agent or adviser of such person; or
 - (ii) is broadly equivalent to the CFPOA or the FCPA, is intended to enact the provisions of the OECD Convention, or has as its objective the prevention of corruption,

and is applicable in the jurisdictions in which any Party is registered or conducts business or in which their operations are to be conducted.

“Anti-Corruption Policy” means the anti-bribery and anti-corruption policy of the Group Members adopted by the board of directors of each Group Member with effect on and as of the date of this Agreement, as the same may be amended, revised, supplemented or replaced from time to time in accordance with this Agreement.

“Applicable Law” means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws (including common law and equity), rules, domestic or foreign constitution, statutes, regulations, treaties, orders, judgments and decrees, Order (including any securities laws or requirements of stock exchanges and any consent, decree or administrative Order) and all official requests, directives, rules, guidelines, orders, ordinance, code, regulations, policies, practices and other requirements or Authorization 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.

“Arrangement Fee” means the non-refundable arrangement fee in the amount of

earned [Redacted:
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information -
dollar amount]

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

"Ascot USA Intercompany Debt" means the unsecured debt owing by Ascot USA Inc. to the Borrower in an amount not to exceed

*[Redacted:
commercially
sensitive
information -
dollar amount]*

"Authorization" means any authorization, consent, approval, resolution, licence, lease, grant, permit, concession, exemption, filing, notarization, registration, franchise, right, privilege or no action letter from any Governmental Authority having jurisdiction with respect to any specific Person, property, transaction or event or with respect to any such Person's property, business and affairs (including any zoning approval, mining permit, development, permit or building, permit) or from any Person in connection with any easements, contractual rights or other matters.

"Boliden Royalty Agreement" has the name meaning assigned to it in the definition of "Royalty Agreement".

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

"Budget" means, with respect to a particular year, the annual production, operating and financial budget for the Projects, consistent with the then current Development Plan and Mine Plan.

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

"Calculated Number of Prepayment Warrants" means 25,767,777 Prepayment Warrants.

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

"Capital Lease Obligation" means, for any Person, any payment obligation of such Person under an agreement for the lease, license or rental of, or providing such Person with the right to use, property that, in accordance with IFRS, is required to be capitalized.

"Change of Control" of a Person (the **"Subject Person"**) means the consummation of any transaction or event, including any consolidation, business combination, arrangement, amalgamation or merger or any issue, Transfer or acquisition of securities, the result of which is that any other Person (other than an Affiliate of the Subject Person) or group of other persons (other than an Affiliate of the Subject Person) acting jointly or in concert for purposes of such transaction or event (a) becomes the beneficial owners, directly or indirectly, of more than 50% of the votes attached to the voting securities of the Subject Person or (b) otherwise acquires Control, directly or indirectly, of the Subject Person, and including by acting with a group of other Persons, of the Subject Person, including through the occupation of a majority of the seats (other than the vacant seats) on the board of the Subject Person by individuals who were neither (i) nominated by the board of the Subject Person nor (ii) appointed, approved or endorsed by members of the board of the Subject Person.

"Closing Date" means the date of the 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 including, for avoidance of doubt (i) the intercompany debt obligations of the Borrower, (ii) the equity interests and intercompany debt obligations of IDM, Ascot Power and all other Credit Parties and (iii) the Project Property and all of the other presently held and future acquired undertaking property

and assets charged or intended to be charged pursuant to the Security Documents, and, for greater certainty, Excluded Assets shall not be Collateral.

“Commercial Production” shall have occurred on the date which is the earlier of (i) the date on which the Borrower declares commercial production on its financial statements prepared in accordance with IFRS, (ii) the date on which Completion (as defined under the Senior Purchase Agreements) is achieved and (iii) the date on which the Borrower issues a press release announcing the commencement of commercial production.

“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.

“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.

“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.

“Contract” means any agreement, contract, lease, licence, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, arrangement, understanding or commitment, whether written or oral.

“Control” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

“Conversion” means conversion, in whole or in part, of the Credit Facility to Common Shares as contemplated in Section 2.4 hereof.

“Conversion Amount” is defined in Section 2.4(1).

“Conversion Date” is defined in Section 2.4(1).

“Conversion Price” means C\$0.72.

“Conversion Shares” means the Common Shares of the Borrower issuable to the Lender upon conversion of all or part of the Credit Facility pursuant to this Agreement, but, for greater certainty, does not include Common Shares issuable upon exercise of Prepayment Warrants.

“Corrective Action Plan” means a plan to correct and remedy all non-compliance by the Credit Parties with Environmental Law, the E&OHS Guidelines, the HSEC Policy and any adverse effects resulting from same.

“Credit Documents” means this Agreement, the Disclosure Letter, any Guarantee, 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 Parties” means, collectively, the Borrower and all Guarantors and **“Credit Party”** means any one of them.

“Debt” means, at any time, with respect to any Person:

- (a) all obligations, including by way of overdraft and drafts or orders accepted representing extensions of credit, that would be considered to be indebtedness for borrowed money or for the deferred purchase price of property and services, and all obligations, whether or not with respect to the borrowing of money, that are evidenced by bonds, debentures, notes, bills of exchange, debt securities or other similar instruments;
- (b) the face amount of all bankers' acceptances and similar instruments;
- (c) all liabilities upon which interest charges are customarily paid by that Person, other than liabilities for Taxes;
- (d) any capital stock of that Person, or of any Subsidiary of that Person, which capital stock, by its terms or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder, or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part;
- (e) all Capital Lease Obligations, synthetic lease obligations, obligations under Sale-Leasebacks and Purchase Money Obligations;
- (f) the amount of all contingent liabilities in respect of letters of credit, bank guarantees and similar instruments;
- (g) accounts payable and accruals that are over 90 days past due, to the extent such accounts payable and accruals are not being contested in good faith;
- (h) the negative mark-to-market amount of any hedging, swap, forward or other derivative transaction;
- (i) contingent liabilities in respect of performance bonds, surety bonds and product warranties, and any other contingent liability, in each case only to the extent that the contingent liability is required by IFRS to be treated as a liability on a balance sheet of the Person contingently liable;
- (j) any Production Interests; and

- (k) the amount of the contingent liability under any guarantee, indemnity or other agreement assuring in any manner all or any part of an obligation of another Person of the type included in subsections (a) through (i) above, provided that for greater certainty trade payables that do not fit the description in subsection (g) above shall not be considered Debt.

"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.

"Development Plan" means the comprehensive plan for the construction and development of the applicable Project, as approved by the board of directors of the Borrower, which amount shall be consistent with the mine and construction plan used in the economic model named _____ and shall set out in reasonable detail the construction budget, the design throughput of the Processing Facilities, monthly planned expenditure and a project schedule for achieving Commercial Production, the source and application of funds required to achieve Commercial Production and thereafter to operate and maintain the applicable Project, as the same may be amended, revised, supplemented or replaced from time to time in accordance with the terms of the Senior Purchase Agreements or otherwise in accordance with Applicable Laws.

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"Disclosure Letter" means the letter dated the date hereof by the Borrower to the Lender with respect to certain matters in this Agreement.

"E&OHS Guidelines" means the *Mines Act* (British Columbia) and the Health, Safety and Reclamation Code for Mines in British Columbia, as amended, supplemented or superseded from time to time.

"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), lien, easement, right of way, right of reservation, royalty interest, adverse claim, 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 or any option, right or privilege capable of becoming the foregoing, in each instance whether registered or unregistered, perfected or otherwise under Applicable Law, and **"Encumbrances"**, **"Encumbrancer"**, **"Encumber"** and **"Encumbered"** have corresponding meanings.

"Enforcement Event" means any one or more of the following events or circumstances:

- (a) either: (i) the Borrower or any Guarantor fails to make any payment when such payment is due and payable to any Person in relation to any Debt having a principal amount equal to or in excess of _____, and any applicable grace period in relation thereto has expired; or (ii) the Borrower or any Guarantor defaults in the observance or performance or any other agreement or condition in relation to any such Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default or other condition, if not remedied within any applicable grace period, would be to cause, or to permit the holder of such Debt to declare such Debt to become due prior to its stated maturity date; or
- (b) any action is taken by a Person to enforce any Encumbrance in, over or against any Collateral with a fair market value in excess of _____.

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“Environmental Laws” means all Applicable Laws relating to the protection of the environment, natural resources, human health and safety, Hazardous Substances, the assessment of environmental and social impacts or the rehabilitation, reclamation and closure of lands used in connection with the Projects.

“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 the Bank of Canada as its daily average exchange rate at approximately 3:30 (Toronto time) on such date.

“Excluded Asset Disposition” has the meaning set out in the definition of “Permitted Asset Disposition”.

“Excluded Assets” means: (a) all shares issued by Subsidiaries of the Borrower which are not Credit Parties (which, as of the Closing Date, are set out on Schedule C), and (b) any undertakings, properties or assets of a Credit Party not forming part of the Project Property (which, as of the Closing Date, are currently set out in Schedule C) upon the transfer of such assets to a related or unrelated entity.

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

“Existing Beedie Debt” means the indebtedness of the Credit Parties under the Credit Agreement dated December 9, 2020, as amended, in the initial principal amount of \$10,000,000 owing to Beedie Investments Ltd. by the Borrower.

“Expropriation Event” means an expropriatory act or series of expropriatory acts, comprising confiscation, nationalization, requisition, deprivation, sequestration and/or similar acts, by law, order, executive or administrative action or otherwise of any Governmental Authority or any corporation or other entity controlled by any Governmental Authority the result of which expropriatory act or series of expropriatory acts is that all or substantially all of the rights, privileges and benefits pertaining to or associated with all or any part of the Projects cease being for the benefit or entitlement of any Credit Party, whether as a result of ceasing to own such part of the Projects or otherwise.

“Financial Assistance” given by any Person (the **“Financial Assistance Provider”**) to or for the account or benefit of any other Person (the **“Financial Assistance Recipient”**) means any direct or indirect financial assistance of any nature, kind or description whatsoever (by means of loan,

Guarantee or otherwise) of or from such Financial Assistance Provider, or of or from any other Person with recourse against such Financial Assistance Provider or any of its property, to or for the account or benefit of the Financial Assistance Recipient (including Investments in a Financial Assistance Recipient, Acquisitions from a Financial Assistance Recipient, and gifts or gratuities to or for the account or benefit of a Financial Assistance Recipient).

"Financial Statements" has the meaning set out in Section 7.1(l)(i).

"First Nations" means any first nations, Métis or indigenous or aboriginal person(s), tribe(s), or band(s) of Canada.

"First Nations Claims" means any written claims, assertions or demands, whether proven or unproven, made by any First Nations to any Group Member or a Governmental Authority and communicated in writing by such Governmental Authority to a Group Member, in respect of asserted or proven aboriginal rights, aboriginal title, treaty rights or any other aboriginal interest in or to, or with respect to, all or any portion of Mining Properties or Other Rights.

"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 Lender.

"Forced Conversion Notice" is defined in Section 2.4.

"Forced Conversion Trigger" is defined in Section 2.4.

"Good Industry Practice" means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill, care, prudence, oversight, economy and stewardship which is commonly observed or would reasonably be expected to be observed by skilled and experienced professionals in the Canadian mining industry engaged in the same type of undertaking under the same or similar circumstances and giving consideration to local and regional conditions and circumstances.

"Governmental Authority" means:

- (a) any whether domestic or foreign federal, provincial, regional, state municipal or otherwise 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;
- (c) any judicial, administrative or arbitral court, authority, tribunal, bureau, agency or commission having jurisdiction in the relevant circumstances; and
- (d) the Nisga'a Lisims Government.

"Group Members" means, from time to time, the Credit Parties and their respective Affiliates, and "Group Member" means any one of them.

"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 Material 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 Substances” means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, tailings, wasterock, radioactive materials, flammable substances, explosives, petroleum and petroleum products, polychlorinated biphenyls, chlorinated solvents and asbestos.

“HSEC Policy” means the health, safety, environmental and community policies and operating guidelines for the Projects adopted by the board of directors of the Borrower, as the same may be amended, revised, supplemented or replaced from time to time.

“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 the International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time.

“Inchoate Lien” means, with respect to any property or asset of any Person, the following liens:

- (a) any lien for Taxes, assessments or governmental charges not yet due or being contested in good faith by appropriate proceedings and for which a reasonable reserve satisfactory to the Lender has been provided; and
- (b) undetermined or inchoate liens, privileges or charges incidental to current operations which have not been filed (or are not required to be filed) pursuant to law against such Person's property or assets or which relate to obligations not due or delinquent.

“Insolvency Event” means, in relation to any Person, any one or more of the following events or circumstances:

- (a) proceedings are commenced by a third party for its winding-up, liquidation or dissolution, unless it in good faith actively and diligently contests such proceedings resulting in a dismissal or stay thereof within 30 days after the commencement of such proceedings;
- (b) a decree or order of a Governmental Authority is entered (i) adjudging it to be bankrupt or insolvent, or (ii) approving a petition seeking reorganization, arrangement or adjustment of or in respect of it under Applicable Law relating to bankruptcy, insolvency or relief of debtors;
- (c) (i) it makes an assignment for the benefit of its creditors, or petitions or applies to any Governmental Authority for the appointment of a receiver or trustee for itself or any substantial part of its property; or (ii) it commences for itself or acquiesces in or approves the filing or commencement against it by a creditor or other third party of any proceeding under any Applicable Law relating to bankruptcy, insolvency, reorganization, arrangement or readjustment of debt or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or has a liquidator, administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets;
- (d) a resolution is passed for its receivership, winding-up or liquidation; or

- (e) anything analogous or having a similar effect to an event listed in subsections (a) through (d) of this definition occurs in respect of that Person.

"Institutional Accredited Investor" means an Accredited Investor as defined and described in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) and (13) of Regulation D.

"Interest Period" shall mean for any Advance, a period of approximately ninety (90) days duration (other than in respect of the first period, which will commence on the Closing Date and end on the last Business Day of the Quarterly Interest Period in which the Closing Date occurred); provided that, (a) the Borrower may not elect an Interest Period which will end after the last day of the then current term of this Agreement (recognizing that such period may be less than ninety (90) days), (b) interest shall accrue at the applicable rate based upon Term SOFR from and including the first day of each Interest Period and the day on which any Interest Period expires, and (c) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day.

"Investment" means, with respect to any Person, the making by such Person of: (a) any direct or indirect investment in or purchase or other acquisition of the securities of or an equity interest in any other Person; (b) any loan or advance to, or arrangement for the purpose of providing funds or credit to (excluding extensions of trade credit in the ordinary course of business in accordance with customary commercial terms), any other Person; or (c) any capital contribution to (whether by means of a transfer of cash or other property or any payment for property or services for the account or use of) any other Person; provided that, for greater certainty, an Acquisition shall not be treated as an Investment.

"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.

"Lender's Shares" means the Conversion Shares and the Common Shares issued or issuable on exercise of issued Prepayment Warrants.

"Make Whole Fee" is defined in Section 3.2.

"Material Adverse Effect" means any event, occurrence, circumstance, fact or state of facts, change or effect that, when taken individually or together with all other events, occurrences, circumstances, facts or state of facts, changes or effects has, or would reasonably be expected to:

- (a) have a material and adverse effect on the operations, results of operations, performance, business, affairs, properties, assets, prospects, liabilities and obligations (contingent or otherwise), capitalization or condition (financial or otherwise) of the Credit Parties taken as a whole;
- (b) have a material and adverse effect on a Project taken as a whole, including the ability of the Credit Parties to develop and operate a Project substantially in accordance with the Mine Plan in effect at the time of the occurrence of such event, occurrence, circumstance, fact or state of facts, change or effect;
- (c) limit, restrict or impair in any material respect (i) the ability of any Credit Party to perform its obligations under any Credit Document to which it is a party, (ii) the legality, validity or enforceability of any Credit Document, (iii) the perfection, effectiveness or ranking of, any security granted or purporting to be granted pursuant to any Credit Document, or (iv) the rights and remedies of the Lender under any of the Credit Documents; or

- (d) result in a Trigger Event under any of the Credit Documents, or a Trigger Event (as defined in the Senior Purchase Agreements) under the Senior Purchase Agreements.

provided that changes to commodity prices shall not be a Material Adverse Effect or taken into account in determining whether there has been or will be a Material Adverse Effect.

“Material Contracts” means any Contract, the breach, loss or termination of which would, or could reasonably be expected to, be material to any of the Credit Parties (i) for the continuing operation or development of a Project and that cannot be easily replaced without having a material impact on such Project’s development and operational timetable or production timetable, or (ii) that would otherwise result in a Material Adverse Effect. For avoidance of doubt, and notwithstanding anything to the contrary in this Agreement, the Senior Purchase Agreements and any Offtake Agreement shall each be a Material Contract.

“Material Project Authorization” means:

- (a) the following Project Authorizations (or their equivalents):

- (i) Premier Gold Project:

[Redacted: commercially sensitive information - material project authorizations]

- (ii) Red Mountain Project:

[Redacted: commercially sensitive information - material project authorizations]

- (b) any other Project Authorization, the breach, loss or termination of which would, or could reasonably be expected to result in a Material Adverse Effect or otherwise be material to (i) the development of a Project, or (ii) the commencement and ongoing operation of commercial production of a Project, or (iii) a Project’s development and operational timetable or production.

“Material Subsidiaries” means each Subsidiary that carries on any business and has assets or liabilities exceeding . As of the date hereof, the Material Subsidiaries are IDM Mining Ltd. and Ascot Power Ltd.

[Redacted: commercially sensitive information - dollar amount]

"Maturity Date" means the date that is 48 months following the Closing Date.

"Mine Plan" means the life of mine plan(s) for both or either Project, as approved by the board of directors of the Borrower, as the same may be amended, revised, supplemented or replaced from time to time in accordance with the terms of the Senior Purchase Agreements and Applicable Laws.

"Mineral Reserves" means proven and probable reserves as defined and incorporated under National Instrument 43-101.

"Mineral Resources" means measured, indicated and inferred resources as defined and incorporated under National Instrument 43 101.

"Minerals" means any and all marketable metal bearing material in whatever form or state that is mined, produced, extracted or otherwise recovered from the Mining Properties, and including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Properties, and including ore, concentrate and any other products resulting from the further milling, processing or other beneficiation of Minerals, including doré.

"Minimum Cash Balance" means \$5,000,000.

"Mining Operations" means every kind of work and activities carried out on or in respect of the Mining Properties including, the following:

- (a) the acquisition, registration and maintenance of the Mining Properties;
- (b) developing, designing, constructing and equipping all mining facilities;
- (c) extracting, mining, production of concentrate and associated handling and transportation of products and tailings and disposing of tailings and despatching products won under authority of the Mining Properties;
- (d) the construction and re-location of any roads, railway lines, telephone lines, waterways or other natural or man-made utilities required in order to facilitate any activity conducted under authority of the Mining Properties;
- (e) the restoration of the Mining Properties and all other work done after the completion of mining activities to comply with environmental and like requirements; and
- (f) ancillary activities relating to all of the foregoing.

"Mining Properties" means, subject to and without derogating from Section 8.16(2) all real property interests, all mineral claims, mineral leases and other mineral rights, concessions and interests, and all surface access rights held by any Group Member relating to the Projects (which as of the date hereof, are listed in Schedule A), and all buildings, structures, improvements, appurtenances and fixtures thereon or attached thereto, whether created privately or by the action of any Governmental Authority. "Mining Properties" shall also include any term extension, renewal, replacement, conversion or substitution of any such real property interests, mineral claims, mineral leases, mineral rights, concessions or interests, and surface access rights, owned or in respect of which an interest is held, directly or indirectly, by any Group Member at any time during the term of this Agreement, whether or not such ownership or interest is held continuously.

"Monthly Construction Progress Report" means a written report prepared by or on behalf of the Borrower in relation to the immediately preceding calendar month, which shall include all of the information contained in any periodic reports prepared and provided to the board of directors of

any Credit Party in respect of the progress of construction and development of a Project for such calendar month and, to the extent not contained in such reports, will also contain, for such calendar month:

- (a) a review of the permitting, development or operation activities for the month and a report on any material issues, departures from, or contemplated or potential changes to the Development Plan for such Project;
- (b) a construction progress report prepared in-house by the Borrower detailing the status of the construction and development of such Project, and copies of any construction progress reports prepared by third parties;
- (c) a costs schedule in relation to the Budget setting out the development and construction expenditures, including costs constituting capital expenditures (split by sustaining and other capital expenditure) and operating costs during such period, and including both hard and soft costs, as compared to the approved expenditures as reflected in the then current Budget, for such month for such Project;
- (d) a summary of any material developments or events in respect of environmental, safety or community matters including reportable incidents, community complaints, and licensing, compliance and permitting projects and an assessment of the Credit Parties' initiatives with respect to environmental, social and governance issues with respect to either Project;
- (e) a summary of any material decision related to either Project made by the board of directors of any Credit Party during such calendar month, including inter alia, capital investment approvals, asset divestments, and financing arrangements, amongst others; and
- (f) any cash balances in any accounts maintained by the Credit Parties with any cash balances broken down by name of the applicable banking institution.

"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.

"National Instrument 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators and the companion policy thereto.

"Net Proceeds" means, with respect to the receipt of proceeds under Section 8.13(2) the aggregate cash proceeds received by any Group Member (a) for loss or damage to the Project Property or (b) as a consequence of or in respect of any Expropriation Event, in each case, after deducting therefrom, without duplication, all reasonable fees, costs and expenses (including legal and accounting fees) incurred in connection with the collection of such proceeds (as evidenced by supporting documentation provided to the Lender upon request), without deduction for any insurance premiums or similar payments, provided however that insurance proceeds arising from third-party liability insurance shall not constitute Net Proceeds under Section 8.13(2).

"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 Lender, 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 Arrangement Fee, the Prepayment Fee and the Make Whole Fee, as applicable.

"Offtake Agreement" means any unsecured agreement entered into by a Group Member with an Offtaker: (a) for the sale of Minerals to an Offtaker; (b) the delivery of the entitlement to, or the benefit of, Minerals to an Offtaker; or (c) the smelting, refining or other beneficiation of Minerals by an Offtaker for the benefit of a Group Member, as the same may be supplemented, amended, restated or superseded from time to time.

"Offtaker" means: (a) any person that is not a Group Member that purchases Minerals from a Group Member or is the recipient of the entitlement to, or benefit of, Minerals from a Group Member (including where a Governmental Authority levies a Tax payable by way of delivery of Minerals or otherwise obtains Minerals from a Group Member); or (b) any Person that takes delivery of Minerals for the purpose of smelting, refining or other beneficiation of such Minerals for the benefit of a Group Member.

