

EXECUTION VERSION

Convertible Loan and Royalty Agreement

between

MANGAN Chvaletice, s.r.o
as Grantor

and

OMRF (Bk) LLC
as Recipient

and

Euro Manganese Inc.
as Parent

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THIS AGREEMENT is dated 28 November 2023 and made

BETWEEN:

- (1) **MANGAN Chvaletice, s.r.o.** (the "Grantor"), a limited liability company incorporated under Czech law, with its registered seat at U Kulturního domu 158, 533 12 Chvaletice, Czech Republic, identification no. 253 27 542, registered in the Commercial Register maintained by Regional Court in Hradec Králové, Section C, Insert 42941;
- (2) **OMRF (BK) LLC**, (the "Recipient"), registered in Delaware as company number 2492185 and having its registered office at 251 Little Falls Drive, Wilmington, DE 19808; and
- (3) **EURO MANGANESE INC** (the "Parent"), registered in the province of British Columbia as company number BC1019912 and having its registered office at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8,

(each a "Party", and collectively the "Parties").

WHEREAS the Recipient has agreed to make available to the Grantor the Convertible Loan which is to be used for the development, pre-construction, construction and commissioning of the Project, as well as general corporate purposes associated with the advancement of the Project, as provided for in Clause 4 (*Use of Proceeds*).

AND WHEREAS this Agreement provides that, following Conversion, the Grantor shall pay to the Recipient a royalty on all Minerals mined, produced or otherwise recovered from the Mining Area, and the Parent has agreed to guarantee the performance by the Grantor of its obligations under and in accordance with the terms of this Agreement.

NOW THEREFORE, the Parties agree as follows:

1. **Interpretation**

1.1 **Definitions**

In this Agreement, unless otherwise provided:

"Abandonment Property" has the meaning given to it in Clause 13.2(A);

"ABC / AML Policy" has the meaning given to it in Clause 10.10(A);

"Account Charge Agreements" means:

- (A) the Bank Accounts Pledge Agreement; and
- (B) any other account charge agreement entered into further to Clause 18.3 (*Account Security*);

"Accounts" means all of the bank accounts of the Grantor and each Guarantor (other than the Parent) with any account provider in any jurisdiction;

"Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise;

“Anti-Bribery Laws and Obligations” means, for each Party:

- (A) the Laws relating to combating bribery and corruption, and/or the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention’s commentaries;
- (B) the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the United Kingdom Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in Canada (or any province of Canada) or Czech Republic (which shall each be deemed, for the purposes of this Agreement, to apply to the Grantor, and each Guarantor as if it was subject to such laws in all respects); and
- (C) the Laws relating to combating bribery and corruption in the countries of such Party’s place of incorporation, principal place of business, and/or place of registration as an issuer of securities, and/or in the countries of such Party’s ultimate parent company’s place of incorporation, principal place of business, and/or place of registration as an issuer of securities;

“Anti-Money Laundering Laws” means any applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” Laws, to the extent applicable to an EM Group Member, including any regulations, guidelines or orders thereunder;

“Applicable Law” or “Law” in respect of any Person, property, transaction or event, means all laws, statutes, treaties, regulations, and enforceable judgments, orders and decrees applicable to that Person, property, transaction or event and, in each case having the force of law, all applicable official directives, rules, protocols, consents, approvals, authorizations, guidelines, orders and policies of any Governmental Body having authority over that Person, property, transaction or event;

“Appointing Governmental Body” means the Institute of Chartered Accountants of England and Wales pursuant to the “President’s Appointments Scheme”;

“Arm’s Length Terms” means prices and terms no less favourable to the disposer under the relevant contract than those which would be paid and agreed to by a Third Party in an arm’s length transaction under similar circumstances;

“Assignment” has the meaning given to it in Clause 14.1;

“Bank Accounts Pledge Agreement” means the bank accounts receivables pledge agreement executed or to be executed between the Security Agent as pledgee and the Grantor as pledgor as required to be delivered to the Recipient pursuant to paragraph 6(B) of Part 1 of Schedule 2;

“Bécancour Companies” means Bécancour ProjectCo and each Bécancour ProjectCo Subsidiary;