"Order" means any order, directive, decree, judgment, ruling, award, injunction, direction or request of any Governmental Authority or other decision-making authority of competent jurisdiction.

"Other Minerals" means any and all marketable metal bearing material in whatever form or state (including ore) that is mined, produced, extracted or otherwise recovered from any location that is not within the Mining Properties.

"Other Rights" means, subject to and without derogating from Section 8.16(2), all licenses, approvals, authorizations, consents, rights (including surface rights, access rights and rights of way), privileges, concessions or franchises held by a Group Member or required to be obtained from any Person (other than a Governmental Authority) for the development and operation of a Project, as contemplated by the current or then applicable Mine Plan.

"Pari Passu COF Debt" has the meaning assigned to it in the definition of "Permitted Debt"

"Parties" means the parties to this Agreement, and **"Party"** means each of them.

"Permitted Acquisition" means an Acquisition to which the Lender has given its prior written consent, or, provided no Trigger Event has occurred and is continuing, an Acquisition of any material property related to or in furtherance of the development, construction and operation and extraction of mineral resources from the Projects or that is reasonably required to perform the Borrower's obligations under the Senior Purchase Agreements.

"Permitted Asset Disposition" means, as at any particular time, a sale, transfer or other disposition of: (a) tangible personal property that is no longer required in the conduct of the business of the Credit Parties or is being replaced; (b) Minerals pursuant to the Senior Purchase Agreements, any Offtake Agreements or otherwise in the ordinary course of business in compliance with the terms of this Agreement, excluding in each case any such sale, transfer or other disposition of Minerals to another Group Member; (c) Abandonment Property (as defined in the Senior Purchase Agreements) as permitted under the Senior Purchase Agreements; (d) any undertakings, properties or assets of a Credit Party not forming part of the Project Property or the Collateral (which, as of the Closing Date, are currently set out in Schedule C as well as any other Excluded Assets) upon the transfer of such assets to a related or unrelated entity (being an **"Excluded Asset Disposition"**) and provided that the provisions of this Agreement are complied with including, for avoidance of doubt Section 3.3(1); (e) of fixed assets where the proceeds of disposal are used to purchase replacement assets for the Project comparable or superior as to type, value and quality; and (f) the Premier Gold Project water treatment facility by virtue of a sale leaseback transaction of the water treatment facility on terms consistent in all material respects with those terms set out in

the term sheet dated May 3, 2023 (the “**Water Treatment Facility Term Sheet**”), a copy of which was provided by the Borrower to the Lender prior to the date of this Agreement.

“**Permitted Debt**” means:

- (a) the Obligations;
- (b) the Senior Obligations provided they are subject to the Senior Purchaser Intercreditor Agreement;
- (c) unsecured Debt of the Borrower existing on or prior to the Closing Date;
- (d) Debt of the Credit Parties secured by Encumbrances permitted pursuant to subsection (j) of the definition of “Permitted Encumbrances” (Purchase Money Obligations and Capital Lease Obligations), which shall be limited to a maximum aggregate amount of (excluding any Capital Lease Obligations arising from a sale-leaseback arrangement involving the Premier Gold Project water treatment facility, if the sale-leaseback of such facility is approved by the Lender as contemplated by subsection (f) of the definition of “Permitted Asset Disposition”);
- (e) Debt incurred under the water treatment facility as referenced in the in Water Treatment Facility Term Sheet provided that such Debt is consisted in all material respects with those terms set out in the Water Treatment Facility Term Sheet;
- (f) obligations under Permitted Hedging Arrangements which, if secured, are subordinated to the Security Documents and at all times subject to an intercreditor agreement between the Lender and the hedge provider satisfactory to the Lender, acting reasonably;
- (g) any unsecured obligations constituting ordinary course settlements for product delivered under any Offtake Agreement that is not a Production Interest;
- (h) unsecured debts, liabilities or obligations owing by a Credit Party to any other Group Member on any account and in any capacity, provided that such Debt is assigned, subordinated and postponed in accordance with an agreement entered into with the Lender, acting reasonably;
- (i) unsecured deposits received from customers in the ordinary course of business;
- (j) unsecured trade payables incurred in the ordinary course of business;
- (k) Debt incurred in the ordinary course of business of the Borrower in respect of surety or completion bonds, standby letters of credit or letters of guarantee securing: (i) mine closure, asset retirement and environmental reclamation obligations to the extent required by Applicable Laws or a Governmental Authority or (ii) in favour of BC Hydro, which shall be limited to a maximum aggregate amount of _____ ;
- (l) Debt in respect of a cost overrun facility, up to a maximum aggregate amount of _____ , which such Debt may be secured ranking in right of payment *pari passu* with the Obligations (“**Pari Passu COF Debt**”) provided that such Pari Passu COF Debt is only permitted if (x) the Borrower, using best efforts, has been unable to procure the required cost overrun financing or cover the relevant cost overruns from proceeds of (i) Debt contemplated by subparagraph (e) of this definition, (ii) the repurchase and resale of the Boliden Royalty or (iii) by raising equity or unsecured debt, (y) Section 3.6 has been complied with and (z) the lender under such Pari Passu COF Debt has entered into an

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intercreditor agreement in form and substance satisfactory to the Lender, acting reasonably;

- (m) Debt secured solely by Excluded Assets and which are limited in recourse to such assets;
- (n) any unsecured obligations under any Project Agreement;
- (o) any other Debt of the Credit Parties permitted in writing by the Lender;
- (p) any guarantee or indemnity provided by a Credit Party in respect of Debt that otherwise qualifies as Permitted Debt, provided that such guarantee or indemnity does not expand the primary obligations under such Permitted Debt;
- (q) Debt up to an aggregate amount of _____ incurred under credit cards issued to the Credit Parties; and
- (r) any unsecured Debt or Debt that is subordinate to the Security that is not already contemplated above, which shall be limited to a maximum aggregate amount of _____ and provided that any Lender or other Person to whom such secured debt is owed has entered into an intercreditor with the Lender in form and substance satisfactory to the Lender, acting reasonably.

*[Redacted:
commercially
sensitive
information -
dollar
amounts]*

"Permitted Encumbrances" means, in respect of any Collateral, any of the following:

- (a) Encumbrances arising from court or arbitral proceedings or any judgment rendered, claim filed or registered related thereto, provided that the judgment or claim secured thereby are being contested in good faith by such Person, adequate reserves with respect thereto are maintained on the books of such Person in accordance with IFRS, execution thereon has been stayed and continues to be stayed and such Encumbrances do not result in an Event of Default or materially impair the operation of the business of the Credit Parties or the applicable Project;
- (b) good faith deposits or pledges of cash collateral made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money), leases, surety, customs, performance bonds and other similar obligations, provided such Encumbrances do not materially impair the operation of the business of the Credit Parties or the applicable Project;
- (c) Encumbrances made or incurred in the ordinary course of business to secure (i) workers' compensation, surety or appeal bonds, letters of credit, costs of litigation when required by law, Order, and public and statutory obligations, or (ii) the discharge of Encumbrances or claims incidental to construction and mechanics', builders', warehouseman's, carriers' and other similar liens or construction and mechanics' and other similar Encumbrances, provided such Encumbrances do not materially impair the operation of the business of the Credit Parties or the applicable Project;
- (d) any development or similar agreements concerning real property of the Credit Parties or a Project entered into with a Governmental Authority or public utility from time to time which do not and will not in the aggregate materially and adversely affect the Security or materially detract from the value of such property or materially impair its use in the operation of the business of the Credit Parties or the applicable Project, and which are not violated in any material respect;
- (e) any Inchoate Lien;

- (f) such minor defects as may be revealed by an up to date plan of survey of any property and any minor registered or unregistered encumbrances, including easements, rights of way, encroachments, restrictive covenants, servitudes or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telephone lines and other similar purposes, or zoning by-laws or other restrictions as to the use of real property which defects, encumbrances, easements, servitudes, rights of way and other similar rights and restrictions do not in the aggregate materially detract from the value of the said properties or materially impair their use in the operation of the business of the Credit Parties or the applicable Project;
- (g) security or deposits given to a public utility or any Governmental Authority when required by such utility or Governmental Authority pursuant to any Material Contract, or in the ordinary course of business;
- (h) the Security;
- (i) any Encumbrances of Permitted Debt incurred under subsections (d), (k), (l) or (m) of that definition provided that such Encumbrances shall be limited as specified therein and provided that the requirements of Permitted Debt are met;
- (j) Encumbrances securing Purchase Money Obligations and Capital Lease Obligations the proceeds of which are used solely to develop, expand, construct or operate the Projects, provided that such Encumbrances extend only to the property clearly and individually identified as acquired or financed thereby (including the proceeds of such property) and no recourse is available to any other Collateral;
- (k) Encumbrances for Taxes, assessments or governmental charges or levies not at the time due or delinquent provided that the claims secured thereby are being contested in good faith and adequate reserves with respect thereto are maintained in accordance with IFRS and such Encumbrances do not result in an Event of Default or materially impair the operation of the business of the Credit Parties or the applicable Project;
- (l) Encumbrances and charges incidental to construction or current operations (including warehouseman's, builders', carriers' mechanics', materialmen's and repairmen's liens) that have not at such time been filed pursuant to Applicable Law or which relate to obligations not due or delinquent provided that the claims secured thereby are being contested in good faith and adequate reserves with respect thereto are maintained in accordance with IFRS and such Encumbrances do not result in an Event of Default or materially impair the operation of the business of the Credit Parties or the applicable Project;
- (m) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by a Credit Party or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof, provided such Encumbrances do not result in an Event of Default or materially impair the operation of the business of the Credit Parties or the applicable Project;
- (n) the restrictions, exceptions, reservations, limitations, provisos and conditions, if any, expressed in any original patents or grants from any Governmental Authority, and such Encumbrances do not result in an Event of Default or materially impair the operation of the business of the Credit Parties or the applicable Project;
- (o) Encumbrances on concentrates or minerals or the proceeds of sale of such concentrates or minerals arising or granted pursuant to a processing or refining arrangement entered into in the ordinary course and upon usual market terms, securing only the payment of the

fees, costs and expenses attributable to the processing of such concentrates or minerals under any such processing or refining arrangement, but only insofar as such Encumbrances relate to obligations which are at such time not past due or the validity of which are being contested in good faith by appropriate proceedings and adequate reserves with respect thereto are maintained in accordance with IFRS and such Encumbrances do not result in an Event of Default or materially impair the operation of the business of the Credit Parties or the applicable Project;

- (p) Encumbrances granted as credit support for Permitted Hedging Arrangements (to the extent expressly permitted by such Permitted Hedging Arrangements) which, if secured, are subordinated to the Security Documents, subject to the execution of an intercreditor agreement by any hedge providers in form and substance satisfactory to the Lender, acting reasonably;
- (q) Encumbrances granted by the Borrower to the Senior Purchaser pursuant to the Senior Purchase Agreements and the Senior Debt Documents provided that such Encumbrances are subject to and in accordance with the Senior Purchaser Intercreditor Agreement;
- (r) Encumbrances granted to secure Permitted Debt under subsection (o) of that definition;
- (s) Encumbrances granted under the Credit Documents;
- (t) the rights of Boliden Limited under an asset purchase agreement with the Borrower made as of July 31, 2017 (as amended) ;
- (u) **[intentionally deleted]**
- (v) Encumbrances of or resulting from any judgment or award (and provided that such judgement or award would not otherwise constitute an Event of Default), 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;
- (w) landlords' liens or any other rights off 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 to (i) any Mining Properties or (ii) generally to all or substantially all of the undertaking, assets and property of any Credit Party;
- (x) customary rights of set-off in favour of a financial institution with respect to deposits maintained by it;
- (y) pledges of cash collateral to secure Permitted Debt under subsection (o) of that definition;
- (z) the following royalty obligations:
 - (i) in respect of the Red Mountain Project:

*[Redacted:
commercially
sensitive
information -
description of
contractual
right]*

*[Redacted:
commercially
sensitive
information -
description of
royalty
obligations]*

(ii) in respect of the Premier Gold Project:

*[Redacted:
commercially
sensitive
information -
description of
royalty
obligations]*

(aa) other Encumbrances agreed to in writing by the Lender,

provided, however, that no Encumbrance described in subsections (a) through (e) and subsections (v) through (x) above shall constitute a Permitted Encumbrance if it was incurred in connection with the borrowing of money.

“Permitted Hedging Arrangements” means derivative or hedging arrangements of a Credit Party which have been entered into for bona fide business purposes, and not for speculative purposes and which, if secured, are subordinated to 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 Authority or any other type of organization or entity, whether or not a legal entity.

"Premier Gold Project" means the Premier Gold mining project located in British Columbia, Canada, as more particularly described in Part 1 of Schedule A, which comprises part of the Project Property, and including the exploration, construction, development, mining, production, processing, recovery, sale, transportation, storage and delivery operations in respect thereof.

"Prepayment Fee" is defined in Section 3.2.

"Prepayment Warrant" means a warrant to purchase one Common Share of the Borrower, subject to vesting as described in Sections 3.2, 3.3, 3.4 and 9.2 of this Agreement, at a price per Common Share equal to the Conversion Price, evidenced in a form of warrant certificate in the form of Schedule D hereto.

"Processing Facilities" means any crusher, mill, ore concentrator, processing plant, smelter, refinery or other processing facility owned or operated or to be developed, constructed, owned or operated by any Group Member located on or near the Projects and at which Minerals are processed.

"Production Interest" means any royalty, stream, future sales, participation or production interest and related assets, or any agreements that are similar to a royalty, stream, future sales, participation or production interest agreement, in each case in respect of any Minerals or Other Minerals.

"Project Agreements" means all Contracts of any Group Member relating to:

- (a) the ownership, lease or use of either Project or the Project Property;
- (b) the engineering, procurement and construction of either Project or engineering, procurement and construction management of either Project;
- (c) the development and/or mining operations of either Project;
- (d) the sale or disposition of Minerals from either Project, including sales, royalty and streaming agreements, Offtake Agreements and other similar arrangements; and
- (e) any option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, in respect of Project Property, or the Minerals produced or proceeds therefrom, in each case, whether entered into prior to or after the date of this Agreement.

"Project Authorizations" means all Authorizations and Other Rights (including environmental Authorizations) necessary for (a) the development, construction and/or mining operations of the Projects, and (b) the commencement and/or ongoing operation of commercial production transactions in relation to the Projects.

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

"Project Property" means, subject to and without derogating from Section 8.16(2), all of the property, assets, undertaking, approvals, licenses, permits and rights of the Group Members in and

relating to the Projects, whether now owned or existing or hereafter acquired or arising, including real property, buildings thereon, fixtures and improvements to real property (including all property, plant and equipment), personal property and mineral interests, and specifically including, but not limited to: (a) Mining Properties, Minerals and Project Authorizations; (b) any and all interest in the Processing Facilities; (c) all accounts, instruments, chattel paper, deposit accounts, documents, intangibles, goods (including inventory, equipment and fixtures), money, letter of credit rights, supporting obligations, claims, causes of action and other legal rights and investment property in each case relating to either Project; (d) all Project Agreements and any other Contracts relating to either Project, including Material Contracts; (e) all products, proceeds (including proceeds of proceeds), rents and profits of the foregoing; (f) Other Rights; and (g) all books and records of the Group Members related to any of the foregoing.

“Projects” means the Premier Gold Project, the Red Mountain Project and the Silver Hills Project, which, taken together, comprises the Project Property, and including the exploration, construction, development, mining, production, processing, recovery, sale, transportation, storage and delivery operations in respect thereof, and **“Project”** means either one of them.

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

“Purchase Money Obligation” means the outstanding balance of the purchase price of real and/or personal property, title to which has been acquired or will be acquired upon payment of such purchase price, or indebtedness to non-vendor third parties incurred to finance the acquisition of such new and not replacement real and/or personal property, or any refinancing of such indebtedness or outstanding balance.

“Qualified Institutional Buyer” means a “qualified institutional buyer” as such term is defined in Rule 144A(a)(1) under the U.S. Securities Act.

“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 mining project located in British Columbia, Canada, as more particularly described in Part 2 of Schedule A, which comprises part of the Project Property, and including the exploration, construction, development, mining, production, processing, recovery, sale, transportation, storage and delivery operations in respect thereof.

“Regulation D” means Regulation D under the U.S. Securities Act.

“Regulation S” means Regulation S under the U.S. Securities Act.

“Related Party” means, with respect to any Group Member: (a) any Affiliate of such Group Member; (b) any director, officer or employee of such Group Member or Affiliate of such Group Member; or (c) any Person that does not deal at arm’s length with such Group Member or any Affiliate, director, officer or employee of such Group Member.

“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.

“Restricted Payment” means with respect to the Borrower or any other Credit Party, any payment by such Person to any other Person (a) of any dividends or any other distribution on any shares of its capital or other 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 shares of its capital or other equity interests or any warrants, options or rights to acquire any such shares, (c) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Debt of such Person ranking in right of payment pari passu with or subordinate to the Obligations, (d) on account of the making of any loan or advance to, or arrangement for the purpose of providing funds or credit by the Borrower or any other Credit Party to a Person that is not also a Credit Party, or (e) of any material bonus or comparable payment, or material payment by way of gift or other gratuity, or any management, consulting, monitoring or similar fee, to any Related Party, excluding, for greater certainty, (i) director fees or employment compensation paid in the ordinary course to any director, officer or employee of the Borrower or any other Credit Party, on terms consistent with director fees and employment compensation paid by Persons with comparable operations in Canada, and (ii) reimbursement for reasonable and ordinary course expenses related to the business of any such entity incurred by a director, officer or employee of the Borrower or any other Credit Party in accordance with the policies in effect governing such reimbursements.

“Sanctioned Entity” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country Sanctions program administered and enforced by OFAC or by any Canadian Governmental Authority.

“Sanctioned Person” means any Person that:

- (a) is named, identified, described on or included on any of:
 - (i) the lists maintained, issued or made under subsection 83.05(1) of the *Criminal Code*, the *United Nations Act* (Canada), the *Special Economic Measures Act* (Canada), the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (Canada), and the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada);
 - (ii) the Denied Persons List, the Entity List or the Unverified List, compiled by the Bureau of Industry and Security, U.S. Department of Commerce;
 - (iii) the List of Statutorily Debarred Parties compiled by the U.S. Department of State;
 - (iv) the Specially Designated Nationals and Blocked Persons List compiled by OFAC;
 - (v) orders issued under the *International Emergency Economic Powers Act*, 50 U.S.C., the *Trading with the Enemy Act*, 50 U.S.C. App. 1 et seq.; or any other enabling legislation or executive order relating thereto, including the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Title III of Pub. L. 107-56;
 - (vi) the annex to, or is otherwise subject to the provisions of, U.S. Executive Order No. 13324; or
 - (vii) any other lists issued under Applicable Law relating to economic sanctions, anti-terrorism or anti-money laundering matters; or
- (b) is a Person who is an Affiliate of a Person listed above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by OFAC or any Canadian Governmental Authority.

“Section” means the designated section of this Agreement.

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

“Securities Laws” means the applicable securities laws of British Columbia and any other applicable Province or Territory of Canada, the regulations made and forms prescribed thereunder together with all applicable published rules, instruments, binding policy statements and blanket orders and rulings applicable in British Columbia and any other applicable Province or Territory of Canada and all other Applicable Laws regulating trading in, or the issuance of securities, including the rules and policies of any applicable stock exchange.

“Security” means the Encumbrances granted in favour of the Lender pursuant to the Security Documents.

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

“Security Structure Event” means any consolidation, subdivision or other similar type of adjustment to the Common Shares.

“SEDAR” means the System for Electronic Document Analysis and Retrieval and each successor thereto.

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

“Senior Obligations” means all present and future indebtedness, liabilities and obligations of the Borrower under the Senior Debt Documents.

“Senior Purchase Agreements” means, together, (a) the purchase and sale agreement dated on or prior to January 30, 2023 in respect of the Red Mountain Project providing for a US\$18,000,000 deemed deposit on the terms and conditions set for therein and (b) the purchase and sale agreement dated on or prior to January 30, 2023 in respect of the Red Mountain Project and the Premier Gold Project, among, in each case, the Borrower, as seller, IDM Mining Ltd. and Ascot Power Ltd., as guarantors, and Sprott Resource Streaming and Royalty (B) Corp., as purchaser, collectively providing for a US\$110,000,000 deposit on the terms and conditions set forth therein.

“Senior Purchaser” means Sprott Resource Streaming and Royalty (B) Corp., as senior purchaser pursuant to the Senior Purchase Agreements.

“Senior Purchaser Intercreditor Agreement” is defined in Section 5.5.

“Separated Royalty Agreement” means the separated royalty agreement dated May 25, 2017 between IDM Mining and Franco-Nevada Corporation.

“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.

“Silver Hills Project” means the Silver Hills mining project located in British Columbia, Canada, as more particularly described in Part 3 of Schedule A, which comprises part of the Project Property, and including the exploration, construction, development, mining, production, processing, recovery, sale, transportation, storage and delivery operations in respect thereof.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the Term SOFR Administrator.

“Specified Number” is defined in Section 2.4(1).

“Subscription Price” is defined in Section 2.4.

“Subsidiary” means with respect to any Person, any other Person which is Controlled directly or indirectly by that Person.

“Taxes” includes any taxes, duties, fees, premiums, assessments, imposts, royalties, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment.

“Technical Report” means in respect of both Projects, the technical report entitled “Premier & Red Mountain Gold Project, Feasibility Study NI 43-101 Technical Report, British Columbia” dated May 22, 2020, with an effective date of April 15, 2020 and any amendments, modifications or successor reports which are compliant with National Instrument 43-101.

“Term SOFR” means, for any calculation with respect to the Advance, the Term SOFR Reference Rate for 3-month Term SOFR (such day, the **“Periodic Term SOFR Determination Day”**) on the day that is two (2) U.S. Government Securities Business Days prior to the first day of such period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; provided, further, that if Term SOFR determined as provided above shall ever be less than 3%, then Term SOFR shall be deemed to be 3%.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Lender in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Transfer” means to, directly or indirectly, sell, transfer, assign, convey, dispose or otherwise grant a right, title or interest.

“Trigger Event” means any Event of Default or any event or circumstance which, with notice, the passage of time or both, would constitute an Event of Default including, for avoidance of doubt, the occurrence of any Default.

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

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Securities Act” means the U.S. Securities Act of 1933, as amended.

“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 Lender, 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 Debt 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 Lender and the Senior Purchaser); 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 Lender on terms satisfactory to the Lender subject to any prior rights of the Senior Purchaser under the Senior Purchaser Intercreditor Agreement.

“Vesting Formula” means the quotient of the principal amount being prepaid or repaid divided by the Advance.

“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 Lender 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.

“Water Treatment Facility Term Sheet” has the meaning set out in the definition of “Permitted Asset Disposition”.

1.2 Knowledge

(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.

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

(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 Lender 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 Lender. 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 Lender or, if not available, the spot rate of exchange quoted to the Lender 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 Lender 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 Lender 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 the 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	Mining Properties
Schedule B	Security Documents
Schedule C	Non-Project Property Assets
Schedule D	Prepayment Warrant
Schedule E	Form of Quarterly Compliance
Schedule F	Post-Closing Covenant

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 Lender agrees to provide a non-revolving term convertible credit facility (the "**Credit Facility**") under which the Borrower may borrow by way of a single advance of \$14,000,000 (the "**Advance**") on the Closing Date, and subject to satisfaction of the conditions precedent set forth in Section 6.1. The Credit Facility shall be non-revolving and any amount repaid under the Credit Facility may not be re-borrowed.

2.2 Use of the Advance

The Advance shall only be used by the Credit Parties to repay in full of all amounts outstanding (including principal, interest and other amounts) under the Existing Beedie Debt on the Closing Date and for general working capital purposes of the Credit Parties.

2.3 Reserved.

2.4 Conversion

(1) At any one or more times prior to the repayment of the principal amount outstanding of the Credit Facility, the Lender shall be entitled to elect to convert all or any portion of the principal amount of the Credit Facility outstanding at such time (together with all 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 Conversion Price, but provided that conversion of any Conversion Amount which represents interest thereon (including compound interest added to principal) shall be subject to Exchange approval at the time

payable or accrued 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 interest becomes payable or accrued under this terms of this Agreement. Such election by the 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**") and the number of Common Shares beneficially owned by, or under the control or direction of, the Lender. The Conversion Price 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 interest thereon (including compound interest added to principal), the Borrower shall promptly following receipt of the notice contemplated by this Section 2.4(1) make, and use commercially reasonable efforts to diligently pursue, an application to the Exchange to seek approval for the conversion of such interest (including compound interest added to principal).

(2) Subject to Section 2.4(1) in respect of interest, the Conversion Amount in respect of any outstanding balance of the Credit Facility which the Lender may elect to convert will be converted into Common Shares at a price per Common Share equal to Conversion Price. On the Conversion Date the Lender will be deemed to have subscribed for the Specified Number of Common Shares at a total subscription price (each, a "**Subscription Price**") equal to such Conversion Amount, and the total Subscription Price payable by the Lender to the Borrower in accordance with this Section 2.4(2) will be automatically set off against the full amount of such Conversion Amount owing by the Borrower to the 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 the Lender and the total Subscription Price will be deemed to have been paid by the Lender to the Borrower.

(3) Notwithstanding any other provisions of this Agreement: (a) no Prepayment Fee, Make Whole Fee or other penalty shall apply to any portion of the Credit Facility that is converted into Common Shares within 24 months of the Closing Date if exercised at the discretion of the Lender and (b) the Borrower is not required to issue Conversion Shares to the Lender with respect to interest (including compound interest added to principal) unless such issuance has been approved by the Exchange. For greater certainty, until such time as an application is made to the Exchange for approval to issue Conversion Shares with respect to interest (including compound interest added to principal), no Conversion Shares are issuable under this Agreement with respect to such interest (including compound interest added to principal). To the extent the Exchange does not approve of the conversion of such interest after good faith efforts by the Borrower, the Borrower shall immediately pay such interest amount in cash to the Lender.

(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 Conversion Price (the "**Forced Conversion Trigger**"), the Borrower shall, provided that no Default or Event of Default shall have occurred and be continuing, be entitled by providing written notice to the Lenders within 5 Business Days of the Forced Conversion Trigger (the "**Forced Conversion Notice**") have the right, exercisable after a Forced Conversion Trigger, to elect to cause the Lender to convert up to 50% of the unconverted principal amount outstanding of the Credit Facility plus any accrued and unpaid interest and such principal amount (together with all interest accrued and unpaid thereon) within 15 Business Days of the Forced Conversion Trigger in the event of such an election shall constitute the Conversion Amount and shall be converted into Common Shares in accordance with Section 2.4(1) and Section 2.4(2) hereof, as applicable. Upon a forced Conversion pursuant to this Section 2.4(4), the Borrower shall pay to the Lender 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 Forced Conversion Notice and/or the Lender shall not be required to comply with the Forced Conversion Notice if at any time after the 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 Conversion Price.

(5) Upon the conversion of a Conversion Amount, the Lender or such other Person as the Lender 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 Lender or such other Persons as the Lender may direct in writing, a certificate or certificates for such Common Shares; provided that the Borrower will not deliver any Common Shares to such other Persons unless such other Persons (i) certify either that they are (a) an Accredited Investor or (b) a Qualified Institutional Buyer and (ii) provide such other customary representations, warranties and covenants as the Borrower determines are reasonably required under U.S. securities law.

(6) 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, rights offering or otherwise, 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, rights offering or otherwise, 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, rights offering or similar type of transaction shall be deemed to have been made on the record date fixed for the purpose of calculating the number of outstanding Common Shares under this Section 2.4(6). 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 2.4(6).

(7) 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 Lender 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 Lender 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 2.4 with respect to the rights and interests thereafter of the Lender so that the provisions set forth in this Section 2.4 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.

(8) The adjustments provided for in this Section 2.4 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 2.4, provided that, notwithstanding any other provision of this Section 2.4 an adjustment is subject to Exchange approval and, 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 2.4(8) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(9) If any question arises with respect to the adjustments provided in this Section 2.4, such question shall be conclusively determined by a firm of chartered accountants (who may be the Borrower's auditors) appointed by the Borrower and acceptable to the Lender 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 Lender.

(10) 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 and such fractional amount shall be paid in cash to the Lender.

(11) The Borrower shall, from time to time as soon as practicable in advance of the occurrence of any event which will require an adjustment or readjustment as provided in this Section 2.4, deliver a certificate of the Borrower to the Lender 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 Lender acting reasonably and such certificate shall be conclusive and binding on all parties in interest absent manifest error.

(12) The Borrower shall give notice to the Lender of its intention to fix a record date for any event mentioned in this Section 2.4 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.

(13) 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 2.4, and conditionally allot to the Lender, such number of Common Shares as shall then be issuable upon the exercise of any right of conversion held by the Lender hereunder, including without limitation upon the conversion of each Conversion Amount. The Borrower covenants with the Lender that all Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non assessable.

(14) The Borrower shall:

- (a) use commercially reasonable efforts to preserve and maintain its corporate existence and listing on the Exchange; and
- (b) use commercially reasonable efforts to make all requisite filings under applicable Securities Laws and the respective regulations made thereunder including those necessary to remain a reporting issuer not in default of any requirement of those acts and regulations,

provided that, for greater certainty, the covenants in this Section (14) shall not prevent the Borrower from completing any transaction or ceasing to be a reporting issuer if doing so is determined by the Borrower's board of directors as being in the best interests of the Borrower and any approvals required therefor under applicable corporate and Securities Laws and the policies of the Exchange have been obtained.

(15) The 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.

(16) The Lender represents and warrants that as of the date of this Agreement and the Closing Date that the Lender is eligible for the prospectus exemption provided by Section 2.3 of National Instrument 45-106 – Prospectus Exemptions and has entered into this Agreement as principal. The Lender is an “accredited investor” in reliance on paragraph (m) of the definition of “accredited investor” in Section 1.1 of NI 45-106 and was not created or used solely to purchase or hold securities as an accredited investor under that paragraph (m). The Lender is not an “insider” of the Borrower or a “registrant” (each as defined under Securities Laws).

(17) The Lender covenants and agree with the Borrower that at any time it makes any election to receive Conversion Shares pursuant to Section 2.4(1), it will complete, execute and deliver to the Borrower an Institutional Accredited Investor Letter in the form attached hereto as Schedule G.

(18) Notwithstanding any other provision of this Agreement, but subject to this Section 2.4(18), the aggregate number of Lender’s Shares issuable upon Conversion, together with the number of Lender’s Shares issuable upon exercise of Prepayment Warrants, shall not exceed _____ Common Shares, as adjusted on a proportionate basis to reflect any Security Structure Event, unless and to the extent the Borrower has obtained approval by its shareholders for the issuance of additional Lender’s Shares in a manner and form required by the Exchange or has otherwise obtained the approval of the TSX to issue such Common Shares without shareholder approval.

*[Redacted:
commercially
sensitive
information -
number]*

(19) In the event that a Conversion and/or exercise of Prepayment Warrants would result in the Lender becoming an “Insider” (as defined in rules and policies of the Exchange) of the Borrower, such Conversion and/or exercise of Prepayment Warrants in excess of the relevant threshold will be postponed and will not be effective until the Exchange has approved a personal information form, or waived the requirement therefor, in respect of the Lender. In addition, in the event that a Conversion and/or exercise of Prepayment Warrants would “materially affect control” (as defined in the rules and policies of the Exchange) of the Borrower, and/or result in the Lender becoming a “control person” (as defined in the Securities Act), such Conversion and/or exercise of Prepayment Warrants in excess of the relevant threshold will be postponed and will not be effective until the Parties comply with all requirements under Securities Laws, as applicable. For greater certainty, if a Conversion and/or exercise of Prepayment Warrants is postponed, such postponement will not constitute an Event of Default.

(20) The Lender acknowledges that the Borrower may refuse, in whole or in part, a Conversion and/or exercise of Prepayment Warrants that violates the limitations in Section 2.4(18) or Section 2.4(19).

ARTICLE 3 TERM, PREPAYMENT AND REPAYMENT

3.1 Term

Subject to the Lender’s 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 2 Business Days’ prior written notice to the Lender:

- (a) prepay to the Lender the outstanding principal amount of the Facility, in whole or in part, together with all accrued and unpaid interest (including compound interest) owing in connection therewith, at any time before the Maturity Date, provided that the amount of such prepayment is equal to or greater than \$1,000,000, and together with such prepayment, upon the terms and subject to the conditions set forth in this Agreement and subject to (b) below, the number of Prepayment Warrants equal to the Calculated Number

of Prepayment Warrants multiplied by the Vesting Formula, with fractional Prepayment Warrants being rounded down, shall vest; and

- (b) in the event of a Default or a reasonably anticipated Event of Default that has not yet occurred, unless such Default is waived, prepay within 60 days of written notice by the Borrower to the Lender of such Default or reasonably anticipated Event of Default, 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) any costs and expenses due under this Agreement; and (iii) at the election of the Lender either (a)(X) if the prepayment occurs after 24 months following the date of the Advance, a fee (the "**Prepayment Fee**") equal to one per cent of the full outstanding principal amount of the Credit Facility; or (Y) if the prepayment occurs prior to the second anniversary of the date of the 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 the Advance or (b) the number of Prepayment Warrants equal to the Calculated Number of Prepayment Warrants multiplied by the Vesting Formula, with fractional Prepayment Warrants being rounded down, shall vest.

3.3 Mandatory Prepayments

(1) If at any time after the Closing Date and prior to the repayment of the Credit Facility all accrued and unpaid interest thereon and any costs and expenses due under this Agreement, a Credit Party: (a) sells, leases, conveys, transfers or otherwise disposes of all or substantially all of its assets in one or more transactions (other than as part of a Permitted Asset Disposition (other than an Excluded Asset Disposition)) or (b) undergoes an Excluded Asset Disposition where the net proceeds thereby have not been used or committed by the Borrower to be invested in the Projects within [Redacted: commercially sensitive information - number of days] after such Excluded Asset Disposition, the Lender shall have the option to require such Credit Party to pay or cause to be paid to the Lender the proceeds of such sale or other disposition, net of reasonable out-of-pocket selling costs required to be paid by the Credit Party to any third party in connection with such sale or other disposition, to be applied in prepayment of the outstanding balance of the Credit Facility, and together with such prepayment, upon the terms and subject to the conditions set forth in this Agreement, the Borrower shall issue and deliver to the Lender, at the election of the Lender either (i) (X) if the prepayment occurs after 24 months following the date of the Advance, the Prepayment Fee or (Y) if the prepayment occurs prior to the second anniversary of the date of the Advance, the Make Whole Fee or (ii) the number of Prepayment Warrants equal to the Calculated Number of Prepayment Warrants multiplied by the Vesting Formula, with fractional Prepayment Warrants being rounded down, shall vest.

(2) Immediately prior to the occurrence of any Change of Control, the Lender shall have the option to either (a) convert the principal amount outstanding of the Credit Facility plus any accrued and unpaid interest and such principal amount (together with all interest accrued and unpaid thereon) in the event of such an election shall constitute the Conversion Amount and shall be converted into Common Shares in accordance with Section 2.4(1) and Section 2.4(2) hereof, as applicable or (b) receive a cash payment in an amount equivalent to the full outstanding principal amount of the Credit Facility together with accrued and unpaid interest and any costs and expenses due under this Agreement plus, (i) if the prepayment occurs after 24 months following the date of the Advance, the Prepayment Fee or (ii) if the prepayment occurs prior to the second anniversary of the date of the Advance, the Make Whole Fee.

3.4 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 or issue to the Lender in addition to the other outstanding amounts of the Obligations, at the election of the Lender:

- (a) if the acceleration of the Obligations occurs after the second anniversary of the date of the 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;
- (b) if the acceleration of the Obligations occurs prior to the second anniversary of the date of the 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; or
- (c) the number of Prepayment Warrants equal to the Calculated Number of Prepayment Warrants multiplied by the Vesting Formula, with fractional Prepayment Warrants being rounded down, shall vest.

The Credit Parties acknowledge that the Prepayment Fee and Make Whole Fee that are payable or, in the alternative, the vesting of the specified number of Prepayment Warrants, upon acceleration of the Obligations prior to the Maturity Date are not a penalty but are liquidated damages intended to compensate the Lender to ensure that the Lender earn interest on the Advance up to and including the second anniversary of the date of the Advance, and that the Credit Parties do not avoid payment of the Prepayment Fee and the Make Whole Fee or the vesting of the specified number of Prepayment Warrants, as applicable, by intentionally defaulting hereunder.

3.5 Reserved

3.6 Pari Passu COF Debt Right of First Refusal

As it relates to Pari Passu COF Debt, the Borrower hereby grants to the Lender a right of first refusal in respect of the Pari Passu COF Debt, whereby to the extent that Pari Passu COF Debt is required or the Borrower receives a third party offer with respect to any Pari Passu COF Debt and the Borrower is willing to accept such offer, then the Borrower will, by notice in writing, offer to the Lender or an Affiliate of the Lender to have the Lender provide all but not less than all of the Pari Passu COF Debt on the same financial terms as such third party offer (the "**ROFR Offer**"). If the ROFR Offer is not accepted by the Lender within 30 days from receipt by the Lender of the ROFR Offer, then the Borrower may pursue Pari Passu COF Debt with a third party, on the same terms as offered to the Lender, provided that if the Pari Passu COF Debt transaction is not entered into through a binding written agreement within 90 days of the expiry of the ROFR Offer, then the Borrower shall be required to comply again with the terms of this Section.

ARTICLE 4 PAYMENT OF INTEREST AND FEES

4.1 Interest

Subject to Section 4.2, from and including the date of the 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 equal to Term SOFR, plus five percent (5.0%) per annum. Prior to the earlier of (a) Commercial Production of the Premier Gold Project and (b) December 31, 2024, interest will be accrued and shall be compounded quarterly commencing on the date of the Advance and added to principal at the end of each Quarterly Interest Period commencing June 30, 2023. Following the earlier of (a) Commercial Production of the Premier Gold Project and (b) December 31, 2024, 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 Commercial Production of the Premier Gold Project occurs and on the Maturity Date.

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 increased by 4% per annum. 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 Lender's increased cost and risk of the outstanding Credit Facility.

4.3 Arrangement Fee

The Borrower shall pay the Arrangement Fee to the Lender as a condition to the Advance.

4.4 Matters Relating to Interest

(1) Unless otherwise indicated, interest on any outstanding principal amount shall be calculated daily and shall, after the earlier of (a) Commercial Production of the Premier Gold Project and (b) December 31, 2024, be payable quarterly in arrears at the end of each Quarterly interest Period. If the last day of a Quarterly Interest Period is not a Business Day, the interest payment due on such day shall be made on the 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.

(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 360 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 360 days and is required to be translated into a year of 365 or 366 days, as the case may be, for such calculation 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.

(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 Lender is 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 the Lender shall apply such excess against the Obligations and refund any further excess amount.

4.5 Place of Repayments

(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 Lender, with such payments being made by the Borrower at such address and to such account as the Lender may direct in writing from time to time. All such payments received by the Lender on a Business Day before 4:00 p.m. (New York time) shall be treated as having been received by the Lender on that day; payments made after such time on a Business Day shall be treated as having been received by the Lender on the next Business Day.

(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 Lender.

4.6 Evidence of Obligations (Noteless Advance)

The Lender 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 Lender 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 Obligations.

4.7 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.

4.8 Benchmark Replacement

(1) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Credit Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Lender has not received, by such time, written notice of objection to such Benchmark Replacement from the Borrower. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(2) **Benchmark Replacement Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

(3) **Notices; Standards for Decisions and Determinations.** The Lender will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to clause (4) of this Section. Any determination, decision or election that may be made by the Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section.

(4) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR

Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its discretion, acting reasonably, or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Lender may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative, then the Lender may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(5) **Benchmark Unavailability Period.** Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a SOFR loan of, conversion to or continuation of SOFR loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request to a Base Rate (Canada) advance. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of a Base Rate (Canada) based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate (Canada).

(6) **Certain Defined Terms.** As used in this Section:

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (4) above.

"Base Rate (Canada)" means, for any day, the rate of interest per annum equal to the greater of (i) the per annum rate of interest which the Lender quotes or establishes for such day as its reference rate of interest for loans in Dollars in Canada to the Borrower; (ii) the Federal Funds Rate plus 50 basis points per annum, and (iii) Term SOFR for a one-month tenor in effect for such day plus 1.00%; adjusted automatically with each quoted or established change in such rate, all without the necessity of any notice to the Borrower or any other Person, provided that to the extent such highest rate as calculated above shall, at any time, be less than the 3%, such rate shall be deemed to be 3% for all purposes herein.

"Benchmark" means, initially, Term SOFR; provided that if a Benchmark Transition Event has occurred with respect to Term SOFR, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (1) of above.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Lender for the applicable Benchmark Replacement Date:

- (a) Daily Simple SOFR; and
- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Lender and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for

determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the 3%, the Benchmark Replacement will be deemed to be the 3% for the purposes of this Agreement and the other Credit Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the relevant Governmental Authority and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time in Canada.

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (2) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided, that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (2) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the Term SOFR

Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof).

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with this Section and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with this Section.

“**Conforming Changes**” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate (Canada),” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 4.8 and other technical, administrative or operational matters) that the Lender decides, acting reasonably, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides, acting reasonably, is necessary in connection with the administration of this Agreement and the other Credit Documents).

“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion.

“**Federal Funds Rate**” means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate; provided that if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and provided, further, that if any such rate determined pursuant to this definition is below zero, the Federal Funds Rate will be deemed to be zero.

“**Relevant Governmental Body**” means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

ARTICLE 5 SECURITY

5.1 Security

The Security Documents to be provided to the Lender for the granting of the Credit Facility will consist of the documents listed in Schedule B and shall be in form and substance satisfactory to the Lender.

5.2 Additional Security and Registration

The Credit Parties (including, for avoidance of doubt, anyone who becomes a Credit Party after the date of this Agreement) shall promptly execute and deliver to the Lender or cause to be delivered to the Lender, 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 Lender 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 Lender or its counsel, to render the Security Documents fully effective. Each Credit Party authorizes the Lender 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 Lender. 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 Lender 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 Lender 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): (a) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (b) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

5.3 Additional Security from Material Subsidiaries

The Borrower shall cause each Person that becomes a Material Subsidiary as of the date hereof to deliver to the Lender (a) a Guarantee of the Obligations, (b) security over all of the undertaking, property and assets of such Material Subsidiary substantially to the same effect as the Security provided for in Section 5.1, (c) a legal opinion from the Borrower’s counsel concerning such Material Subsidiary and the Credit Documents entered into, all to be entered into contemporaneously with such Person first becoming a Material Subsidiary, together with any other documents, consents, authorizations, registrations or evidence of filing, powers of attorney, and supporting documents reasonably requested by the Lender or in respect thereof as necessary to make valid and effective the aforementioned agreements and perfect the Encumbrances thereon.

5.4 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 Lender 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. The Borrower shall furthermore take all reasonable

steps to ensure that the Security Documents remain first priority perfected Encumbrances subject only to Permitted Encumbrances and the Senior Purchaser Intercreditor Agreement.

5.5 Senior Purchaser Intercreditor Agreement

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

ARTICLE 6 DISBURSEMENT CONDITIONS

6.1 Conditions Precedent to the Advance

The obligation of the Lender under this Agreement to make the Advance under the Credit Facility is subject to and conditional upon the following conditions being satisfied on the date that is seven (7) Business Days before the Closing Date (unless otherwise waived by the Lender, in its discretion):

- (a) receipt by the Lender, of the following documents, each in full force and effect, and in form and substance satisfactory to the Lender (unless delivery has been waived by the Lender):
 - (i) a drawdown request;
 - (ii) this Agreement and the Disclosure Letter, duly executed and delivered by the Credit Parties;
 - (iii) certified copies of the Constating Documents of each of the Credit Parties;
 - (iv) certificates of incumbency of each of the Credit Parties;
 - (v) certificates of status or other similar type of evidence of existence for each of the Credit Parties from all Relevant Jurisdictions;
 - (vi) 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;
 - (vii) duly executed copies of the Security Documents, duly registered to the Lender’s satisfaction, where applicable subject only to Permitted Encumbrances;
 - (viii) 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 Lender to provide such releases, discharges and postponements;
 - (ix) the Senior Purchaser Intercreditor Agreement; and
 - (x) letters of opinion of legal counsel to the Credit Parties, each addressed to the Lender 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 2.4, in accordance with all Applicable Laws and all Securities Laws;

- (b) other than the consents, discharges and approvals set forth on Schedule F hereof (the "**Post-Closing Consents**"), all material consents and approvals of any relevant Governmental Authority, Exchange or third party required on the Closing Date, including, for avoidance of doubt any consents required under the Senior Purchase Agreements, shall have been obtained by the Borrower in order to consummate the transactions contemplated under the Credit Documents, provided that if such consents are not obtained and the Lender agrees to waive strict compliance with this subsection, then the Credit Parties shall identify such consents that have not been obtained as of the Closing Date and hereby undertake to the Lender to diligently pursue, and use their best efforts to obtain, such consents as soon as reasonably practicable following the Closing Date;
- (c) conditional Exchange approval of the issuance of the Conversion Shares and the Prepayment Warrants;
- (d) the Borrower shall have paid all reasonable and documented fees, costs and expenses then owing to the Lender in respect of the Credit Facility, including the Arrangement Fee;
- (e) the Lender 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 Lender has received a certificate of the Borrower so certifying to the Lender;
- (g) no Default or Event of Default shall have occurred and be continuing;
- (h) receipt of evidence, to the satisfaction of the Lender, that appropriate levels of insurance are in place and that the Lender is named as loss payee or additional insured, as the case may be on such policies;
- (i) signed direction to pay in respect of the Advance authorizing the deduction of all outstanding fees and costs and directing repayment in full of the Existing Beedie Debt and a customary payout and release letter with respect to the Existing Beedie Debt, in form and substance satisfactory to the Lender, acting reasonably;
- (j) the Lender shall have received all reasonable and customary documentation required by the applicable "know your customer" and anti-money laundering rules and regulations; and
- (k) receipt by the Lender of the Calculated Number of Prepayment Warrants, issued as of the Closing Date and subject to vesting as described in Sections 3.2, 3.3, 3.4 and 9.2.