“Bécancour Project” means the project to complete a feasibility study in relation to, procure permitting for, and construct and operate a metal dissolution plant to convert HPEMM Product to HPMSM Product to serve the North American market, located in Bécancour, Quebec, Canada;

“Bécancour ProjectCo” has the meaning given in Clause 14.3(A)(4);

“Bécancour ProjectCo Subsidiary” means any Person that is a wholly owned Subsidiary of Bécancour ProjectCo;

“Bécancour Transfer Date” has the meaning given in 14.3(G);

“BIP Project Agreement” means the EBA BIP Project Agreement dated 22 February 2021 executed between the Grantor, the Parent and EIT;

“BIP Services Agreement” means the BIP Added Value Services Agreement dated 22 February 2021 executed between the Parent and EIT;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York, Czech Republic and Vancouver, Canada;

“Commencement of Major Construction Works” means the point at which:

- (A) the Grantor has demonstrated to the Recipient, acting reasonably, that it has committed amounts of: (i) debt funding (with financial close having occurred in respect of all such debt funding); (ii) equity funding; and /or (iii) other funding, in each case available in relation to the cost of the construction of the Project (including a contingency plan in accordance with Good Mining Practice) subject only to customary further conditions for utilisation under any of (i), (ii) and / or (iii) relating to the submission of a utilisation request, absence of events of default and giving of repeating representations (in each case however defined) (and in calculating these committed amounts: (x) any amounts that are not committed or available due to any default (however described), cancellation or equivalent under (i), (ii) and / or (iii); and (y) any amounts that would be deducted from or set-off against such committed amounts if utilised under (i), (ii) and / or (iii) (including fees, administrative costs, foreign exchange costs and bank transfer costs) will be disregarded);
- (B) the FEED Study has been completed and design work for the Project is sufficiently advanced to enable construction of the Project to commence in accordance with Good Mining Practice;
- (C) the Financial Investment Decision has been made;
- (D) at least US\$ 30,000,000 of capital expenditure has been contractually committed or incurred by the Grantor in relation to the construction of the Project, provided that the following will be disregarded for the purposes of this definition and shall not constitute capital expenditure in relation to the construction of the Project:
 - (1) cost of acquiring and / or maintaining ownership of any real estate or interests in land;
 - (2) cost of acquiring and maintaining any Mining Rights and any other rights or Permits required in order to develop or operate the Project; and
 - (3) costs incurred following the Execution Date for upgrading any roads and / or access routes; and
- (E) construction of the Project has substantially commenced in accordance with Good Mining Practice;

“Completion Date” means the date on which the following conditions have been satisfied, and confirmed as satisfied by the Independent Engineer, for a single period of 90 consecutive days:

- (A) the amount of Minerals mined (ore and waste) was not less than 85% of the planned material mined described in the Process Design Criteria as at the Tranche 1 Closing Date (excluding any ramp-up or commissioning phases);
- (B) the process plant processed feed material through the entire processing circuit at an average daily rate of not less than 85% of the nameplate capacity described in the Process Design Criteria as at the Tranche 1 Closing Date (excluding any ramp-up or commissioning phases);
- (C) the overall recovery of manganese is not less than 85% of the values stated in the Process Design Criteria;
- (D) the process plant has produced Products at an average daily rate of 85% of the planned production (described in the Process Design Criteria as at the Tranche 1 Closing Date) (excluding any ramp-up or commissioning phases) at product specification grade not to be lower than the product specification grade described in the Product Design Criteria (as at the Tranche 1 Closing Date) and the resulting Products have been sold and accepted (without penalties or deductions);
- (E) the Project is operating in all material respects in accordance with the Mine Plan, Production Plan and the Product Design Criteria; and
- (F) the off-gasses from the process plant are collected and treated such that the emissions to the atmosphere are within the acceptable limits as required further to the EIA Statement,

and the final completion certificate (however defined) under the EPCM Contract has been issued;

“Completion Longstop Date” means 30 June 2032;

“Confidential Information” has the meaning provided in Clause 15.1(A);

“Construction Budget” means the budget for the construction and commissioning of the Project, as required to be provided to the Recipient pursuant to Clause 3.2 (*Conditions of Convertible Loan*) and Schedule 2 (*Conditions Precedent*), as the same may be amended, supplemented, or replaced from time to time in accordance with this Agreement;