6.2 Waiver

The conditions in Section 6.1 a are inserted for the sole benefit of the Lender and may be waived by the Lender, 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 Lender as of the date hereof and as of the date of the Advance that:

- (a) **Organization and Good Standing.** Each of the Credit Parties has been duly created, incorporated, amalgamated or organized and is validly existing and in good standing and up to date in all corporate filings under the laws of its respective jurisdictions of organization, is duly qualified to do business in each jurisdiction in which its respective ownership or lease of property or the conduct of its respective businesses requires such qualification, and has all power and authority necessary to own or hold its respective properties and to **conduct the businesses currently and customarily carried on by it.**
- (b) **Ownership of Subsidiaries.**
 - (i) The Borrower's only Subsidiaries are IDM, Ascot Power and Ascot USA Inc.
 - (ii) Schedule 7.1(b)(ii) of the Disclosure Letter contains the type and number of issued and outstanding shares or other equity interests of each of the Guarantors. The Borrower holds legal title to and beneficially owns 100% of the issued and outstanding shares or other equity interests in each of the Guarantors free and clear of all Encumbrances except as set out in Schedule 7.1(b)(ii) of the Disclosure Letter and Permitted Encumbrances.
 - (iii) All of the outstanding shares or other equity interests of the Guarantors have been fully paid and have been validly issued in compliance with the Constatting Documents of the Guarantors and in compliance with Applicable Law in all material respects and not in violation of or subject to any Encumbrance or pre-emptive rights or other contractual rights to purchase securities issued by the Guarantors or any other claim of any third party, other than as set out at Schedule 7.1(b)(iii) of the Disclosure Letter and Permitted Encumbrances.
 - (iv) Except as disclosed in the public disclosure documents which have been filed by or on behalf of the Borrower since January 1, 2022 and prior to the date of this Agreement under its profile on SEDAR (excluding any part of any such document set forth in any risk factor section or in any other section to the extent they are forward-looking statements or cautionary, predictive or forward-looking in nature) and other than as set out at Schedule 7.1(b)(iv) of the Disclosure Letter, as of the date hereof there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation, registration or other rights, or any other agreements, arrangements, instruments or commitments of any kind (including a right of conversion of Debt) that obligate the Borrower or any Guarantor to, directly or indirectly, issue or sell any securities of any Guarantor, or give any Person a right to subscribe for or acquire, any securities of such Guarantor other than as set out on Schedule 7.1(b)(iv) of the Disclosure Letter. No Credit Party is a party to any agreement which in any manner affects the voting control of any of the securities of any Guarantor.
- (c) **Place of Business and Other Locations.** The jurisdiction of incorporation, principal place of business, location of corporate records and location of tangible assets (except for

inventory which is in transit) of each Credit Party as of the date hereof is set out in Schedule 7.1(c) of the Disclosure Letter.

- (d) **Residency for Tax Purposes.** Each of the Credit Parties is a resident of Canada (and no other jurisdiction) for Tax purposes.
- (e) **Due Authorization, Binding Obligation.**
 - (i) The execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, are within the corporate powers of such Credit Party and have been duly authorized, and no other corporate proceedings on the part of such Credit Party is necessary to authorize the execution, delivery and performance of the Credit Documents or the transactions contemplated hereby and thereby.
 - (ii) Each of the Credit Documents to which a Credit Party is a party has been duly executed and delivered by such party and when duly executed and delivered in accordance with its terms by each of the other parties thereto, each of the Credit Documents will constitute a legal, valid and binding agreement of such Credit Party, enforceable against it in accordance with its respective terms, except as in each case as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability, regardless of whether considered in a proceeding in equity or at law.
- (f) **No Trustee or Nominee.** Each Credit Party is entering into and performing its obligations under this Agreement and each of the other Credit Documents to which it is a party on its own account and not as trustee or a nominee of any other Person.
- (g) **Common Shares.** No order, ruling or decision granted by a securities commission, court of competent jurisdiction or regulatory or administrative body or other Governmental Authority having jurisdiction is in effect, pending or threatened that restricts any trades of the common shares of the Borrower including any cease trade orders and, to the knowledge of the Borrower, no facts or circumstances exist which would reasonably be expected to give rise to any such order, ruling or decision. The Borrower is a "reporting issuer" in good standing under the securities laws of all of the Reporting Jurisdictions. The Borrower is not subject to any cease trade order or other order of any applicable stock exchange or securities regulatory authority and the Borrower has not received notice of any investigation or other proceedings involving the Borrower which may operate to prevent or restrict trading in any securities of the Borrower which are currently in progress or pending before any applicable stock exchange or securities regulatory authority.
- (h) **Conversion Shares.** The issuance of the Conversion Shares as contemplated herein have been authorized by all necessary corporate action on the part of the Borrower, and such Conversion Shares will, when issued in accordance with the terms of this Agreement, be validly issued as fully paid and non-assessable and clear of any and all Encumbrances (other than generally applicable resale restrictions under Securities Laws).
- (i) **Governmental Authorization.** The execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party and the consummation by such Credit Party of the transactions contemplated hereby and thereby, require no action by or in respect of, or filing with or approval from, or consent or authorization from any Governmental Authority.

(j) **Non-Contravention.**

(i) The execution, delivery and performance by the each Credit Party of the Credit Documents to which it is a party and the consummation by the Borrower and/or the Guarantors, as applicable, of the transactions contemplated hereby and thereby, do not (i) contravene, conflict with, or result in any violation or breach of any (A) provision of the Constatng Documents or resolutions of the shareholders or directors (or any committee thereof) of such Credit Party, (B) Material Contract, or (C) Applicable Law that is of general application and is applicable to the Credit Parties, (ii) other than as set out at Schedule 7.1(j)(i) of the Disclosure Letter, require any consent or other action by any Person (other than those which have been obtained as of the date hereof) under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which such Credit Party is entitled under any provision of any Material Contract or any Material Project Authorization, (iii) other than as contemplated by the Credit Documents, result in, or require, the creation or imposition of any Encumbrance on any property or assets of any Credit Party, or (iv) contravene any judgment, ruling, order, writ, injunction or decree of any Governmental Authority (whether preliminary or final).

(ii) None of the Credit Parties are in breach of or default under, in any material respect, any Contract or other instrument to which a Credit Party is a party or which is binding on it, its property or its assets. No event has occurred that, with the passage of time or notice, or both, would (i) constitute or would reasonably be expected to constitute such a breach of or default under, in any material respect, any Contract or other instrument to which a Credit Party is a party or which is binding on it, its property or its assets, or (ii) limit or hinder the Borrower's ability to enforce its rights under this Agreement. To the knowledge of the Borrower, there is no event, breach or default by any counterparty of a Material Contract or inability of any counterparty thereto to perform its obligations thereunder.

(k) **Compliance with Laws.** The Credit Parties are and have been, in all material respects, in compliance with, and conduct their businesses, in all material respects, in conformity with, all Applicable Laws. Without limiting the generality of the foregoing, all exploration, development and mining operations in respect of the Projects have been conducted, in all material respects, in accordance with Good Industry Practice and all workers' compensation and health and safety regulations have been complied with, in all material respects. To the knowledge of the Borrower, there is no pending or proposed change to any Applicable Laws that would render illegal or materially restrict the business of a Credit Party or have a Material Adverse Effect.

(l) **Financial Statements.**

(i) The Borrower's audited consolidated financial statements for the years ended December 31, 2022 and 2021, including the notes thereto, together with the auditor's report thereon and the unaudited consolidated interim financial statements of the Borrower for the three month period ended March 31, 2023 (collectively, the "**Financial Statements**"), (A) have been prepared in accordance with IFRS, subject in the case of the unaudited consolidated interim financial statements to normal year-end adjustments and any absence of notes, and applied on a consistent basis throughout the periods involved or as noted therein, (B) are consistent with the books and records of the Borrower, and (C) fairly present the financial condition and results of operations of the Borrower and its Subsidiaries, on a consolidated basis, as at the respective dates specified therein and for the periods then ended. The Borrower has not effected any material change in its

accounting methods, principles or practices since the date of the Financial Statements. The Borrower does not intend to correct or restate, nor, to the knowledge of the Borrower, is there any basis for any correction or restatement of, any aspect of the Financial Statements.

- (ii) Since December 31, 2022, each of the Credit Parties (A) has conducted its business only in the ordinary course of business and in compliance with Applicable Laws in all material respects and no Material Adverse Effect has occurred, (B) has not disposed of any assets except as would be permitted by this Agreement, and (C) has not incurred any Debt, except for Permitted Debt, which is not shown or reflected in the most recent interim financial statement.
- (m) **Off-Balance Sheet Arrangements and Liabilities.** There are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Borrower which are required to be disclosed and are not disclosed or reflected in the Financial Statements, and the Borrower does not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements.
- (n) **Debt Instruments.** No Credit Party has any Debt other than Permitted Debt.
- (o) **Books and Records.** The corporate or company records and minute books of each Credit Party (i) have been maintained in accordance with all Applicable Laws in all material respects and are complete, up to date and accurate in all material respects, and (ii) respectively contain full, true and correct copies of its Constatting Documents and amendments thereto and copies of all material minutes of all meetings and all material written resolutions of its directors, committees of directors and shareholders.
- (p) **No Material Changes.** Since March 31, 2023, except as disclosed and/or provided to the Lender,
 - (i) there has not been any change in the share capital or long-term debt of any Credit Party, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Borrower on any class of shares;
 - (ii) no Credit Party has entered into any transaction or agreement that is material to the Credit Parties taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Credit Parties taken as a whole;
 - (iii) no Credit Party has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or Governmental Authority; and
 - (iv) there has not occurred any Material Adverse Effect.
- (q) **No Violation or Default.** No Credit Party is (i) in violation of its Constatting Documents, (ii) in default of, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which a Credit Party is a party or subject or by which a Credit Party is bound or to which any of the property or assets of such Credit Party is subject, or (iii) in violation of any Applicable Laws or Material Project Authorizations in any material respect, other than as disclosed in Schedule 7.1(q) of the Disclosure Letter.

(r) **Legal Proceedings.**

- (i) There are no actions, suits, proceedings, hearings, inquiries, investigations or claims commenced or, to the knowledge of the Borrower, pending, threatened or contemplated in writing, involving the Credit Parties, the Projects or otherwise, and which, individually or in the aggregate, would (i) prevent or limit, restrict or impair in any material respect the ability of a Credit Party to enter into this Agreement or the other Credit Documents to which it is a party or perform its obligations under this Agreement or the other Credit Documents, (ii) reasonably be expected to adversely impact the ability of the Credit Parties to conduct the development, construction or operation of the Projects in any material respect, or (iii) reasonably be expected to result in a material decision, judgment, order, writ, injunction, ruling or decree against it.
- (ii) No Credit Party is a party to or subject to any judgment, ruling, order, writ, injunction or decree, involving the Projects or otherwise, which prohibits, restrains, materially limits or imposes material adverse conditions on the transactions contemplated by this Agreement or the other Credit Documents. No action or proceeding has been instituted or remains pending or, to the knowledge of the Credit Parties, has been threatened and not resolved, by or before any Governmental Authority to restrain, prohibit, limit or impose adverse conditions on the transactions contemplated by this Agreement or the other Credit Documents (individually or together with all outstanding judgments, orders, writs, injunctions or decrees to which a Credit Party is subject).

- (s) **Title to Real and Personal Property.** The Credit Parties have good and marketable, in the case of real property, and valid, in the case of personal property, title, or have valid rights to lease or otherwise use, all items of real and personal property (other than the Mining Properties, which are exclusively dealt with in Section 7.1(t)) that are owned by the Credit Parties, in each case free and clear of all Encumbrances except for Permitted Encumbrances and other than as set out at Schedule 7.1(s) of the Disclosure Letter.

(t) **Mining Properties.**

- (i) The Credit Parties hold appropriate property or proprietary interests or rights, recognized in the jurisdictions in which their respective businesses are conducted, sufficient to permit the Credit Parties to conduct mineral exploration, development, production and related activities on the Mining Properties as currently conducted, free and clear of any Encumbrances except for Permitted Encumbrances and other than as set out at Schedule 7.1(t)(i) of the Disclosure Letter.
- (ii) All Mining Properties are validly registered and recorded in accordance with all Applicable Laws and are valid and subsisting; the Credit Parties have all necessary surface rights, access rights and other necessary rights and interests relating to the Mining Properties to conduct activities as currently conducted, with only such exceptions as do not unreasonably interfere with the use made by the Credit Parties of the rights or interest so held; and each of the Mining Properties and each of the documents, agreements and instruments and obligations relating thereto is currently in good standing in the name of the Borrower or one of the other Credit Parties.
- (iii) All maintenance fees, recording fees and Taxes and all other amounts have been paid when due and payable and all other actions and all other obligations as are required to maintain the Mining Properties in good standing to the date hereof have been taken and complied with.

- (iv) The Borrower or one of the other Credit Parties has the exclusive right to deal with the Mining Properties, and there are no restrictions on the ability of the Credit Parties to use, transfer or exploit the Mining Properties except pursuant to Applicable Laws and other than as set out at Schedules 7.1(t)(iv) and 7.1(t)(v) of the Disclosure Letter.
- (v) Other than as set out at Schedule 7.1(t)(v) of the Disclosure Letter, no person other than the Credit Parties has any right, title or interest in or to the Mining Properties or any interest in the production or profits to be obtained in the future from the Mining Properties or any option, back-in right, earn in right, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an agreement, option, back-in right, earn in right, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty in respect thereof except pursuant to Applicable Law.
- (vi) No Credit Party has received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke the interest of such Credit Party in any Mining Properties.
- (vii) Other than as set out at Schedule 7.1(t)(vii) of the Disclosure Letter, there are no adverse claims, actions, suits or proceedings that are pending or, to the knowledge of the Borrower, threatened, and there is no state of facts or events that, to the knowledge of the Borrower, would reasonably be expected to give rise thereto or to adversely affect the title to or right to explore or develop the Mining Properties, including without limitation, claims of any community, including First Nations, that resides within or near the areas of the Mining Properties.
- (viii) The Credit Parties have not received written notice of any violation of or non-compliance with the Mining Properties or their respective obligations thereunder, and are not aware of any circumstances which by notice or lapse of time would reasonably be expected to result in a breach of the Credit Parties obligations or otherwise constitute a default by the Credit Parties thereunder.
- (ix) To the knowledge of the Borrower, all of the services, utilities, ingress and egress roadways, means of transportation, equipment and materials or supplies necessary for the Credit Parties to operate the Projects in accordance with Applicable Laws and Authorizations, and in accordance with and as contemplated by the Mine Plan are available, in all material respects. The employees, agents and representatives of the Credit Parties have had, and will have, free and unrestricted access to the Projects and have not been prevented or restrained from exercising their rights of access in any material respect.
- (x) Except as set out in Schedule 7.1(v)(x) of the Disclosure Letter, there has been no adverse change of which the Borrower is aware that would disaffirm, materially misrepresent or materially change any aspect of the Technical Reports or that would require the filing of a new technical report under National Instrument 43-101 and applicable Securities Laws. To the knowledge of the Borrower, all of the assumptions contained in the Technical Reports were reasonable and appropriate as at the date thereof. The Technical Reports were prepared by, or under the supervision of, a qualified person within the meaning of National Instrument 43-101.
- (xi) The Mining Properties are properly and accurately described in Schedule A of this Agreement.

- (u) **Other Rights.** The Credit Parties have complied in all material respects with all conditions provided for in the Other Rights. The Credit Parties have not and to the best of the Borrower's knowledge, no other Person has, received notice from any Governmental Authority or any person from whom they have obtained Other Rights of any non-compliance with same. The Other Rights which are required, but which have not yet been obtained, are expected to be obtained by the time they are required. True and complete copies of all Other Rights which have been obtained or issued as of the date of this Agreement have been made available to the Lender, and no Credit Party is in breach or default of the terms and conditions thereof. All such Other Rights are in good standing, and no proceeding is pending or, to the knowledge of the Borrower, threatened to revoke or limit any such Other Rights. To the knowledge of the Borrower, there are no facts or circumstances that would reasonably be expected to adversely affect the issuance or obtaining (or renewal or maintenance) of any such Other Rights (whether obtained or issued or to be obtained or issued).
- (v) **Licenses and Permits.** Schedule 7.1(v) of the Disclosure Letter sets out each Material Project Authorization held by each Credit Party. The Credit Parties possess all Authorizations and have made all declarations and filings with the appropriate Governmental Authorities that are necessary for the ownership or lease of their respective properties as presently owned or the conduct of their respective businesses as presently conducted, including exploring, developing or operating the Mining Properties as presently explored, developed or operated. Except as set out in Schedule 7.1(v) of the Disclosure Letter, no Credit Party is in breach or default of the terms and conditions of such Authorizations in any material respect, except as would not adversely impact the right to explore or develop the Mining Properties. No Credit Party has received notice of any default, revocation or adverse modification of any such Authorization in any material respect and the Borrower has no reason to believe that any such Authorization will not be renewed, to the extent renewable, in the ordinary course. No proceedings are pending or, to the knowledge of the Borrower, threatened, which would reasonably be expected to result in the revocation or limitation of any such Authorization and all steps have been taken and filings made on a timely basis to maintain each Authorization in good standing, except as would not materially adversely impact the right to explore or develop the Mining Properties. To the knowledge of the Borrower, there are no facts or circumstances that might reasonably be expected to adversely affect the issuance, renewal or obtaining of any Authorizations (whether obtained or issued or to be obtained or issued). The Authorizations which are required, but which have not yet been obtained, are expected to be obtained by the time they are required.
- (w) **Material Contracts.** No event has occurred or circumstance exists that (with or without the giving of notice or lapse of time or both) has contravened, conflicted with or resulted in, or may contravene, conflict with or result in, a violation or breach of, or give any Credit Party or any other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate or modify, any Material Contract, Material Project Authorization or order or decree of any Governmental Authority or other decision-making authority of competent jurisdiction to which it is a party or by which it or its properties and assets may be bound, and, to the knowledge of the Borrower, each other Person that is party thereto is in compliance in all material respects with the terms and requirements thereof. Without limiting the generality of the foregoing:
- (i) all Material Contracts as of the date hereof, are set out in Schedule 7.1(w)(i) of the Disclosure Letter, and true and complete copies thereof have been made available to the Lender;
 - (ii) no Credit Party, nor, to the knowledge of the Borrower, any other Person, is in default or breach in any material respect in the observance or performance of any term, covenant or obligation to be performed by such Credit Party or such other

Person under any Material Contract to which such Credit Party is a party or by which it is otherwise bound (including its property and assets) and, to the knowledge of the Borrower, each such Material Contract is in good standing, constitutes a valid and binding agreement of each of the parties thereto, is in full force and effect and is enforceable in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to generally applicable principles of equity; and

- (iii) the Borrower has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any such Material Contract and no Credit Party has received notice of any intention to terminate any such Material Contract or repudiate or disclaim any transaction contemplated thereby.
- (x) **Employee Plans.** Each plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by any Credit Party for the benefit of any current or former director, officer, employee or consultant of a Credit Party has been maintained in compliance with its terms in all material respects and with the requirements prescribed by any and all Applicable Laws.
- (y) **Material Accruals.** All accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Credit Parties in all material respects.
- (z) **Labour/Employment Matters.** No material labour dispute, complaint, grievance or other conflict with the employees of the Credit Parties currently exists, is pending or, to the knowledge of the Borrower, is threatened. No collective bargaining agreement is in place or currently being negotiated by the Credit Parties. The Credit Parties are currently in compliance, in all material respects, with all Applicable Laws respecting employment and employment practices, workers' compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder, and there are no pending claims or outstanding orders against any of them under applicable workers' compensation legislation, occupational health and safety or similar legislation nor, to the knowledge of the Borrower, has any event occurred which would reasonably be expected to give rise to any such claim.
- (aa) **No Asset Impairment.** The Borrower has undertaken an asset analysis as of September 30, 2022 in respect of the Projects, including all estimates of the mineral resources and mineral reserves reported thereon and did not find any material asset impairment and does not currently anticipate making any material write downs in respect of the Projects, or any parts thereof.
- (bb) **Security Practices and Procedures.** The Credit Parties have implemented security practices and procedures at the Projects in accordance, in all material respects, with Applicable Laws and consistent with the HSEC Policy and Good Industry Practice.
- (cc) **Compliance with Environmental Laws.**
 - (i) Other than as set out at Schedule 7.1(cc) of the Disclosure Letter, the Credit Parties:

- (A) have been and are in compliance, in all material respects, with any and all Environmental Laws, the E&OHS Guidelines and the HSEC Policy;
 - (B) have received and are in compliance, in all material respects, with all permits, licenses or other approvals held by them under applicable Environmental Laws to conduct their respective businesses (including with respect to the Mining Properties) as currently conducted, and all such permits, licenses and approvals are in full force and effect;
 - (C) have not used or permitted to be used, except in material compliance with Environmental Laws, any Mining Properties to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance;
 - (D) have not failed to report to the applicable Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Laws;
 - (E) have not received any notice of, or been prosecuted for, an offence alleging non-compliance with any Environmental Laws;
 - (F) have not settled any allegation of non-compliance with any Environmental Laws short of prosecution; and
 - (G) have not received notice of any orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Credit Parties or in respect of the release or transportation of Hazardous Substances.
- (ii) All past operations relating to the Projects conducted by the Credit Parties have not resulted, nor will current operations result, in a Material Adverse Effect.
 - (iii) There is no presence of any Hazardous Substance on, in or under any of the Project Property and no Hazardous Substances will be generated from any Credit Party's use of such Project Property (including without limitation as a result of the conduct of operations at the Projects) except in compliance in all material respects with all Environmental Laws, and with necessary Authorizations.
 - (iv) There has not occurred any spills, pollution, emissions, releases, deposits or discharges, in violation of Environmental Laws, of Hazardous Substances, of any property of the Credit Parties, or for which the Credit Parties are or may be responsible, nor are the Credit Parties the subject of any outstanding stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws.
 - (v) The Borrower has provided to the Lender a true and complete copy of each material environmental audit, assessment, study or test of which it is aware relating to the Projects, including any environmental and social impact assessment study reports and any other material environmental information. There are no material environmental liabilities in respect of (i) the Credit Parties, or (ii) the development, construction or operation of the Projects other than those identified in the Material Project Authorizations.

- (dd) **Development Plan and Mine Plan.** The Development Plan and the Mine Plan have been prepared in a manner which is consistent with Good Industry Practice, the statements, assumptions and projections contained therein are fair and reasonable as and when produced and, to the knowledge of the Credit Parties have been arrived at after reasonable inquiry, having been made in good faith by the Persons responsible therefor. The Development Plan and the Mine Plan contain a reasonable estimate of projected expenses and schedule for the period covered thereby. The Development Plan and the Mine Plan have been prepared in good faith and are fair and reasonable as and when produced.
- (ee) **Correspondence from Government Bodies.** The Credit Parties have made available and provided to the Lender all material correspondence and other material communications in their possession received on or before the date of this Agreement from any Governmental Authority that pertains to the Credit Parties, the Projects or the Project Property which could reasonably be expected to affect or potentially affect the Lender or the transactions contemplated by this Agreement and the other Credit Documents.
- (ff) **Disclosure Controls.** The Borrower has designed such disclosure controls and procedures, or caused them to be designed under the supervision of its Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance that information required to be disclosed by the Borrower in accordance with applicable Securities Laws is made known to the Borrower's Chief Executive Officer and Chief Financial Officer with respect to the preparation of annual and interim filings.
- (gg) **Accounting Controls.** The Borrower maintains systems of "internal control over financial reporting" that have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or Persons performing similar functions, to provide reasonable assurance that: (i) financial reporting and the preparation of financial statements for external purposes is in accordance with IFRS, (ii) financial books and records are stated in reasonable detail to accurately and fairly reflect the transactions and acquisitions and dispositions of assets of the Borrower and its Subsidiaries on a consolidated basis, (iii) transactions are executed in accordance with management's general or specific authorization, and (iv) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Since the date of the most recent balance sheet of the Borrower, the Borrower's auditors and the audit committee of the board of directors of the Borrower have not been advised of: (i) any significant deficiencies in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Borrower's ability to record, process, summarize and report financial information, or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Borrower's internal control over financial reporting. To the knowledge of the Borrower, there are no weaknesses in the Borrower's internal controls.
- (hh) **No Unlawful Payments.** None of the Group Members have, nor to the knowledge of the Borrower, has any director, officer, agent, employee or other Person associated with or acting on behalf of any Group Member: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense 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 any Anti-Corruption Laws; or (iv) made any bribe, unlawful rebate, unlawful payoff, influence payment, unlawful kickback or other unlawful payment.
- (ii) **Anti-Corruption and Sanctions.** Without limiting the generality of Section 7.1(ii), the Group Members and, to the knowledge of the Borrower, their respective, officers directors, employees and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in any Group Member being designated as a

Sanctioned Person or Sanctioned Entity. None of (i) the Group Members or, to the knowledge of the Borrower, any of their respective directors, officers or employees, or (ii) to the knowledge of the Borrower, any agent of any of them that will act in any capacity in connection with or benefit from the Credit Facility, (A) has used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, (B) made, or authorized the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds, or (C) is a Sanctioned Person or a Sanctioned Entity. The funding of the Credit Facility, use of the Credit Facility or other transactions contemplated by the Credit Documents will not violate Anti-Corruption Laws or applicable Sanctions.

- (jj) **Compliance with Money Laundering Laws.** The operations of the Group Members are and have been conducted at all times in compliance with applicable AML Legislation and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving any Group Member with respect to the AML Legislation is pending or, to the knowledge of the Borrower, threatened.
- (kk) **Insurance.** The Credit Parties maintain insurance with reputable insurance companies (not Affiliates of the Borrower) against such losses, risks and damages to their properties and assets (including the Collateral), businesses and operations in such amounts that are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage are in good standing, in full force and effect in all respects and not in default. Each of the Credit Parties is in compliance with the terms of policies and instruments and there are no claims by the Credit Parties under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause. To the knowledge of the Borrower, the Credit Parties will be able to (i) renew existing insurance coverage as and when such policies expire or (ii) obtain comparable insurance coverage from similar institutions as may be necessary or appropriate to conduct the business of the Credit Parties and at a comparable cost.
- (ll) **Intellectual Property.** The Credit Parties own, license or otherwise have the right to use all material licenses, authorizations, patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, copyright applications, franchises, authorizations and other intellectual property rights that are necessary for the operation of the business in which they are engaged, without infringement upon or conflict with the rights of any other Person with respect thereto. No slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Credit Parties infringes upon or conflicts with any rights owned by any other Person. No claim regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened.
- (mm) **Independent Accountants.** PricewaterhouseCoopers LLP, which has audited the annual Financial Statements of the Borrower, is an independent registered public accounting firm with respect to the Borrower within the applicable rules and regulations adopted by all applicable securities regulators and as required by the Securities Act (British Columbia). There has not been any reportable event (within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations) with PricewaterhouseCoopers LLP.
- (nn) **Royalties.** Except as contemplated in the Credit Documents and other than as set out at Schedule 7.1(mm) of the Disclosure Letter or as disclosed in the Technical Report, the Credit Parties do not have any obligations to pay any amounts now or in the future in the form of royalties or other payments based on revenues, sales, production, reserves, resources or profits relating to the Mining Properties, other than Taxes of general application payable to Governmental Authorities.

- (oo) **Operational Matters.** All material rentals, royalties, overriding royalty interests, production payments and net profits payments due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of the Credit Parties, have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof.
- (pp) **Taxes.**
- (i) All Tax returns, Tax elections and Tax designations required to be filed with any taxing authority by or on behalf of each Credit Party was filed when due with all appropriate taxing authorities in accordance with all Applicable Laws and were correct and complete in all material respects. Each Credit Party has timely paid (or withheld and remitted) to the appropriate taxing authority all Taxes due and payable (or to be withheld and remitted), including all instalments on account of Taxes, by any of them under Applicable Law.
 - (ii) The charges, accruals and reserves for Taxes with respect to the Borrower and the Guarantors reflected on the Financial Statements (whether or not due and whether or not shown on any Tax return but excluding any provision for deferred income Taxes) are adequate under IFRS to cover any Taxes accruing through the dates thereof, and since the dates thereof they have not incurred any liability for Taxes other than in the ordinary course of business as disclosed and provided for in their books and records.
 - (iii) There are no proceedings, investigations, audits or claims now pending or, to the knowledge of the Borrower, threatened against any of the Credit Parties in respect of any Taxes and no Governmental Authority has given written notice of any intention to assert any deficiency or claim for additional Taxes against any of the Credit Parties and there are no material matters under discussion, audit or appeal with any taxing authority in respect of the Borrower or any of the Guarantors.
 - (iv) There are no reassessments of Taxes for any of the Credit Parties that have been issued and are under dispute, and none of the Credit Parties have received any communication from any Governmental Authority that an assessment or reassessment is proposed in respect of any Taxes.
 - (v) There are no outstanding agreements, waivers, objections or arrangements extending the statutory period of limitations applicable to any claim for Taxes due from or with respect to any Credit Party for any taxable period, nor has any such agreement, waiver, objection or arrangement been requested. No Credit Party is bound by any tax sharing, allocation or indemnification or similar agreement.
 - (vi) Each of the Credit Parties have withheld or collected any Taxes that are required by Applicable Law to be withheld or collected and have paid or remitted, on a timely basis, the full amount of any Taxes that have been withheld or collected, and are due, to the applicable Governmental Authority, other than an amount that has not been withheld or collected or paid or remitted, as the case may be.
 - (vii) For each transaction between any of the Credit Parties that is resident in Canada (within the meaning of the Income Tax Act (Canada)), on the one hand, and any non-resident person with whom that party was not dealing at arm's length (within the meaning of the Income Tax Act (Canada)), on the other hand, the transaction was priced in a manner so as to not result in an adjustment under section 247 of the Income Tax Act (Canada), and the applicable Credit Party has made or obtained records or documents in respect of the transaction that satisfy the requirements of paragraphs 247(4) (a) to (c) of the Income Tax Act (Canada).

- (viii) No Credit Party has liability for the Taxes of any other person as a transferee or successor, by contract, or otherwise.
- (qq) **Solvency.** No Credit Party has suffered an Insolvency Event or an Event of Default and the Borrower is not now aware of any circumstance which, with notice or the passage of time, or both, would give rise to an Insolvency Event or an Event of Default or a Seller Event of Default (as defined in each Senior Purchase Agreement) with respect to it.
- (rr) **No Sale.** There are no Contracts, or any right or privilege capable of becoming an agreement, for the purchase of any Credit Party or any of their businesses or assets except in the ordinary course of business, and other than as set out at Schedule 7.1(rr) of the Disclosure Letter no Credit Party has initiated, engaged in or maintained any discussions, conditions or proceedings with respect to its sale, merger, consolidation, liquidation or reorganization.
- (ss) **Long-Term and Derivative Transactions.** No Credit Party has any obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or currency options or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.
- (tt) **First Nations Claims.** Other than as set out at Schedule 7.1(tt) of the Disclosure Letter, no Credit Party has received any First Nations Claim which would reasonably be expected to adversely affect such Credit Party nor, to the knowledge of the Borrower, has any First Nations Claim been threatened which would reasonably be expected to materially impair any of the Mining Properties, any permits or the operation by the Credit Parties of their respective businesses as currently conducted in the areas in which such operations are carried on or in which the Mining Properties are located. Other than as set out at Schedule 7.1(tt) of the Disclosure Letter, the Borrower does not have outstanding agreements, memorandums of understanding or similar arrangements or material negotiations with any First Nations. Other than as set out at Schedule 7.1(tt) of the Disclosure Letter, there are no ongoing or outstanding discussions, negotiations or similar communications between any First Nations and the Borrower regarding the Projects which would reasonably be expected to materially impair the Projects or any of the Mining Properties. The Borrower has engaged with First Nations and other interested persons and groups located on or near the vicinity of the Mining Properties affected by the Projects, regarding the proposed exploration, development, construction, operating closure and rehabilitation of the Projects and such engagement has been in material compliance with the HSEC Policy (or substantially similar policy).
- (uu) **Complaints or Proceedings.** Except as set out at Schedule 7.1(uu) of the Disclosure Letter, with respect to communities and persons affected by the Projects, to the knowledge of the Borrower, there are no complaints, issues, proceedings, or discussions, which are ongoing or anticipated which could have the effect of adversely interfering, delaying or impairing the ability to explore, develop and operate the Projects.
- (vv) **No Work Stoppage or Interruptions.** There has not been in the last two years and there is not currently any actions, proceedings, inquiries, disruptions, protests, blockades or initiatives by non-governmental organizations, activist groups or similar entities or persons, that are ongoing or anticipated which could adversely affect the ability to explore, develop and operate the Projects.
- (ww) **Full Disclosure.**

- (i) All material information including any forecasts, projections, mine plans, budgets and environmental audits, assessments, studies and tests, including any environmental and social impact assessment study reports, relating to the Projects and the Credit Parties with respect to the Projects, prepared on or before the date of this Agreement by or on behalf of any of the Credit Parties has been made available or delivered to the Lender and was prepared in good faith and on the basis of assumptions that the Credit Parties believe to be reasonable at the time of preparation, subject to any material changes of which the Credit Parties have informed the Lender in writing. To the knowledge of the Borrower, all material information including any forecasts, projections, mine plans, budgets and environmental audits, assessments, studies and tests, including any environmental and social impact assessment study reports, relating to the Projects prepared by third parties that has been made available or delivered to the Lender by the Credit Parties on or before the date of this Agreement was prepared in good faith and does not contain materially incorrect or misleading information.
- (ii) All material information in the control or possession of the Credit Parties relating to mineralization of the Projects has been made available to the Lender on or before the date of this Agreement and to the knowledge of the Borrower such information has been prepared in a manner which is consistent with Good Practice Standards, the statements, assumptions and projections contained therein are fair and reasonable as and when produced and, to the knowledge of the Borrower, have been arrived at after reasonable inquiry having been made in good faith by the Persons responsible therefor. The current estimated mineral reserves and estimated mineral resources relating to the Mining Properties were compiled in accordance with Good Practice Standards, including best practices of the Canadian Institute of Mining and Metallurgy and are as stated in the Mine Plan.
- (xx) **Security.** The Security is effective to create in favour of the Lender, as security for the Obligations, a legal, valid, binding and enforceable first ranking security interest in the Collateral (subject only to the Permitted Encumbrances and the Senior Purchaser Intercreditor Agreement).
- (yy) **Related Party Transactions.** Except as set out at Schedule 7.1(yy) of the Disclosure Letter, none of the Credit Parties are indebted to any director, officer, employee or agent of, or independent contractor to, the Credit Parties or any of their respective Affiliates or associates (except for amounts due in the ordinary course as salaries, bonuses and director's fees or the reimbursement of ordinary course expenses) and there are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, officer or director of the Credit Parties, or any of their respective Affiliates or associates.
- (zz) **Ownership of Project Property.** All Project Property is exclusively owned by Group Members that are Credit Parties and every such Credit Party is either the Borrower or a wholly owned Subsidiary of the Borrower.

7.2 Representations and Warranties of the Lender

The Lender hereby represents and warrants to the Borrower as of the date hereof and as of the date it elects to make any conversion pursuant to Section 2.4 hereof or election to exercise any Prepayment Warrants:

- (a) The Lender is aware that Conversion Shares, Prepayment Warrants and the Common Shares underlying the Prepayment Warrants have not been and will not be registered under the U.S. Securities Act or the securities laws of any state and the Conversion Shares, Prepayment Warrants and the Common Shares underlying the Prepayment Warrants may

not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and it acknowledges that the Borrower has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Conversion Shares, Prepayment Warrants and the Common Shares underlying the Prepayment Warrants.

- (b) The Lender is an Institutional Accredited Investor and has completed, executed and delivered to the Borrower an Institutional Accredited Investor Letter in the form attached hereto as Schedule G.

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 Lender 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 Lender under this Agreement.

ARTICLE 8 COVENANTS AND REPORTING REQUIREMENTS

8.1 Geological and Engineering Reports

- (1) The Borrower shall promptly deliver to the Lender a copy of:
 - (a) if the Borrower or any of the Group Members is listed on a public securities exchange, final technical reports which have been prepared in accordance with National Instrument 43-101, and updated publicly available Mineral Reserve and Mineral Resource estimates produced that pertain to either or both Projects (provided that the filing of such documents on SEDAR satisfies this requirement); or
 - (b) if none of the Borrower or any of the Group Members is listed on a public securities exchange, final board-approved technical reports which have been prepared in accordance with National Instrument 43-101, and updated Mineral Reserve and Mineral Resource estimates produced that pertain to either or both Projects (provided that the filing of such documents on SEDAR satisfies this requirement).
- (2) The Borrower shall promptly deliver or procure the delivery of a copy of any amendment, revision or supplement to, or replacement of the Mine Plan and the Development Plan to the Lender.

8.2 Reporting Requirements

(1) In respect of the Premier Gold Project, from and after the Closing Date until completion of construction and achieving commercial production, on or before the 18th Business Day after the end of each calendar month, the Borrower shall provide to the Lender a Monthly Construction Progress Report in respect of each relevant month.

(2) In respect of either the Red Mountain Project and/or the Silver Hills Project, from and after the commencement of development and construction until the completion of construction and achieving commercial production, on or before the 18th Business Day after the end of each calendar month, the Borrower shall provide to the Lender a Monthly Construction Progress Report in respect of each relevant month.

(3) Following the first Offtaker Delivery (as defined in the Senior Purchase Agreements), on or before the 20th Business Day after the end of each calendar month, the Borrower shall provide the Lender

a monthly report in the form as provided in the Monthly Report (as defined in the Senior Purchase Agreements) which is delivered to the Senior Purchaser in respect of each relevant month.

(4) The Borrower shall make reference to, in reasonable detail, and provide to the Lender on reasonable request together with the Monthly Construction Progress Reports, all other relevant Project documentation or information that may be material to the Projects.

(5) The Lender from time to time may request any other reasonable information concerning the Project, the Borrower or the other Credit Parties, with such information to be as promptly provided as is reasonably possible.

(6) On or before the 45th day after the end of each Fiscal Quarter, the Borrower shall provide to the Lender a compliance certificate substantially in the form of Schedule E hereto.

(7) Promptly when approved by the Borrower, and in any event within 60 days of the end of each calendar year, the Borrower shall provide the Lender an Annual Forecast Report in respect of the upcoming calendar year.

(8) In the first year such report is provided under the Senior Purchase Agreements and every year thereafter, within 90 days of the end of each calendar year, the Borrower shall provide to the Lender an Annual Report in respect of the immediately preceding calendar year.

(9) To the extent that the Borrower is required by Applicable Law to provide an assessment of the Credit Parties' initiatives with respect to environmental, social and governance issues at the corporate level and in the vicinity of the Projects, the Borrower shall deliver such assessment to the Lender when available.

(10) The Borrower shall promptly deliver or furnish, or cause to be delivered or furnished (without duplication to the extent the reporting requirements described herein are contained elsewhere in this Agreement), to the Lender a copy of:

- (a) any material reports, certificates, documents and notices relating to either Project or the Project Property which are delivered to any Group Member by or on behalf of any Governmental Authority or third party consultant or contractor, including monthly or other periodic construction reports;
- (b) any new Material Contract or any material amendment or revision to any existing Material Contract;
- (c) any new Material Project Authorization, or material amendment, revision, reissuance or replacement of any existing Material Project Authorization;
- (d) any material documentation relating to the acquisition by the Credit Parties of any Mining Properties comprising real property, mineral claims, mineral leases or other mineral rights, concessions or interests;
- (e) any Development Plan, and any material amendment, revision or supplement to or replacement of such Development Plan;
- (f) any Mine Plan, and any material amendment, revision or supplement to or replacement of such Mine Plan;
- (g) any material work plan or Budget impacting either Project following approval by the board of directors of any of the Credit Parties, and which has not already been provided as part of the reporting requirements contained elsewhere in this Agreement;

- (h) any new technical reports or materially updated Mineral Reserve and Mineral Resource estimates produced that pertain to the Mining Properties, or any material engineering or technical studies relating to either Project;
- (i) copies of all material notices or other correspondence received from any Governmental Body in respect of any material breach, non-compliance or material alleged breach or non-compliance by any of the Credit Parties of Applicable Laws or Material Project Authorizations and all responses in respect thereof;
- (j) within five Business Days of a written request from the Lender,
 - (i) access to all exploration and drilling databases in respect of the Mining Properties and the Projects;
 - (ii) a certificate of a senior officer of the Borrower listing the types of insurance coverage in effect for the Credit Parties and stating the amounts of such insurance and the applicable deductibles under such insurance, as and when annual renewals of insurance take effect; and
 - (iii) to the extent that the Lender reasonably believes that there is or may be a shortfall in the Borrower's cash balance and/or working capital balance or to the extent that a change occurs which makes such a shortfall likely, additional information as the Lender may request.

8.3 Financial Reports

(1) Subject to Section 8.3(3), as soon as available but, in any event, within sixty (60) days of the end of each of the first three (3) Fiscal Quarters of each Fiscal Year of the Borrower,

- (a) the consolidated unaudited balance sheet of the Borrower, and to the extent prepared, a copy of the unconsolidated unaudited balance sheet of each of the Credit Parties, as of the close of such Fiscal Quarter; and
- (b) the consolidated unaudited statements of income and expense and changes in financial position of the Borrower, and to the extent prepared, a copy of the unconsolidated statements of income and expense and changes in financial position of each of the Credit Parties, in each case from the beginning of the then-current Fiscal Year to the close of such Fiscal Quarter,

each prepared in accordance with IFRS (subject to normal year-end audit adjustments) (including principles of consolidation where appropriate) in each case applied on a basis consistent with those used in the preparation of the latest financial statements furnished by the Borrower and certified by a senior financial officer of the Borrower. Where the Borrower is required by Applicable Law to prepare its quarterly financial statements prior to the deadline set forth above, the Borrower shall deliver such financial statements to the Lender in accordance with the timing requirements of Applicable Law.

(2) Subject to Section 8.3(3), the Borrower shall deliver to the Lender as soon as available but, in any event, within 120 days of the end of each of:

- (a) the Fiscal Year ends of each Credit Party, to the extent prepared, a copy of the annual unconsolidated financial statements of each of the Credit Parties for such year; and
- (b) the Borrower's Fiscal Years, a copy of the Borrower's consolidated audited annual financial statements for such year.

(3) Where the Borrower is required by Applicable Law to prepare applicable financial statements prior to or concurrently with the deadline set forth above in Sections 8.3(1) and 8.3(2) above, the Borrower shall deliver such financial statements to the Lender in accordance with the timing requirements of Applicable Law; provided that in all cases the filing of any such financial statements on SEDAR by the Borrower shall satisfy the equivalent requirements in favour of the Lender set forth above in Sections 8.3(1) and 8.3(2).