“Conversion” means the conversion of the Outstanding Convertible Loan Amount into the Converted Royalty pursuant to Clause 5;

“Conversion Date” means the last Business Day of the Quarter in which the Conversion Notice is served in accordance with the terms of this Agreement;

“Conversion Notice” means a notice substantially in the form of Schedule 5 (if issued by the Recipient) and in the form of Schedule 6 (if issued by the Grantor);

“Converted HPEMM Royalty Rate” means, as applicable:

- (A) in the event that the HPEMM Average Realised Price per ton during a particular Quarter is equal to, or less than the Orion HPEMM Consensus Price, 1.65%;
- (B) in the event that the HPEMM Average Realised Price per ton during a particular Quarter is higher than the Orion HPEMM Consensus Price, but less than the CPM Group HPEMM Price for the relevant Quarter, the Converted HPEMM Royalty Rate shall be the rate calculated in accordance with the formulation below:

$$\text{Royalty Rate} = 1.65\% \text{ minus } \{0.36\% \times (A / B)\},$$

Where

A = HPEMM Average Realised Price during the relevant Quarter minus the Orion HPEMM Consensus Price; and

B = CPM Group HPEMM Price for the relevant Quarter minus the Orion HPEMM Consensus Price,

but shall not in any event be less than 1.29%; or

- (C) in the event that the HPEMM Average Realised Price per ton of during a particular Quarter is equal to or higher than the CPM Group HPEMM Price for such Quarter, 1.29%,

provided that:

- (1) if the Recipient issues a Conversion Notice after the Tranche 1 Payment Date but prior to the Tranche 2 Payment Date, then the Converted HPEMM Royalty Rate shall be the rate calculated further to paragraphs (A), (B) or (C) above, as applicable, MULTIPLIED BY 0.46; and
- (2) if the Tranche 2 Payment Date occurs, the provisions of paragraph (1) above shall not apply, and on and from the Tranche 2 Payment Date the Converted HPEMM Royalty Rate shall be the rate calculated further to paragraphs (A), (B) or (C) above (as applicable);

“Converted HPMSM Royalty Rate” means, as applicable:

- (A) in the event that the HPMSM Average Realised Price per ton during a particular Quarter is equal to, or less than the Orion HPMSM Consensus Price, 1.65%;
- (B) in the event that the HPMSM Average Realised Price per ton during a particular Quarter is higher than the Orion HPMSM Consensus Price, but less than the CPM Group HPMSM Price for the relevant Quarter, the Converted HPMSM Royalty Rate shall be the rate calculated in accordance with the formulation below:

$$\text{Royalty Rate} = 1.65\% \text{ minus } \{0.36\% \times (A / B)\},$$

Where

A = HPMSM Average Realized Price during the relevant Quarter minus the Orion HPMSM Consensus Price; and

B = CPM Group HPMSM Price for the relevant Quarter minus the Orion HPMSM Consensus Price,

but shall not in any event be less than 1.29%;

- (C) in the event that the HPMSM Average Realised Price per ton during a particular Quarter is equal to or higher than the CPM Group HPMSM Price for such Quarter, 1.29%,

provided that:

- (1) if the Recipient issues a Conversion Notice after the Tranche 1 Payment Date but prior to the Tranche 2 Payment Date, then the HPMSM Royalty Rate shall be the rate calculated further to paragraphs (A), (B) or (C) above, as applicable MULTIPLIED BY 0.46; and
- (2) if the Tranche 2 Payment Date occurs, the provisions of paragraph (1) above would not apply, and on and from the Tranche 2 Payment Date the Converted HPMSM Royalty Rate shall be the rate calculated further to paragraphs (A), (B) or (C) above (as applicable);

“Converted Royalty” means the royalty payable by the Grantor to the Recipient following Conversion, calculated by multiplying the applicable Royalty Rate by the Gross Revenue, without any deduction or withholding on account of any cost, tax or expense whatsoever, and payable at such times as specified in this Agreement;

“Converted Royalty NPV” means the net present value of the Recipient’s rights to receive Converted Royalty payments under this Agreement calculated on the basis of the average of the then-current European forecast (for all manganese products) of CPM Group, SC Insights and Benchmark Minerals and the then-current Mine Plan and Production Plan, and applying a discount rate of 8%;