8.4 Notices

The Borrower shall provide the Lender with written notice of or copies of, as the same may be each of the following events promptly upon the Borrower becoming aware of or having knowledge of such event:

- (a) in the first year provided pursuant to the Senior Purchase Agreements and every year thereafter, the Borrower shall procure (at the Borrower's sole cost and expense) the completion by March 31 of each year of a tailings facility audit report in the form as provided to the Purchaser under the Senior Purchase Agreements;
- (b) the occurrence of any Trigger Event;
- (c) any material default by any party under or termination or threatened termination of any Material Contract;
- (d) the loss of or material non-compliance with the terms of, or any threat (whether or not in writing) by a Governmental Authority to revoke or suspend, any Material Project Authorization;
- (e) all material actions, suits and proceedings before any Governmental Authority or arbitrator pending, or to the knowledge of the Borrower threatened, against or directly affecting the Borrower, any Guarantor or either Project, including any actions, suits, claims, notices of violation, hearings, investigations or proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower, any Guarantor, or with respect to the ownership, use, maintenance and operation of either Project;
- (f) any material violation or suspected material violation of any Applicable Law by any Credit Party;
- (g) any non-compliance by any Group Member with the Anti-Corruption Policy, the E&OHS Guidelines or HSEC Policy in any material respect;
- (h) any material damage suffered to either Project or the Project Property, and whether any Group Member has or plans to make any insurance claim with respect to such damage;
- (i) any material disputes or disturbances pertaining to either Project involving local communities, including any First Nations group;
- (j) any material labour disruption involving the workforce at either Project;
- (k) any event, circumstance or fact that could reasonably be expected to give rise to a "Default" or an "Event of Default" as defined under any agreement in respect of Debt of any Credit Party in a principal amount of _____ or more without giving effect to any amendments or waivers from the creditor party thereunder; *[Redacted: commercially sensitive information - dollar amount]*
- (l) any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect; and

- (m) the occurrence of or potential occurrence of an Excluded Asset Disposition or any actual or potential sale, lease, conveyance, transfer or otherwise disposition of all or substantially all of the property of any Credit Party,

in each case, accompanied by a written statement by a senior officer of the Borrower setting forth details of the occurrence referred to therein.

8.5 Provision of Reports

Upon written notice to the Borrower by the Lender at any time and from time to time, the Borrower shall cease to provide any information or reports identified for the time period specified in such notice to the Lender. The Borrower shall recommence regular reporting under this Agreement upon completion of such period or upon further written notice to the Borrower by the Lender.

8.6 Books and Records

The Borrower shall, and shall cause the Credit Parties to, keep true, complete and accurate books and records of all of their respective operations and activities with respect to the Projects and this Agreement, including the mining and production of all Minerals from the Mining Properties and the mining, treatment, processing, milling, transportation and sale or refining of all Minerals from the Mining Properties, and all operating or capital costs, and on upon no less than ten Business Days' notice to the Borrower and subject at all times to the workplace rules and supervision of the Borrower, the Borrower shall, or shall cause the Credit Parties to, grant to the Lender and its representatives and agents, at reasonable times and at the Lender's sole risk and expense, such books and records. The Lender may avail itself of such right of access a maximum of once per calendar year, except where reasonably necessary to confirm compliance with this Agreement or to investigate any discrepancies identified or at any time after a Default or Event of Default has occurred. Notwithstanding the foregoing, to the extent that (x) a Default or Event of Default has occurred and is continuing or (y) any such inspection reveals a Default or Event of Default, the cost and expense shall be for and on account of the Borrower.

8.7 Inspections

Upon no less than ten Business Days' notice to the Borrower and subject at all times to the workplace rules and supervision of the Borrower, the Borrower shall, or shall cause the Credit Parties to, grant to the Lender and its representatives and agents, at reasonable times and at the Lender's sole risk and expense, the right to access the Mining Properties, the Processing Facilities and other facilities of the Projects in each case to observe the construction of the Projects, the mining, processing and infrastructure operations relating to the Projects and compliance with this Agreement; provided that the Lender and its authorized representatives shall not interfere with any Mining Operations and at all times comply with the Borrower's policies, procedures, site rules and directions while on site. The Lender may avail itself of such right of access a maximum of once per calendar year, except where reasonably necessary to confirm compliance with this Agreement or to investigate any discrepancies identified. Notwithstanding the foregoing, to the extent that (x) a Default or Event of Default has occurred and is continuing or (y) any such inspection reveals a Default or Event of Default, the cost and expense shall be for and on account of the Borrower.

8.8 Conduct of Operations

- (1) The Borrower shall:
 - (a) develop, construct, commission and operate the Projects in a commercially prudent manner and in all material respects in accordance with the Development Plan and the Mine Plan and comply with all Applicable Law;

- (b) operate the Projects on a commercial basis. The Borrower shall ensure that all cut-off grade, short term mine planning, longer term planning and production decisions, and all resource and reserve calculations, concerning the Projects shall be based on gold and silver prices consistent with normal industry practice;
- (c) perform all exploration, development, and mining operations and activities pertaining to or in respect of the Projects and its business in accordance with Good Industry Practice and the Mine Plan and in compliance, in all material respects, with Applicable Laws (including Environmental Laws), Project Authorizations, Material Contracts, E&OHS Guidelines and HSEC Policy and the Anti-Corruption Policy; and
- (d) without prejudice to Section 8.8(1)(c), the Borrower shall, and shall cause each Group Member to, perform all development and mining operations and other activities pertaining to or in respect of the Projects or its business in accordance in all respects with Anti-Corruption Laws, AML Legislation and Sanctions,

(2) Except as otherwise provided herein and subject to 8.8(1), all decisions regarding the Projects, including any decisions concerning (a) the methods, extent, times, procedures and techniques of any exploration, development and mining related to the Projects or any portion thereof, (b) milling, processing, or extraction, and (c) decisions to operate or continue to operate the Projects or any portion thereof, including with respect to closure and care and maintenance, shall be made by the Borrower provided that such discussions are not contrary to the Senior Purchase Agreements and are made in accordance with Good Industry Practice.

(3) The Borrower shall, and shall cause the Credit Parties to, at all times from and after the date hereof use their commercially reasonable efforts to obtain, as and when required, and preserve and maintain, all Authorizations (including environmental Authorizations), Other Rights and Contracts which are required to permit the Borrower to (a) own, operate and maintain the Projects in the manner currently owned and operated, (b) develop, construct and operate the Projects as contemplated by the Mine Plan, (c) commence and carry out the operation of commercial production transactions from the Projects, and (d) perform its obligations under the Credit Documents to which it is a party.

(4) The Borrower shall, and shall cause the other Credit Parties to, timely and fully perform, pay and observe, or cause to be performed, observed and paid, any and all material liabilities and obligations required by any Applicable Laws, Project Authorizations, Material Contracts, the E&OHS Guidelines or by any Governmental Authority, and otherwise in accordance with Good Industry Practice, in each case for the reclamation, restoration or closure of any facility or land used in connection with each the Borrower's and the other Credit Parties' operations or activities at, on or in respect of the Projects or required under this Agreement.

8.9 Offtake Agreements

The Borrower shall ensure that all Minerals and Other Minerals are sold to an Offtaker pursuant to an Offtake Agreement and that all Offtake Agreements are entered into on arm's length commercial terms as to delivery and payment. For avoidance of doubt, any Offtake Agreement shall be a Material Agreement for this purposes of this Agreement.

8.10 Certain Corporate Standards

(1) The Borrower shall: (i) at all times maintain the HSEC Policy and shall periodically review and update the HSEC Policy to ensure that it is consistent with the E&OHS Guidelines and Good Industry Practice as it pertains to health, safety, environmental, community and related operational matters; (ii) ensure that all operations in respect of the Projects comply in all material respects with the E&OHS Guidelines and the HSEC Policy, and (iii) keep, or cause the other Credit Parties to keep, all relevant documentation in order for the Lender to verify such compliance. In the event of any material non-

compliance with Environmental Law, the E&OHS Guidelines or the HSEC Policy, the Borrower shall, or shall cause the appropriate Credit Party to, develop and implement a Corrective Action Plan acceptable to the Lender, acting reasonably. The Borrower shall, and shall cause the Credit Parties to, upon the request of the Lender, acting reasonably, provide the Lender with any information relating to measures or monitoring undertaken by or on behalf of the Borrower and the Credit Parties under Environmental Law, the E&OHS Guidelines, the HSEC Policy or any Corrective Action Plan.

(2) The Borrower shall, and shall cause all of the Group Members to, at all times maintain and comply with the Anti-Corruption Policy, and shall immediately notify the Lender upon becoming aware of any breach or suspected breach of such policy. The Borrower shall not amend, replace or otherwise vary the Anti-Corruption Policy except if reasonably necessary in order to reflect developments in Anti-Corruption Law or the requirements of any stock exchange on which the Common Shares are listed.

8.11 Preservation of Corporate Existence; Location of Assets

(1) Except as permitted by Section 8.11(2), the Borrower shall, and shall cause the Credit Parties, at all times from and after the date hereof do and cause to be done all things necessary or advisable to maintain their respective corporate or other existence, including the making of all required filings in connection therewith, and to obtain, and, once obtained, maintain all qualifications necessary to carry on its business and own its assets in each jurisdiction in which they carry on business or in which their assets are located. The Borrower shall not, and shall not permit any Credit Party to, merge, amalgamate or consolidate with another Group Member, or change or reorganize its capital structure or amend its articles, by-laws or any other constating documents, if it would adversely impact the Lender's rights under the Credit Documents.

(2) The Borrower shall not, and shall cause the Credit Parties not to, consolidate, amalgamate with, or merge with or into, or Transfer all or substantially all of its assets to, or reorganize, reincorporate or reconstitute into or as, another entity, or continue to any other jurisdiction without the prior consent of the Lender save and except for any transaction between Credit Parties, where the Borrower continues or survives after giving effect to the transaction, and the relevant Credit Parties provide all required Security Documents to the Lender as reasonably required by the Lender.

(3) The Borrower shall promptly notify the Lender of (a) the acquisition by the Credit Parties of any real property (including mineral rights), whether owned or leased and (b) any new locations of tangible assets of the Credit Parties (other than inventory in transit).

8.12 Maintenance of Property; Encumbrances

(1) The Borrower shall, and shall cause the other Credit Parties to, maintain the Mining Properties in good standing, including in relation to the payment of Taxes owing in respect thereof, the performance of required assessment work thereon, the payment of all claim, permit and license maintenance fees in respect thereof, the payment of all rents and other payments in respect of leased properties forming a part thereof or otherwise payable under any purchase, option or similar agreements relating thereto and otherwise the maintenance of the Mining Properties in accordance with Applicable Laws.

(2) The Borrower shall, and shall cause the other Credit Parties to, maintain preserve, protect and keep:

- (a) all of the Credit Parties' material ownership, lease, use, licence and other interests, as applicable, in the Collateral as are necessary or advisable in order for it to be able to develop, construct and operate the Projects substantially in accordance with the Development Plan, Mine Plan and Good Industry Practice; and

(b) all material tangible Collateral owned or used by the Credit Parties in good repair, working order, and condition (ordinary wear and tear excepted), and make necessary and proper repairs, renewals, and replacements so that those aspects of the business carried on in connection therewith may be properly conducted at all times, unless the continued maintenance of any of such Collateral ceases to be necessary or economically desirable for the development, construction or continued operation of the Projects substantially in accordance with the Development Plan, Mine Plan and Good Industry Practice.

(3) The Borrower shall, and shall cause the other Credit Parties to, at all times warrant and defend the right, title and interest of the Borrower and the other Credit Parties in and to any Project Property and any other Collateral, and every part thereof, against the claims of any Person, subject only to Permitted Encumbrances.

(4) The Lender, at its own expense, may undertake such investigation of the title and status of the Collateral as it shall deem necessary. If that investigation should reveal material defects in the title (which shall not include Permitted Encumbrances), the Borrower shall forthwith cure, or cause the Credit Parties to cure, such title defects to the satisfaction of the Lender, acting reasonably. If the Borrower fails to so cure or cause to be cured such material defects within 30 days of such notice from the Lender (or such longer period thereafter during which the Borrower is continuing to diligently pursue, or cause to be pursued, the curing of such material defects): (a) the Lender may proceed to cure such title defects; and (b) any costs and expenses incurred (including reasonable legal fees and costs) by the Lender in connection with curing such title defects shall be promptly reimbursed by the Borrower. Notwithstanding the foregoing, to the extent that (x) a Default or Event of Default has occurred and is continuing or (y) any such inspection reveals a Default or Event of Default, the cost and expense shall be for and on account of the Borrower.

(5) The Borrower shall diligently complete, or cause to be completed, the development and construction of the Projects in a good and workmanlike manner in accordance, in all material respects, with the Budgets, timelines, plans and specifications set forth in the Development Plan and Mine Plan.

8.13 Insurance

(1) The Borrower shall, or shall cause the Credit Parties to, maintain with financially sound and reputable insurance companies, insurance on the Project Property, the Collateral and the operations of the Credit Parties in such amounts and against such losses or damages, including property damage and public liability (or equivalent), as is customary in the case of comparable operations in Canada in accordance with Good Industry Practice and cause the policies of insurance referred to above to contain customary endorsements for the benefit of the Lender, all in a form acceptable to the Lender, acting reasonably. The Lender shall be named as an additional insured and loss payee with respect to all such insurance policies relating to the Collateral or public liability. The Credit Parties shall not amend such policies to decrease coverage or cancel such policies without 30 days' prior written notice being given to the Lender. The Borrower shall, upon the request of the Lender from time to time, provide or cause to be provided to the Lender promptly such evidence of such insurance relating to the Collateral or public liability as the Lender may reasonably require.

(2) The Borrower shall, and shall cause the Credit Parties, not to at any time do or omit to do anything, and not cause anything to be done or omitted to be done, whereby any insurance required to be maintained hereunder would or would be likely to be rendered void or voidable or suspended, impaired or defeated in whole or in part.

(3) To the extent any Group Member receives Net Proceeds, then the amount of such Net Proceeds received by the Group Members shall either:

(a) be used by the Credit Parties to repair and/or replace the property that is the subject of such Net Proceeds, or

- (b) (i) to the extent that the Net Proceeds are not in respect of damaged or lost property, or (ii) to the extent not so used to repair and/or replace property that is the subject of such Net Proceeds within 365 days of receipt, or reasonably committed to be used to repair and/or replace property that is the subject of such Net Proceeds within a further 365 days of such first anniversary of receipt, or (iii) if reasonably committed to be used to repair and/or replace property that is the subject of such Net Proceeds within such aforesaid further 365 days of such first anniversary of receipt and such Net Proceeds are not used within that further period, such Net Proceeds shall be paid to the Lender, subject to the terms of the Senior Purchaser Intercreditor Agreement.

8.14 Restrictions on Business Activities

(1) The Borrower shall not, and shall not permit any other Credit Party to, carry on or engage directly or indirectly in any material business activity, or purchase or otherwise acquire directly or indirectly any material property, in either case, not related to or in furtherance of the development, construction and operation, and extraction of mineral resources from, the Projects, or that is not reasonably required to perform its obligations under the Credit Documents.

(2) The Borrower shall not, and shall not permit any Credit Party to, directly or indirectly purchase, acquire or lease any property from, or sell, transfer or otherwise dispose of any property to, or otherwise deal or enter into any agreement with, any Related Party (other than another Credit Party), except (a) in respect of any Permitted Asset Disposition, and (b) in the ordinary course of and pursuant to the reasonable requirements of such Person's business and upon fair and reasonable terms that are no less favourable to the Credit Parties than those that could be obtained in an arm's length transaction with a Person that is not a Related Party.

8.15 Debt and Encumbrances; Corporate Changes; Consents

(1) Except with the prior written consent of the Lender:

- (a) the Borrower shall not, and shall not permit any other Credit Party to, create, incur, assume, or otherwise become directly or indirectly liable upon or in respect of, or suffer to exist, any Debt other than Permitted Debt; and
- (b) the Borrower shall not, and shall not permit any Credit Party to, create, incur, assume or suffer to exist any Encumbrance upon all or any of the Collateral, whether now owned or hereafter acquired, other than Permitted Encumbrances.

(2) Except with the prior written consent of the Lender, the Borrower shall not, and shall not permit any other Credit Party to, enter into any hedge instrument or incur any hedge obligations unless such hedge obligations are pursuant to Permitted Hedging Arrangements.

(3) No Credit Party shall, change its name or adopt a French name, amend or change its jurisdiction of organization, location of its principal place of business, chief executive office, domicile or registered office address, without prior written notice to the Lender delivered at least 15 days prior to any of the foregoing becoming effective.

(4) The Credit Parties shall use all commercially reasonable efforts to deliver the Post-Closing Consents within ninety (90) days of the date of this Agreement.

8.16 Other Restrictive Covenants

(1) Except with the prior written consent of the Lender:

- (a) the Borrower shall not, and shall not permit any other Credit Party to:

- (i) except as otherwise expressly contemplated by this Agreement, provide Financial Assistance, either directly or indirectly, to any Person other than (A) under or in connection with the Ascot USA Intercompany Debt, (B) on an unsecured basis in favour of another Credit Party, or (C) unsecured Debt in respect of surety or completion bonds, standby letters of credit or letters of guarantee securing mine closure, asset retirement and environmental reclamation obligations in the ordinary course of business of the Borrower to the extent required by Applicable Laws or a Governmental Authority;
 - (ii) make any Investments, except: (A) under or in connection with the Ascot USA Intercompany Debt, (B) Investments in another Credit Party, provided that if such Investment is by way of Debt, such Debt must be assigned, subordinated and postponed in accordance with an agreement entered into with the Lender, acting reasonably; or (C) short term Investments in money market instruments with remaining maturities of 12 months or less at the date of purchase including securities issued by government agencies, and term deposits and bank accounts with financial institutions provided that such short-term Investments are readily convertible to cash; or
 - (iii) create or allow to exist any Production Interest, other than those existing as of the date of this Agreement and disclosed to the Lender in writing or increase any upfront payment or deposit or quantum of any obligation on account of any Production Interest existing as of the date hereof.
- (b) the Borrower shall not, and shall not permit any other Credit Party to, make any material expenditure or payment except for in respect of or in connection to the Project Properties; or
 - (c) the Borrower shall not, and shall not permit any other Credit Party to, transfer or assign any Debt owed to it.

(2) The Borrower shall cause the Credit Parties to be the only legal and beneficial owners of, and shall ensure that no other Person that is not a Credit Party holds or acquires any direct ownership right, title or interest in, the Project Property.

(3) Prior to Completion (as defined under the Senior Purchase Agreements), the Borrower shall not, and shall not permit any other Credit Party to, make any Restricted Payment. After the achievement of Completion (as defined under the Senior Purchase Agreements), the Borrower and any other Credit Party may make a Restricted Payment; provided that:

- (a) no Trigger Event has occurred and is continuing or would occur as a result of such Restricted Payment;
- (b) all operating expenses of the Credit Parties then due and owing have been paid in full;
- (c) all amounts then due and owing in respect of any Debt of the Borrower or any other Credit Party (other than Debt owing to the Borrower), and payment of which would not be a Restricted Payment ("**third party debt**"), have been paid in full;
- (d) after giving effect to such Restricted Payment, the Credit Parties can reasonably be expected to be able to pay all operating expenses and all amounts in respect of any third party debt expected to come due and owing in the next 120 days; and
- (e) the payment is not a payment contemplated by subparagraph (a) of the definition of Restricted Payments.

The Borrower shall notify the Lender in writing at least 10 days prior to any intended Restricted Payment to be made in accordance with this Section 8.16(3) with full particulars of such intended Restricted Payment. For avoidance of doubt, payments pursuant to subparagraph (a) of Restricted Payments are not permitted under this Agreement.

(4) the Borrower must maintain (a) the Minimum Cash Balance at all times after the Closing Date, calculated at the end of each Business Day, and (b) positive working capital, such that the current assets on the consolidated balance sheet of the Borrower are greater than the current liabilities on the consolidated balance sheet of the Borrower, less the current portion of the outstanding Obligations and the Senior 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.

(5) The Borrower shall not, and shall not permit any other Credit Party to (x) create, acquire or suffer to exist any Subsidiary except pursuant to a Permitted Acquisition and in full compliance with the terms of this Agreement or (y) make any Acquisition other than a Permitted Acquisition.

(6) Except with the prior consent of the Lender, the Borrower shall not amend any Senior Purchase Agreement in any manner which would materially increase the risk of either (i) a Trigger Event (as defined in each Senior Purchase Agreement) occurring or (ii) any event which would be a breach of either Senior Purchase Agreement occurring.

(7) Change the date for Completion (as defined in each Senior Purchase Agreement) to a date that is earlier than June 30, 2027 or accelerate the date for payment of the Non-Completion Payment (as defined in the Senior Purchase Agreement) from September 30, 2027.

8.17 Confidentiality

(1) Each Party (a "**Receiving Party**") agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates, employees, officers, directors, advisors and representatives to maintain as confidential and not to disclose, the terms contained in this Agreement and all information (whether written, oral or in electronic format) received or reviewed by it as a result of or in connection with this Agreement (collectively, the "**Confidential Information**"), provided that a Receiving Party may disclose Confidential Information in the following circumstances:

- (a) subject to Section 10.24, to its auditor, legal counsel, lenders, underwriters, investment bankers and investors and technical consultants and to *bona fide* Persons, including any proposed transferee or assignee permitted under this Agreement ("**Third Parties**"), with which it is considering or intends to enter into a transaction for which such Confidential Information would be relevant (and to advisors and representatives of any such Person), provided that (i) such Persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such persons to perform the services for which they were, or are proposed to be, retained by the Receiving Party or to consider or effect the applicable transaction, as applicable and (ii) in the case of Third Parties, such Third Parties shall not be provided with Confidential Information other than a redacted copy of this Agreement and any related agreements entered into in connection herewith and information regarding payments received hereunder, without the prior written consent of the Lender, such consent not to be unreasonably withheld;
- (b) subject to Section 10.24, where that disclosure is necessary to comply with Applicable Laws, court order or regulatory request by any Governmental Authority having jurisdiction over such Party, provided that such disclosure is limited to only that Confidential Information so required to be disclosed and, where applicable, that the Receiving Party will have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled;

- (c) where such information is already available to the public other than by a breach of the confidentiality terms of this Agreement or is known by the Receiving Party prior to the entry into of this Agreement or obtained independently of this Agreement and the disclosure of such information would not breach any other confidentiality obligations;
- (d) with the written consent of the disclosing Party not to be unreasonably withheld, conditioned or delayed;
- (e) to its Affiliates and those of its and its Affiliates' directors, officers, employees, advisors and representatives who need to have knowledge of the Confidential Information; and
- (f) to any limited partner or co-investor or prospective limited partner or co-investor in or with a private equity or capital fund managed by the Party or Affiliates of that Party, to the extent such information is reasonably relevant to the current investment or future investment decision of any such limited partner or co-investor or prospective limited partner or co-investor, provided that such persons undertake to maintain the confidentiality of it and are strictly limited in their use of the confidential information for the purpose of making an investment decision in or with respect to that Party or Affiliates of that Party.

(2) Each Party shall ensure that its Affiliates and its and its Affiliates' employees, directors, officers, advisors and representatives and those persons listed in Sections 8.17(1)(a), 8.17(1)(e) and 8.17(1)(f) are made aware of this Section 8.17 and comply with the provisions of this Section 8.17. Each Party shall be liable to the other Party for any improper use or disclosure of such terms or information by such persons.

(3) Subject to Section 10.24(2), no Party shall file this Agreement publicly without reasonable prior consultation with the other Parties and the Parties shall consult with each other with respect to any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed publicly.

8.18 Lender Consent Required for Transfer

The Borrower shall not, and shall ensure that none of the Credit Parties:

- (a) Transfer, in whole or in part, Project Property or other Collateral (other than a Permitted Asset Disposition); or
- (b) otherwise permit the acquisition of shares of any Credit Party other than the Borrower by any entity (other than by the Borrower or another Credit Party),

without the prior written consent of the Lender.

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, or 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 five Business Days thereafter or any Guarantor fails to pay any amount due under this Agreement or the Guarantee, as applicable;

- (b) the Borrower is in breach of its obligations under Section 2.2;
- (c) the Borrower or any Guarantor is in breach or default of any of Section 8.9 or Article 5 of this Agreement, which breach or default is not remedied within 10 days (provided such breach or default can be cured) following the earlier of (i) delivery of written notice from the Lender to the Borrower or such Guarantor, as applicable, of such breach or default, and (ii) the date the Borrower became aware of or if, earlier, should reasonably have become aware of such breach or default;
- (d) the Borrower or any Guarantor is in breach or default of any of Section 8.14, 8.15 or 8.16;
- (e) the Borrower or any Guarantor is:
 - (i) other than as provided in Sections 9.1(a), 9.1(b), 9.1(c) and 9.1(d) of this Agreement in breach or default of any of its covenants or obligations set forth in this Agreement or any other Credit Document; or
 - (ii) in default on any Debt (including Permitted Debt) greater than \$15,000,000, which breach or default is not remedied within 30 days (provided such breach or default can be cured) following the earlier of (i) delivery of written notice from the Lender to the Borrower or such Guarantor, as applicable, of such breach or default, and (ii) the date the Borrower became aware of or if, earlier, should reasonably have become aware of such breach or default;
- (f) any representation or warranty given by the Borrower or any Guarantor in any Credit Document is inaccurate in any material respect (or in any respect in the case of representations and warranties that are qualified by materiality or Material Adverse Effect) when made or deemed to be made;
- (g) the occurrence of an Insolvency Event in respect of the Borrower or any Guarantor;
- (h) the occurrence of an Enforcement Event in respect of the Borrower or any Guarantor;
- (i) any of the Security or any Credit Document is repudiated or contested by the Borrower or any Guarantor in whole or in part, or ceases to be in full force and effect, or is invalidated or rendered unenforceable by any act, regulation or governmental action or is determined to be invalid by a court or other judicial entity or, in the case of the Security, to not constitute a first ranking Encumbrance in the Collateral, subject only to Permitted Encumbrances and the Senior Purchaser Intercreditor Agreement, provided that such repudiation, contestation, cessation, invalidation or determination is not fully rectified within five Business Days;
- (j) the Borrower or any Guarantor ceases or threatens to cease to carry on its business or admits its inability, or fails, to pay its debts generally as they become due;
- (k) one or more judgments, orders, decrees, writ of execution, garnishment or attachment or similar process is entered against the Borrower, a Project or any Guarantor for an amount in excess of \$15,000,000 (or its equivalent in other currencies) or any attachment, sequestration, implementation of any business rescue plan, distress, execution or other legal process affects any material asset of the Borrower, a Project or any Guarantor, and such judgment, order, decree, writ of execution, garnishment or attachment or legal process has not been paid, discharged or stayed within 30 days and the Borrower or such Guarantor, as applicable, has not demonstrated to the satisfaction of the Lender that it is

diligently contesting that judgment or order by appropriate proceedings and has made adequate provision for the payment thereof;

- (l) notwithstanding Section 9.1(e)(i), all or any portion of the Projects or the Collateral is sold, transferred, Encumbered or assigned without the consent of the Lender (other than pursuant to a Permitted Asset Disposition or other disposition permitted hereunder or Permitted Encumbrance, as applicable);
- (m) the Borrower or any Guarantor take or seeks to take any action to abandon all or any material portion of the Collateral;
- (n) any Governmental Authority issues an Order to suspend or cancel a Material Project Authorization or the Borrower loses the right to, or benefit of, a Material Project Authorization or a Material Project Authorization is either curtailed, or materially and adversely amended;
- (o) (i) a material default by a Credit Party occurs and is continuing under any Material Contract after giving effect to any cure period thereunder, or (ii) any Material Contract is terminated by the counterparty other than at scheduled maturity or in accordance with a termination for convenience clause or with the prior written consent of the Lender, acting reasonably;
- (p) it is or becomes unlawful, or any action taken by a Governmental Authority makes it impractical or impossible, for the Borrower or any Guarantor to perform any of its obligations in any material respect under this Agreement or any Credit Document;
- (q) (i) any Group Member, or any director or officer of any Group Member, has breached, or is charged with breaching, any AML Legislation, any Anti-Corruption Laws or any Sanctions, or (ii) any employee or agent of any Group Member has breached, or is charged with breaching, any AML Legislation, any Anti-Corruption Laws or any Sanctions; provided that an Event of Default shall be deemed not to have occurred if a director or officer of a Group Member has breached, or is charged with breaching, any AML Legislation, any Anti-Corruption Laws or any Sanctions in respect of undertakings or businesses not related to the undertakings and businesses of the Group Members and such officer or director is promptly removed or resigns in his or her capacity as director or officer of any Group Member;
- (r) any Credit Party takes or seeks to take any action to either: (i) abandon mining construction, development or mining operations at either Project; or (ii) cease mining operations at either Project other than in accordance with the Mine Plan;
- (s) if a Trigger Event (as defined under the Senior Debt Documents) occurs and is continuing;
- (t) the occurrence of a Material Adverse Effect;
- (u) the occurrence of any Change of Control of the Borrower; or
- (v) 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 thirty consecutive Business Days.

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 or vesting of the Prepayment Warrants, as applicable) shall at the

option of the Lender be accelerated and become immediately due and payable (except in the case of an Event of Default referred to in Section 9.1(g), 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 Lender may take such action or proceedings as the Lender in its 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 Lender 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 Lender 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 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 Lender, may, but shall be under no obligation to perform any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs) paid by the Lender 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 Lender or any agent of the Lender shall be concerned to inquire whether the Security Documents have become enforceable, or whether the powers which the Lender is 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 Lender 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 Lender 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 Lender may be lawfully entitled for the same default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lender 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, the Lender 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 Lender 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 the Lender in a currency that is different than the currency of the Obligations, the 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 Lender to convert into the currency of such jurisdiction (in this section called the “**Judgment Currency**”) any amount due to the Lender 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 Lender (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 Lender 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. Notwithstanding the foregoing, no amendment to the terms and conditions of this Agreement related to Conversion or Prepayment Warrants shall be effective without Exchange approval.

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 Lender 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

(1) The Borrower shall pay to the Lender on demand: (a) all reasonable and documented fees and expenses incurred by the Lender in connection with their due diligence review; (b) all reasonable and documented fees and expenses of the Lender (including reasonable and documented fees, charges and disbursements of its counsel) in connection with the preparation, execution and delivery of this Agreement, the other Credit Documents and the Senior Purchaser Intercreditor Agreement including the registration of any of the Security in any public record office; (c) all reasonable and documented fees and expenses of the Lender (including fees, charges and disbursements of its counsel) incurred in connection with any amendment or waiver with respect to the Credit Documents or the Senior Purchaser Intercreditor Agreement; (d) all fees and expenses of the Lender (including fees, charges and disbursements of its counsel) in connection with the enforcement of any of the Credit Documents and including out-of-pocket costs (including lawyers, auditors, consultants and accountants) during any workout, restructuring or

negotiations in respect of the Obligations or this Agreement or the Credit Parties,

*[Redacted:
commercially
sensitive
information - fee
arrangements]*

(2) The Credit Parties agree on demand to jointly and severally indemnify the Lender against any liability, obligation, loss or expense which it may sustain or incur as a consequence of: (a) 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; (b) 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 Lender in order to fund the amount of any such unpaid amount to the extent the Lender are not reimbursed pursuant to any other provisions of this Agreement; (c) the failure of the Borrower to complete the Advance or make any payment after notice therefore has been given under this Agreement; and (d) any other default by the Credit Parties under any Credit Document. A certificate of the Lender 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.

(3) In addition, the Credit Parties agree on demand to jointly and severally indemnify the Lender 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 the Advance hereunder and the Lender 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 indemnity hereunder unless such failure adversely effects the Borrower's position in respect of such claim.

(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

(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 Lender 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 Lender. 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 Lender 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, the 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 the Lender would not have received had the Borrower not made the payment, the 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 the Lender shall certify to be the proportion of such credit or refund as will leave the 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. The 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 the 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.

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

(3) The 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 time to time may notify the other as aforesaid. A notice from the Lender to the Borrower in respect of Conversion shall contain the information and certifications required by the Exchange to ensure the ownership limitations in Section 2.4(19) are verified and enforced.

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 Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, 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. Each of the Credit Parties confirms that it fully understands and is able to calculate the rate of interest applicable to the Obligations based on the methodology for calculating per annum rates provided for in this Agreement. The Lender agrees that if requested in writing by the Borrower it shall calculate the nominal and effective per annum rate of interest

on Obligations outstanding at any time and provide such information to the Borrower promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any other Credit Party of any of its obligations under this Agreement or any other Loan Documents, nor result in any liability to the Lender. Each Credit Party hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Loan Documents, that the interest payable under the Loan Documents and the calculation thereof has not been adequately disclosed to the Credit Parties, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

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 Lender in its sole discretion. The rights and obligations of the Lender under this Agreement, the Security Documents and the Credit Facility are assignable, including by way of participation, in whole or in part to (a) any Person that is an Affiliate of the Lender or (b) any other Person, provided that, unless an Event of Default has occurred and is continuing, such Person shall have been approved in writing by the Borrower, such approval not to be unreasonably withheld or delayed, and provided further that, in each case, the assignee assumes in writing the Lender's obligations to the extent of such assignment. Notwithstanding the foregoing, upon the occurrence or during the continuance of an Event of Default, the Lender may assign its rights and obligations under this Agreement, the Security Documents and the Credit Facility to any Person without the consent of the Borrower.

10.20 Advertisement

The Credit Parties authorize and consent to the reproduction, disclosure and use by the Lender of the names of the Credit Parties and any identifying logos and the transaction(s) herein contemplated (including, without limitation, the Credit Facility and the Transactions) (all such information being called the "**Information**") to enable the Lender to publish promotional "tombstones" and other forms of notices of the Credit Facility 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 Lender resulting therefrom; and
- (b) the Lender 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 Lender that, in the case of any judicial or other proceeding to enforce the rights and remedies of the Lender under the Credit Documents (or any part thereof), judgment may be rendered against the Credit Parties in favour of the Lender, 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 Lender 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 Lender, or any prospective assignee of the Lender, in order to comply with any AML Legislation, whether now or hereafter in existence; and
- (b) notify the Lender 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 Public Disclosure Obligations

(1) The Parties shall jointly plan and co-ordinate, and shall cause their respective Affiliates to jointly plan and coordinate, any public notices, press releases, and any other publicity concerning the entering into of this Agreement and none of the Parties or its Affiliates shall act in this regard without reasonable prior consultation with the other Parties, unless such disclosure is required to meet timely disclosure obligations of such Parties or their Affiliates under Applicable Laws in circumstances where prior consultation with the other Parties is not practicable, and a copy of such disclosure shall be provided to the other Parties at such time as it is made publicly available.

(2) If a Party or any of its Affiliates is required to file a copy of this Agreement or any other Credit Document in any public registry, filing system or depository, including SEDAR, in order to comply with Applicable Law, it shall notify the other Party of such requirement and the Parties shall consult with each other with respect to any proposed redactions to this Agreement or any such other Credit Document in compliance with Applicable Laws before it is filed in any such registry, filing system or depository.

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 10.24, 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 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:
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:
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:
Email: [Redacted: personal information]

ASCOT POWER LTD.

Per: (signed) "Carol Li"
Authorized Signatory

Nebari Gold Fund 1, LP
130 Fifth Avenue, 5th floor
New York, NY 10011

Attention:
Email: [Redacted: personal information]

NEBARI GOLD FUND 1, LP, by its general partner
Nebari Partners GP II, LLC, as Lender

Per: (signed) "J. Clark Gillam"
Authorized Signatory

**Schedule A
Mining Properties**

List of Mining Properties

Part 1 – Premier Gold Project

[Redacted: commercially sensitive information: project, tenure, rights, lease/permit, registered owner]

Part 2 – Red Mountain Project

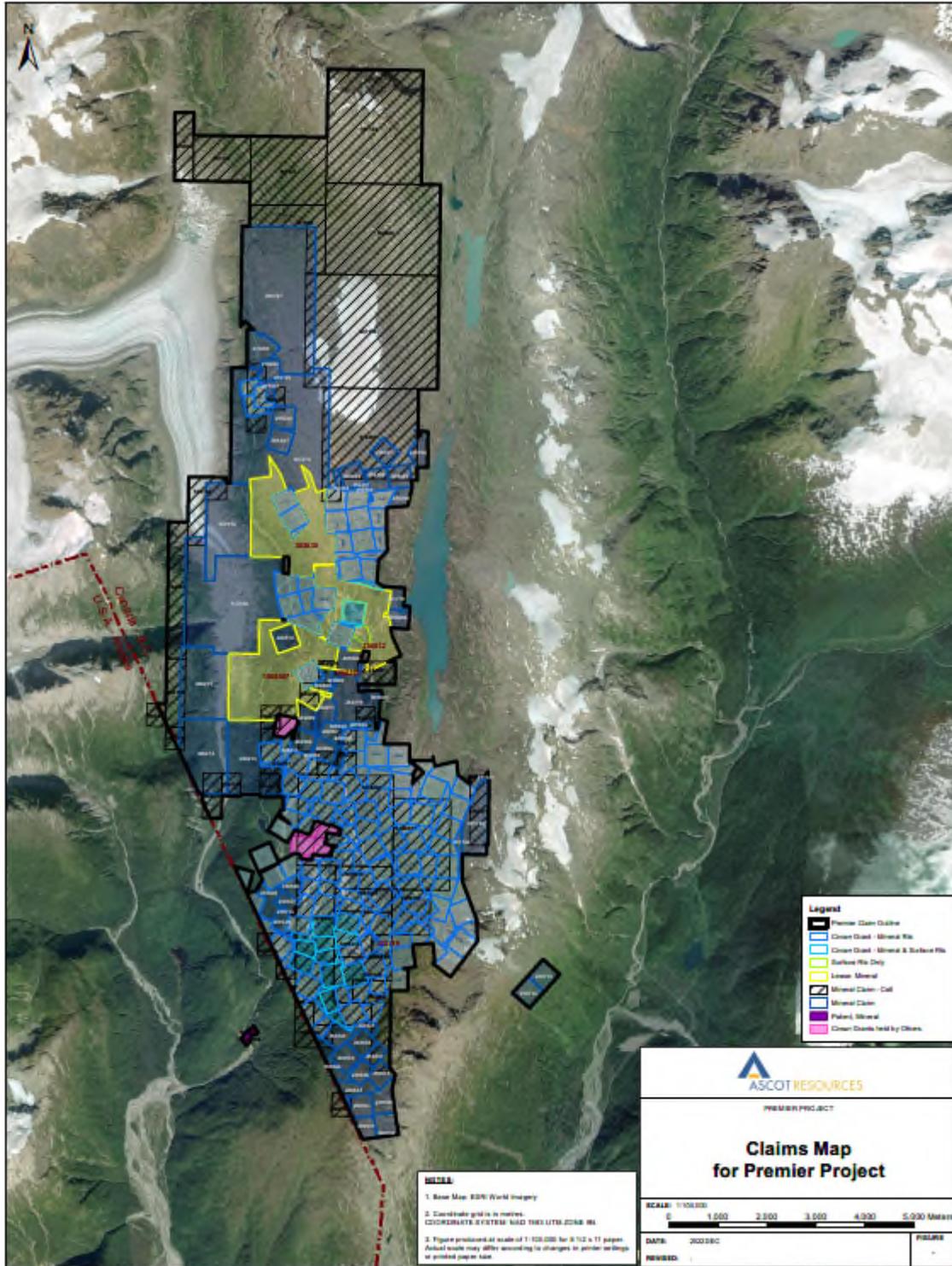
[Redacted: commercially sensitive information: project, tenure, rights, lease/permit, registered owner]

Part 3 – Silver Hills Project Description

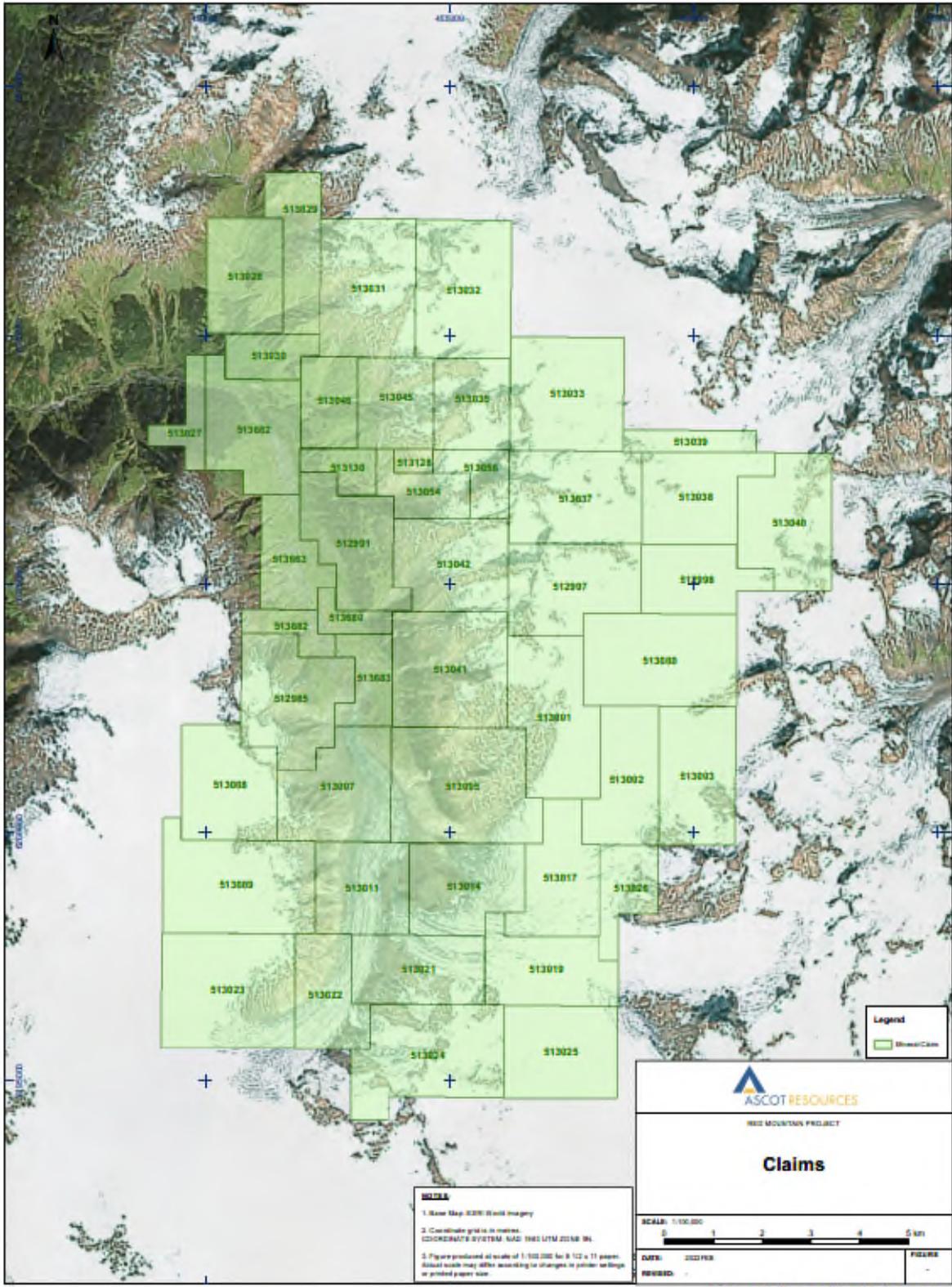
[Redacted: commercially sensitive information - tenure, claim name and type]

Maps of Mining Properties

Part 1 - Premier Project



Part 2 – Red Mountain Project



Part 3 - Silver Hills Project

[Redacted: commercially sensitive information - map]

Schedule B Security

The Security Documents shall include the following:

1. a general security agreement of each Credit Party, pursuant to which such Credit Party shall grant to and in favour of the Lender a Second Ranking Security Interest over all of its present and after acquired real and personal property;
2. an unlimited guarantees of each of the Guarantors;
3. a share pledge agreement of the Borrower pursuant to which the Borrower will pledge and grant to and in favour of the Lender a Second Ranking Security Interest over all of the issued and outstanding shares in the capital of each of the Guarantors;
4. a debenture issued by the Borrower in the principal amount of US\$14,000,000, pursuant to which the Borrower shall grant to and in favour of the Lender a Second Ranking Security Interest over all of its present and after-acquired property;
5. a debenture issued by IDM Mining in the principal amount of US\$14,000,000, pursuant to which IDM Mining shall grant to and in favour of the Lender a Second Ranking Security Interest over all of its present and after-acquired property;
6. second priority real property mortgages granted by the Borrower over all of it real property interests; and
7. if requested by the Lender at any time, subordination and postponement agreements in respect of any shareholder or other Related Party loans, such security as provided to the Senior Purchaser from time to time.

Schedule C
Non-Project Property Assets

Non-Project Assets

[Redacted: commercially sensitive information - list of certain assets]

Excluded Mineral Claims

[Redacted: commercially sensitive information: project, tenure, lease/permit, registered owner]

**Schedule D
Prepayment Warrant**

Attached.