“Converted Royalty Termination Amount” means, as calculated by the Recipient, an amount equal to the higher of:

- (A) an amount equal to the Converted Royalty NPV; and
- (B) an aggregate amount (which may not be less than zero) that would need to be paid to the Recipient to yield, after taking into account the timing and amount of the Converted Royalty payments made under this Agreement, an annual internal rate of return of 14% (net of applicable Taxes) (such rate of return calculated using the XIRR function in Microsoft Excel) on the Outstanding Convertible Loan Amount (plus any accrued and unpaid interest) for the period commencing on the Conversion Date and ending on the date of the Termination Notice,

PLUS

- (1) in each case, such additional amount as will, after taking account of any Taxes incurred, payable or borne by the Recipient under or in connection with such amount referred to in (A) (and which are not otherwise reimbursed under this Agreement), leave the Recipient with the same amount it would have been entitled to receive in the absence of any such Taxes,

LESS

- (2) in each case, any amount of compensation paid to the Recipient for loss of future Converted Royalty payments further to Clause 16.2(E) in respect of the same Default in respect of which the relevant Termination Notice is issued (provided that any costs and expenses incurred, or payments made, by the Recipient in connection with such Default and any payments further to Clauses 9.2, 9.3 or 12 shall not be deducted further to this paragraph (2));

provided that each such calculation of amounts above shall be made effective as of the date of, and set out in, the Termination Notice;

“Convertible Loan” means the secured convertible loan made available to the Grantor in accordance with this Agreement;

“Convertible Loan Longstop Date” means the date falling 18 months after the Execution Date, or such later date as the Recipient may notify to the Grantor in writing;

“CPM Group HPEMM Price” means, in respect of any year and any Quarter falling in that year, the price for the relevant year set out in column titled “CPM Group HPEMM Price” in Part 1 of Schedule 4, provided that each such price shall be increased or decreased (as applicable) by the percentage increase or decrease (as applicable) in the United States Consumer Price Index between 2023 and such year;

“CPM Group HPMSM Price” means, in respect of any year and any Quarter falling in that year, the price for the relevant year set out in column titled “CPM Group HPMSM Price” in Part 2 of Schedule 4, provided that each such price shall be increased or decreased (as applicable) by the percentage increase or decrease (as applicable) in the United States Consumer Price Index between 2023 and such year;

“Default” has the meaning given to it in Clause 16.1 (*Grantor Default*);

“Demonstration Plant” means the Grantor’s demonstration plant in connection with the Project for the purposes of demonstrating: (i) the recovery of manganese, in the feed material, into a magnetic concentrate; (ii) the leaching of the manganese, in the magnetic concentrate, into solution; (iii) the combined filtration of the leach and non-magnetic residues, including vendor filtration tests; (iv) the purification of the leachate and removal of deleterious elements; (v) the electrowinning of the electrolytic manganese metal onto the cathodes and subsequent removal of the manganese from the cathodes; (vi) the collection and treatment of the off-gases from the electrowinning cells; (vii) the dissolution of the electrolytic manganese metal in acid, (viii) the additional impurity removal stage; and (ix) the recovery of solid HPMSM Product through crystallization;

“Development Budget” means the development budget to achieve a Financial Investment Decision provided further to Clause 3.2 (*Conditions of Convertible Loan*) and to be delivered in accordance with paragraph 7 of Part 1 of Schedule 2 (*Conditions Precedent*) as may be amended from time to time in accordance with Clause 10.8;

“Disposal” means, in respect of any Product, a sale, transfer, lease, rental or other disposal (including a disposal which does not result in an outright transfer of ownership, whether due to a title retention provision or otherwise), and “Disposed” and “Dispose” shall be construed accordingly;

“EIA Act” means act No. 100/2001, Coll., Act on Environmental Impact Assessment and on Amendments to Certain Related Acts (Environmental Impact Assessment Act), as amended;

“EIA Approval Date” has the meaning given in Clause 10.6(G);

“EIA Documentation” means EIA documentation prepared in accordance with Section 8 of EIA Act;

“EIA Statement” means the binding statement on the assessment of the impact of the Project on the environment, permitting the Project to be carried out in accordance with the terms of such statement, issued in accordance with Section 9a of the EIA Act;

“EIT” means KIC InnoeEnergy SE;

“EIT Agreements” means: (i) the BIP Project Agreement; (ii) the BIP Services Agreement; and (iii) all other documents or agreements executed by the Grantor or the Parent in connection with the BIP Project Agreement and/or the BIP Services Agreement;

“EM Group” means the Parent, the Grantor, each Guarantor, and (with the exception of any of the Bécancour Companies following their incorporation) the Parent’s direct and indirect Subsidiaries from time to time;

“EM Group Member” means any Person that is a member of the EM Group;

“EM Group Reorganisation” has the meaning given in Clause 14.3(A);

“Encumbrance” means any mortgage, pledge, lien, charge or other form of security interest or interest in the nature of a security interest;

“Engineering Completion” means for the purpose of the Project, the point at which the 3D model, and associated documents and drawings are sufficiently complete to support the preparation of the AACE Class 3 +/-10% capex estimate;

“Engineering Completion Date” means the date on which Engineering Completion occurs;

“Enterprise Pledge Agreement” means the business enterprise pledge agreement executed or to be entered into between the Security Agent as pledgee and the Grantor as pledgor as required to be delivered to the Recipient pursuant to paragraph 7(B) of Part 1 of Schedule 2;

“Environment” means humans, animals, plants and all other living organisms including the ecological systems of which they form a part and the following media:

- (A) air (including air within natural or man-made structures, whether above or below ground);
- (B) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(C) land (including land under water),

and the term “Environmental” and other cognate terms shall be construed accordingly;

“Environmental and Social Action Plan” or “ESAP” means a plan prepared by or on behalf of the Grantor that describes and prioritizes the actions that need to be undertaken to address any gaps in the EIA Statement, EIA Documentation, ESMP, ESMS, or stakeholder engagement, and to be developed and as may be amplified and/or amended from time to time, in each case in accordance with Clause 10.6(G);

“Environmental and Social Laws” means all laws (constitutional, statutory or common) including the EIA Act, national or provincial statutory instruments and municipal or local government regulations and by-laws relating to:

- (A) the protection of the Environment, natural resources, hazardous substances, the assessment of Environmental and social impacts or the rehabilitation, reclamation and closure of lands used in connection with the Property;
- (B) labour;
- (C) social security;
- (D) the regulation of industrial relations (between government, employers and employees);
- (E) the protection of occupational and public health and safety (including health and safety of employees and those affected by operations of the Grantor and/or any of its Affiliates);
- (F) the regulation of public participation;
- (G) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights;
- (H) the protection and empowerment of local communities or ethnic groups;
- (I) the projection, restoration and promotion of cultural heritage; and
- (J) all other laws, rules and regulations providing for the protection of employees and citizens,

and (in each case to the extent having the force of law and which are applicable to the Project, the Grantor or any Guarantor) any government notices, regulations, orders, or judgements of any court, administrative or regulatory authorities, national government, local government or any other body with responsibility for any of the foregoing;

“Environmental and Social Management Plan” or “ESMP” means plans prepared by or on behalf of the Grantor that summarize the Grantor’s and each Guarantor’s commitments to address and mitigate risks and impacts identified as part of the EIA, through avoidance, minimization, and compensation or offset, and developed and as may be supplemented, amended, or modified amended from time to time, in each case in accordance with Clause 10.6(H);

“Environmental and Social Management System” or “ESMS” means the overarching environmental, social, health and safety management system in place for the Project, for the implementation of the environmental and social management and monitoring requirements, and to be developed and as may be supplemented, amended, or modified from time to time, in each case in accordance with Clause 10.6(l);

“Environmental and Social Standards” means, together:

- (A) the Environmental and Social Laws applicable to the Grantor as identified in the ISO14001 Environmental Management System and ISO 45001 Health and Safety System;
- (B) the EIA Statement;
- (C) the EIA Documentation;
- (D) the ESAP and ESMP; and
- (E) in relation to environmental, social and good governance policies, the standards, practices, methods and procedures conforming to Applicable Law and exercise of that standard of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected of a skilled, and experienced Person engaged in a similar type of undertaking under similar circumstances in Czech Republic or in the EU (whichever is the higher standard);

“Environmental Impact Assessment” or “EIA” means the environmental impact assessment under the EIA Act;

“Environmental or Social Claim” means any claim arising under or any filed notice or formal investigation in respect of, any Environmental and Social Law made against the Grantor or any Guarantor by any person for loss, clean up or remediation or conducted by the regulatory authority responsible for the administration or enforcement of any Environmental and Social Law applicable to such Grantor or Guarantor;

“EP Chvaletice” means [REDACTED];

“EPCM Contract” means the engineering, procurement and construction management contract relating to the Project dated 14 July 2023 executed between the Grantor and Wood Australia Pty Ltd, as amended and/or supplemented from time to time;

“EPCM Receivables Security Assignment” means the security assignment agreement in respect of amounts receivable by the Grantor under the EPCM Contract executed or to be entered into between the Security Agent as pledgee and the Grantor as pledgor as required to be delivered to the Recipient pursuant to paragraph 6(B) of Part 1 of Schedule 2;

“ESG Risk Register” means an environmental, social and governance risk register which is developed in accordance with ISO 14001, ISO 45001 and Good Industry Practice, as the same may be amended from time to time in accordance with this Agreement;

“Exchange Rate” means, in respect of any currency other than US Dollars:

- (A) the average of the buy and sell rates for that currency, in US Dollars, as quoted in the London Financial Times; or

- (B) if those rates are not quoted, then the average of the buy and sell rates for the currency as quoted by any two major international banks that must be selected by the Recipient in good faith;

“Excluded Taxes” has the meaning given to it in Clause 9.4 (*Excluded Taxes*);

“Execution Date” means the date of this Agreement;

“Existing Intra-Group Loan” means the loan provided pursuant to the loan agreement originally dated 31 December 2017 and as amended on 1 May 2019, entered into between the Parent as lender and the Grantor as borrower, the principal outstanding amount of which is US\$22,792,082.69;

“Expert” means a suitably qualified independent person appointed in accordance with Clause 20.4 (*Expert Determination*);

“Extended Convertible Maturity Date” has the meaning given to the term in Clause 3.3(B);

“FEED Study” means the front end engineering design study in respect of the Project, which: (i) shall include engineering and design for the entire Project as described in the work breakdown structure; (ii) shall not be limited to the process plant area; (iii) will advance engineering, design, material take-offs, procurement activities, capital cost estimating, and operating cost estimating with adequate detail to support the preparation of a Class 3 Capital Cost Estimate (which shall include a probabilistic assessment of the overall project contingency), as defined by the Association for the Advancement of Cost Engineering; (iv) will prepare an operating cost estimate at a Class 3 Level, as defined by the Association for the Advancement of Cost Engineering; and (v) will incorporate, into the engineering design, the test work results and conclusions gained from the Demonstration Plant and testing subsequent to the feasibility study, including testing by equipment suppliers, in each case as approved in writing by the Recipient acting reasonably;

“Financial Indebtedness” means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with International Financial Reporting Standards (“**IFRS**”), be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale/prepayment or forward purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of or similar effect to a borrowing;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any

derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H);

"Financial Investment Decision" means a decision taken by the board of directors of the Grantor in connection with the Project to carry out the Project;

"Good Mining Practice" means the exercise of that degree of skill, care, prudence, operational foresight and operating practice which would reasonably and ordinarily be expected from a skilled and experienced person in the Czech Republic or EU mining industry (whichever standard is higher) engaged in the same or similar type of undertaking as the Grantor under the same or similar circumstances;

"Governmental Body" means any national, state, regional, municipal or local government, governmental department, commission, board, bureau, agency, authority or instrumentality, or any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities, including all tribunals, commissions, boards, bureaux, arbitrators and arbitration panels, and any authority or other Person controlled by any of the foregoing;

"Grantor" shall refer to the Grantor and its successors in interest, including without limitation, assignees, partners, joint venture partners, lessees, and when applicable mortgagees and Affiliates having or claiming an interest in the Property;

"Grantor Convertible Loan Disbursement Account" means the USD account maintained by the Grantor [REDACTED];

"Gross Revenue" the aggregate of, in US Dollars or US Dollar equivalent:

- (A) the proceeds received by or on behalf of Grantor (or due to be paid to or on behalf of the Grantor in connection with the relevant Disposal), or applied to Grantor's benefit (or required to be so applied in connection with the relevant Disposal), from the sale or other disposal of Products including, for the avoidance of doubt, premiums received by or on behalf of Grantor in respect of such Disposal (or due to be paid to or on behalf of the Grantor in connection with the relevant Disposal), provided that:
 - (1) save as provided to the contrary in paragraph (D) below, in calculating the Gross Revenue amount, any Taxes, costs of mining, milling, leaching, refitting or any other processing costs, deductions (other than deductions for deleterious substances further to the relevant Offtake Agreement), penalties, set-off, smelting or refining charges, treatment, insurance or other charges, marketing, brokerage or other fees, storage, transportation or freight charges, settlement charges, financing charges, price participation charges, selling costs, other royalty (or similar) expenses or profit shares or other similar charges or deductions which are payable by or on behalf of, the Person by or on whose behalf such Disposal is made (or which are otherwise expressed to

be a liability of such Person, including by way of a specific metal deduction, a recovery rate, a credit against future Disposals or otherwise) pursuant to the terms of the applicable Disposal or otherwise that would or could have the effect of reducing such amount payable, shall be disregarded and shall not affect the Gross Revenue amount and such amount payable shall therefore be calculated gross of all such items; and

- (2) if the applicable terms (including price and/or payable quantities) for a Disposal are not on Arm's Length Terms then such proceeds shall be deemed to be an amount of proceeds that would have been so received had such Disposal been on Arm's Length Terms (unless the Recipient has expressly granted its consent (in writing) for such Disposal to occur on terms that are not Arm's Length Terms),

and the Recipient may at any time by notice to the Grantor refer the matter of such amount of Gross Revenue under paragraph (A) to the Expert in accordance with Clause 20.4 (*Expert Determination*);

- (B) the proceeds received by or on behalf of Grantor, or applied to Grantor's benefit, in the relevant Quarter from an insurer in the case of any insurable loss of or damage to Products (whether or not occurring on or off the Mining Area and whether the Products are in the possession of the Grantor or otherwise) in respect of which Gross Revenue would otherwise be calculated further to paragraph (A) above in the absence of such loss (net of any excess paid in respect of that loss); and
- (C) the proceeds received by or on behalf of Grantor (or required to be paid to or on behalf of the Grantor in connection with the relevant processing), or applied to its benefit (or required to be so applied in connection with the relevant processing), in the relevant Quarter from a Third Party as consideration for milling, treating or other processing of Minerals in any form on behalf of a Third Party,

but, in each case, without double-counting (and if this proviso against double-counting applies then, for the relevant Gross Revenue calculation, the amount generating the least amount of revenue per unit of Products shall be disregarded for the purposes of preventing such double-counting);

LESS

- (D) all road, sea and rail freight costs and expenses incurred by the Grantor to a Third Party in relation to the transportation of Minerals between the outer boundary of, or adjacent to, the Mining Area and the point of delivery of the Minerals to a purchaser in respect of the same, solely to the extent that:
 - (1) such costs and expenses were actually paid or incurred by the Grantor and have been evidenced to the Recipient by a valid invoice; and
 - (2) a payment constituting proceeds within the scope of paragraph (A) was actually made by the relevant purchaser in respect of such costs and expenses such that, without this paragraph (D), the amount of such payment would constitute Gross Revenue.

For the purposes of calculating Gross Revenue, in respect of the proceeds received by or on behalf of Grantor, or applied to Grantor's benefit, from a Third Party in respect of any deposit, forward payment or any other form of prepayment made in respect of a future Disposal of Products, such amount shall only contribute to the calculation of Gross Revenue

on the date on which the Products associated with such deposit, forward payment or other form of prepayment are actually delivered and to the extent that such deposit, forward payment or other prepayment is applied to such Products under the relevant agreement;

“Guarantors” means the Parent and any Person acceding as a Guarantor further to Clause 17.4;

“HM Engineer” means a third party qualified hydrometallurgical engineer with relevant process engineering experience and expertise preferable in manganese recovery, whose identity, terms of appointment and scope of work have been approved by the Recipient in writing;

“HM