FORM OF WARRANT

SUBJECT TO THE CORPORATION'S RIGHT TO ACCELERATE THE EXPIRY DATE IN CERTAIN CIRCUMSTANCES, THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON [INSERT MATURITY DATE OF THE CREDIT FACILITY] AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

Include the following legend until such time as it is no longer required in accordance with applicable Canadian securities laws:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY AND ANY SECURITY ISSUED ON EXERCISE OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE FOUR MONTHS PLUS ONE DAY FROM THE CLOSING DATE OF THE CREDIT FACILITY].

Include the following legend where it is required in accordance the policies of the Toronto Stock Exchange:

THE SECURITIES ISSUABLE UPON EXERCISE HEREOF ARE LISTED ON THE TORONTO STOCK EXCHANGE ("TSX"); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TSX.

Include the following legend on Warrants issued to a person in the United States:

THE WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES UNLESS THIS WARRANT AND SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. THIS WARRANT MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) PURSUANT TO THE EXEMPTIONS FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, A LEGAL OPINION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION'S TRANSFER AGENT. "UNITED STATES" IS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTION ON STOCK EXCHANGES IN CANADA.

WARRANT

To acquire Common Shares of

ASCOT RESOURCES LTD.

(incorporated pursuant to the laws of British Columbia)

Warrant Certificate No. [●]	Certificate for 25,767,777 Warrants, each entitling the holder to acquire one (1) Common Share
-----------------------------	--

THIS IS TO CERTIFY THAT, for value received,

Nebari Gold Fund 1, LP
130 Fifth Avenue, 5th floor
New York, NY 10011

Attention:

Email: *[Redacted: personal information]*

(the “**Warrantholder**”) is the registered holder of the number of common share purchase warrants (the “**Warrants**”) of Ascot Resources Ltd. (the “**Corporation**”) specified above, and is entitled, on exercise of Vested Warrants (as defined below), upon and subject to the terms and conditions set forth herein, to purchase at any time before 5:00 p.m. (Vancouver time) (the “**Expiry Time**”) on the earlier of: (i) **[Insert Maturity Date of Credit Facility]**; and (ii) the date set out in any applicable Acceleration Notice (as defined below) (the “**Expiry Date**”), one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a “**Common Share**”) for each Vested Warrants.

For the purpose of this warrant certificate (the “**Warrant Certificate**”) “**Acceleration Trigger**” means a situation whereby, at any time following the issue date of this Warrant Certificate and prior to the Expiry Time, the volume weighted average trading price of the Common Shares on the TSX (the “**VWAP**”) is C\$1.04 or greater for a period of 20 consecutive trading days. “**Acceleration Notice**” means a written notice delivered by the Corporation to the Warrantholder, within 15 business days of an Acceleration Trigger to accelerate the Expiry Date of the Vested Warrants to a date ending 30 days following the date of the Acceleration Notice. Notwithstanding the foregoing, the Corporation shall not be entitled to give an Acceleration Notice and/or the Warrantholder shall not be required to comply with the Acceleration Notice if at any time after the Acceleration 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 C\$0.76.

As of the date of this Warrant Certificate, the Warrants have not vested and are not exercisable until they become vested in accordance with the terms herein. Unvested Warrants shall only vest, if at all, in accordance with the terms herein and such Warrants shall, from and after the time of such vesting, be exercisable in accordance with the terms of this Warrant Certificate. Upon vesting in accordance with the terms of this Warrant Certificate, unvested Warrants shall be deemed to be “**Vested Warrants**”.

For the purpose of the Warrant Certificate:

“**Advance**” means the advance under the Credit Facility in the principal amount of \$14,000,000 made by the Lender to the Corporation.

“**Credit Facility**” means the credit agreement among the Corporation, IDM Mining Ltd, Ascot Power Ltd. and the Lender dated June 16, 2023.

“**Lender**” means Nebari Gold Fund 1, LP.

“Vesting Formula” means the quotient of the applicable principal portion of the Advance being prepaid or repaid divided by the total initial Advance.

All or a portion of the unvested Warrants provided for in this Warrant Certificate shall vest upon prepayment of all or a portion of the Advance in accordance with Sections 3.2(a), 3.2(b), 3.3(1), 3.4(c) or 9.2 of the Credit Facility with such number of Warrants vesting equal to 25,767,777 multiplied by the Vesting Formula, with fractional vested Warrants being rounded down and the remaining unvested Warrants being rounded up.

The right to purchase Common Shares with respect to Vested Warrants may only be exercised by the Warrantholder within the time set forth above by:

- (a) duly completing and executing the exercise form (the **“Exercise Form”**) attached hereto; and
- (b) surrendering this Warrant Certificate (if a physical certificate is delivered to the Warrantholder), with the Exercise Form to the Corporation at the principal office of the Corporation, in the city of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for. For the avoidance of doubt, if wire transfers are used to provide for the aggregate Exercise Price, they must be made payable to the Corporation.

The surrender of this Warrant Certificate (if a physical certificate is delivered to the Warrantholder), the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Corporation at its principal office as set out above.

Subject to adjustment as described below, the exercise price payable for each Common Share upon the exercise of a Vested Warrant shall be C\$0.72 (the **“Exercise Price”**).

Certificates or Direct Registration System (**“DRS”**) statements for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Vested Warrant.

On presentation at the principal office of the Corporation as set out above, one or more Warrant Certificates may be exchanged without charge for one or more Warrant Certificates entitling the holder thereof to purchase in the aggregate an equal number of Common Shares as are purchasable under the Warrant Certificate(s) so exchanged, subject to vesting conditions.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the **“U.S. Securities Act”**), or any U.S. state securities laws. The Warrants may not be exercised by a person in the United States or a person exercising the Warrants for the account or benefit of a person in the United States, or a person requesting delivery in the United States unless this security and the Common Shares issuable upon exercise of this security have been registered under the U.S. Securities Act and the applicable state securities legislation or an exemption from such registration requirements is available.

The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

- (a) if, at any time during the period from the date of the Warrants (the “**Effective Date**”) up to and including the Expiry Time (the “**Adjustment Period**”), the Corporation shall: (i) subdivide or re divide the outstanding Common Shares into a greater number of Common Shares; (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares; or (iii) issue Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend, rights offering or other distribution (any of such events being called a “**Common Share Reorganization**”) then the Exercise Price in effect on the effective date of such subdivision, re-division, change, reduction, combination, consolidation or on the record date for the issue of Common Shares by way of stock dividend, rights offering or other distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization. Such adjustment shall be made successively whenever any event referred above shall occur. Upon any adjustment of the Exercise Price, the number of Common Shares subject to the right of purchase under each Warrant (the “**Exchange Rate**”) shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;
- (b) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in above or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, a Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants;
- (c) in any case in which an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Warrantholder of any Warrant exercised after the record date and prior to the completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Warrantholder an appropriate instrument evidencing such Warrantholder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Warrantholder would, but for the provisions herein, have become the holder of record of such additional Common Shares;

- (d) in any case if an adjustment is made to the Exercise Price, no such adjustment shall be made if a Warranholder receives, subject to the approval of the TSX or any other applicable regulator if required, the rights or warrants referred to above or the shares, rights, options, warrants, evidences of indebtedness or assets referred to above, as the case may be, in such kind and number as they would have received if they had been holder of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;
- (e) the adjustments provided herein are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions herein, provided that, notwithstanding any other provision, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments which are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and
- (f) after any adjustment, the term “**Common Shares**” where used in this Warrant Certificate be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments, the Warranholder is entitled to receive upon the exercise of this Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warranholder is entitled to receive, as a result of such adjustment and all prior adjustments, upon the full exercise of a Warrant.

The Corporation will, as soon as reasonably practicable after the occurrence of any event which requires an adjustment or readjustment as provided herein, give notice to the Warranholder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting number of Common Shares purchasable upon the exercise of each Warrant and the Exercise Price.

If any questions shall at any time arise with respect to the Exercise Price or Common Shares, such question shall be conclusively determined by the Corporation’s Auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia, that the Corporation may designate and the Warranholder, acting reasonably, may approve, and who shall have access to all appropriate records and such determination shall be binding upon the Corporation and the Warranholder.

All Common Shares or shares of any class or other securities, which a Warranholder is at the time in question entitled to receive on the exercise of its Vested Warrant, whether or not as a result of adjustments made, shall, be deemed to be Common Shares which such Warranholder is entitled to acquire pursuant to such Vested Warrant.

Notwithstanding anything herein, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made in connection with (a) any security based compensation, share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the terms or conditions of agreements or securities, or the satisfaction of existing instruments, in any case outstanding at the date hereof.

In the event that the exercise of Vested Warrants would result in the Warranholder becoming an “Insider” (as defined in rules and policies of the TSX) of the Corporation, such exercise of Vested Warrants in excess of the relevant threshold will be postponed and will not be effective until the TSX has approved a personal information form, or waived the requirement therefor, in respect of the Warranholder. In addition, in the event that an exercise of Vested Warrants would “materially affect control” (as defined in the rules and policies of the TSX) of the Corporation, and/or result in the Warranholder becoming a “control person” (as defined in the Securities Act (British Columbia)), such exercise of Vested Warrants in excess of the relevant

threshold will be postponed and will not be effective until the Warranholder and Corporation comply with all requirements under securities laws, as applicable.

To the extent the above limitation applies, the determination of whether a Vested Warrant shall be exercisable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Warranholder or any joint actor) and of which such securities shall be convertible or exercisable (as among all such securities owned by the holder) shall, subject to such above limitation be determined on the basis of the first submission to the Corporation for conversion, exercise or exchange (as the case may be). No prior inability to exercise Vested Warrants pursuant to this provision shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability.

Nothing contained in this Warrant Certificate or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein expressly provided.

Time is of the essence hereof.

The Corporation will reserve and there will remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the rights of acquisition provided for in the Warrant Certificate.

Nothing herein contained or done pursuant hereto shall obligate the Warranholder to subscribe for, or the Corporation to issue, any shares except those Common Shares in respect of which the Warranholder shall have exercised its right to purchase hereunder in the manner provided herein.

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen the Corporation shall issue and deliver without charge a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate in a form identical hereto, as applicable.

This Warrant Certificate may only be amended by a written instrument signed by the parties hereto.

Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is given in writing and sent by email or prepaid same day courier addressed as follows:

For the Corporation:

Ascot Resources Ltd.
Suite 1050 – 1095 West Pender Street
Vancouver, BC V6E 2M6

Attention:

Email: *[Redacted: personal information]*

For the Warranholder: As set out on the face page of this Warrant Certificate.

The Corporation shall cause a register to be kept in which shall be entered the names and addresses of all Warranholders and the number of Warrants held by them. The Warrants are transferable and the term "**Warranholder**" shall include any successor, transferee or assignee of the current or any future Warranholder. Subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the TSX (or any other stock exchange on which the Common Shares are listed), the Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the Warranholder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, acting reasonably, and upon compliance with all applicable securities laws, by duly completing and executing the Transfer Form. The rights and obligations of the parties hereunder shall be binding upon and enure to the benefit of their successors and

permitted assigns. The transferee of the Warrants shall, after a Transfer Form is duly completed and upon compliance with applicable securities laws, be entitled to have his, her or its name entered on the register kept by the Corporation as the owner of such Warrants, free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous Warrantholder, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. Subject to the foregoing, the Corporation shall issue and mail within 10 business days of such delivery, a new Warrant Certificate (with or without legends, as the case may be) registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

The Corporation and the Warrantholder may change its address for service by notice in writing to the other of them, specifying its new address for service under this Warrant Certificate.

The terms hereof and of the Warrants shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

The Company may execute this Warrant Certificate by electronic signature. To the extent that this Warrant Certificate or any agreement subject to the terms hereof or any amendment hereto is executed, recorded or delivered electronically, it shall be binding to the same extent as though it had been executed on paper with an original ink signature. The fact that this Warrant Certificate is executed, signed, stored or delivered electronically shall not prevent the enforcement of the terms hereof. Physical possession of the original Warrant Certificate or any paper copy shall confer no special status to the bearer thereof.

[Signature Page Follows.]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of the
___ day of _____, 20___.

ASCOT RESOURCES LTD.

By: _____
Authorized Signatory

EXERCISE FORM – WARRANTS

TO: Ascot Resources Ltd. (the “Corporation”)

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire _____ (A) Common Shares of the Corporation.

Exercise Price Payable: _____

The undersigned certifies, after reasonable inquiry, that the number of Common Shares beneficially owned by, or under the control or direction of, the undersigned, or any person acting jointly or in concert with the undersigned is _____ and that, to the knowledge of the undersigned based on the information provided by the Corporation, this exercise does not violate the ownership limitations set out in the Warrant Certificate.

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

The undersigned represents, warrants and certifies as follows that (one (only) of the following must be checked):

- (a) the undersigned (i) is not in the United States; (ii) is not exercising the Warrants on behalf of, or for the account or benefit of, a person in the United States; (iii) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a person in the United States; (iv) did not receive an offer to exercise the Warrants in the United States; (v) did not execute or deliver this Exercise Form in the United States; (vi) delivery of the underlying Common Shares will not be to an address in the United States; and (vii) has, in all other respects, complied with the terms of Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) in connection herewith.
- (b) the undersigned (i) is an Institutional Accredited Investor as described in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) and (13) of Regulation D under the U.S. Securities Act who first purchased the Warrants on the date of original issuance of the Warrants and who, in connection with such purchase, executed an Institutional Accredited Investor Letter in the form attached to the Credit Facility as Schedule G; (ii) is exercising the Warrants for its own account; (iii) is an Institutional Accredited Investor at the time of exercise of these Warrants; and (iv) has completed and executed an Institutional Accredited Investor Letter in the form attached to the Credit Facility as Schedule G.
- (c) the undersigned (A) is (i) present in the United States, (ii) a person exercising the Warrants for the account or benefit of a person in the United States, or (iii) requesting delivery in the United States of the Common Shares issuable upon such exercise, and (B) has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws is available for the exercise of the Warrants, and attached hereto is a written opinion of U.S. counsel or other evidence in form and substance reasonably satisfactory to the Corporation to that effect.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	Address(es)	Number of Common Shares
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Corporation all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to the Corporation.

The certificates representing the Common Shares will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Corporation.

DATED this ____ day of _____, 20__.

)	
)	
)	_____
)	(Signature of Warrantholder, to be the same as appears on the face of this Warrant Certificate)
)	
_____)	_____
Witness)	Name of Registered Warrantholder

The undersigned officer of the Corporation accepts this exercise form and certifies, after reasonable inquiry, that to his or her knowledge the Common Share ownership information contained herein is correct.

ASCOT RESOURCES LTD.

By: _____
 Name:
 Title:

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Ascot Resources Ltd.

The undersigned (a) acknowledges that the sale of _____ securities of Ascot Resources Ltd. (the "Corporation") to which this declaration relates, represented by certificate number _____, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and (b) certifies that (1) the undersigned is not (i) an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation, (other than by virtue of being an officer or director of the Corporation), (ii) a "distributor" as defined in Regulation S or (iii) an affiliate of a distributor, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was or will be executed, on or through the facilities of a designated offshore securities market and neither the seller nor any person acting on its behalf knows that the transaction has been or will be prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is and will be bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise defined herein, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____ day of _____, 20__.

(Name of Seller)
By: _____
Name:
Title:

TRANSFER FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of assignee)

____ Warrant(s) represented by the within certificate, and do(es) hereby irrevocably constitute and appoint

the attorney of the undersigned to transfer the said Warrants with full power of substitution hereunder.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a person within the United States unless registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and any applicable state securities laws or unless an exemption from such registration is available.

If this Certificate includes a restrictive legend relating to the U.S. Securities Act, this transfer form must be accompanied by a completed and executed declaration for removal of legend in the form attached as Schedule "C" hereto together with such additional evidence of exemption as the Corporation may from time to time prescribe, which may include an opinion of counsel reasonably satisfactory to the Corporation.

DATED this _____ day of _____, _____.

Signature of Warrantholder

Signature Guarantee

Name of Warrantholder (please print)

The signature of the Warrantholder to this assignment must correspond exactly with the name of the Warrantholder as set forth on the face of this Warrant Certificate in every particular, without alteration or enlargement or any change whatsoever and the signature must be guaranteed by a Canadian chartered bank or by a Canadian trust company or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.

Schedule E
Form of Quarterly Compliance Certificate

[Redacted: commercially sensitive information - form of certificate]

Schedule F
Post-Closing Consents

[Redacted: commercially sensitive information]

Schedule G
Institutional Accredited Investor Letter

TO: ASCOT RESOURCES LTD

In connection with the Credit Agreement, dated as of June 16, 2023, among Ascot Resources Ltd., as Borrower and ID Mining Ltd. and Ascot Power Ltd. as Guarantors and Nebari Gold Fund 1, LP as Lender (the "**Credit Agreement**"), the issuance of the Prepayment Warrants and the potential issuances of Conversion Shares and Common Shares underlying the Prepayment Warrants to the Lender pursuant to such agreement, the Lender acknowledges, represents to and agrees with the Borrower as follows. Capitalized terms used herein and not defined herein will have the meanings ascribed thereto in the Credit Agreement.

- (a) It is aware that the Conversion Shares, Prepayment Warrants and the Common Shares underlying the Prepayment Warrants (collectively, the "Securities") have not been and will not be registered under the U.S. Securities Act, or any state securities laws and that the offer and sale of the Conversion Shares, Prepayment Warrants and the Common Shares underlying the Prepayment Warrants to the Lender are being made in reliance on Section 4(a)(2) under the U.S. Securities Act and similar exemptions under applicable state securities laws;
- (b) it is an Institutional Accredited Investor and is acquiring the Securities for its own account, or for the account of an Institutional Accredited Investor with respect to which the undersigned exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Securities in violation of United States federal or state securities laws;
- (c) it acknowledges that it has not or will not purchase the Securities as a result of any "directed selling efforts" (as defined in Regulation S) or any "general solicitation" or "general advertising" (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (d) it understands and acknowledges that the Securities are "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act;
- (e) it consents to the Borrower making a notation on its records or giving instructions to any transfer agent of the Securities in order to implement the restrictions on transfer set forth and described herein;
- (f) If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver, file and otherwise assist the Borrower in filing reports, questionnaires, undertakings and other documents with respect to the ownership of the Securities;
- (g) the undersigned has had access to such financial and other information concerning the Borrower and the Securities as it has deemed necessary in connection with its decision to purchase any of the Securities, including an opportunity to ask questions of, and request information from, the Borrower, and all information to which the undersigned is entitled under Rule 144A(d)(4) under the U.S. Securities Act;
- (h) it acknowledges that it has obtained independent legal, income tax and investment advice with respect to the purchase of the Securities and accordingly, has had an opportunity to acquire an understanding of the meanings of all terms contained herein relevant to the

undersigned for purpose of giving the representations, warranties and covenants contained herein;

- (i) it acknowledges that neither the Borrower nor any person representing the Borrower has made any representation to it with respect to the Borrower or the offering or sale of the Securities;
- (j) it understands that the Borrower is not obligated to file and has no present intention of filing with the U.S. Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Securities in the United States, and acknowledges that there are substantial restrictions on the transferability of the Securities, and that it may not be possible for the undersigned to readily liquidate the undersigned's investment in the case of an emergency at any time;
- (k) it understands and agrees that the financial statements of the Borrower have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (l) it understands and agrees that there may be material tax consequences to it of an acquisition, holding, exercise or disposition of the Securities. The Borrower gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of our acquisition, holding, exercise or disposition of the Securities, and it acknowledges that it is solely responsible for determining the tax consequences to it with respect to the its investment, including whether the Borrower will at any given time be deemed a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended;
- (m) it is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Borrower is organized under the laws of British Columbia; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Borrower and such persons may be located outside the United States;
- (n) the funds representing the aggregate purchase price which will be advanced by it to the Borrower hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and it acknowledges that the Borrower may in the future be required by law to disclose its name and other information relating to the its purchase of the Securities hereunder, on a confidential basis, pursuant to the PATRIOT Act; and
- (o) no portion of the aggregate purchase price to be provided by it (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by it, and it shall promptly notify the Borrower if it discovers that any of such representations ceases to be true and provide the Borrower with appropriate information in connection therewith.

The Lender understands that the Securities are being offered in a transaction not involving any public offering within the United States within the meaning of the U.S. Securities Act and that the Securities have not been and will not be registered under the U.S. Securities Act.

The Lender further understands that any Securities acquired by it will be "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act and will bear a legend reflecting the fact that it will not offer, sell, pledge or otherwise transfer any of the Securities, directly or indirectly, unless (i) to the Borrower, or a subsidiary thereof (though the Borrower or its subsidiaries are under no obligation to purchase any such Securities), (ii) outside the United States in accordance with Rule 904 of Regulation S and, in either case, in compliance with applicable local laws and regulations, (iii) in compliance with the exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act, if available, and the holder of the Securities has furnished to the Borrower an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Borrower to such effect, or Rule 144A under the U.S. Securities Act, if available, (iv) in another transaction that does not require registration under the U.S. Securities Act, and the holder of the Securities has furnished to the Borrower an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Borrower to such effect, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and in each case in compliance with any applicable state securities laws in the United States; provided, that if any Securities are being sold outside the United States in accordance with Rule 904 of Regulation S, the legend may be removed by providing a declaration to the registrar and transfer agent in the form attached as Appendix I hereto (or such other form as the Borrower may prescribe from time to time), together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Borrower, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act; provided further, that if any of the Securities, if any, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Borrower and the Borrower's transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to the Borrower, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

The Lender acknowledges that the Borrower will rely upon its confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Borrower immediately of any change in any representation, warranty or other information relating to the Lender that takes place prior to the Closing Date and the date of any issuance of Conversion Shares to the Lender pursuant to Section 2.4(1) or exercise of Prepayment Warrants to the Lender pursuant to the Credit Agreement.

DATED _____ day of _____, 20____.

By: _____
Name:
Title

**Appendix I
Form of Declaration for Removal of Legend**

TO: Ascot Resources Ltd.

The undersigned (a) acknowledges that the sale of _____ securities of Ascot Resources Ltd. (the "Corporation") to which this declaration relates, represented by certificate number _____, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and (b) certifies that (1) the undersigned is not (i) an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation, (other than by virtue of being an officer or director of the Corporation), (ii) a "distributor" as defined in Regulation S or (iii) an affiliate of a distributor, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was or will be executed, on or through the facilities of a designated offshore securities market and neither the seller nor any person acting on its behalf knows that the transaction has been or will be prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is and will be bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise defined herein, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____ day of _____, 20__.

(Name of Seller)
By: _____
Name:
Title: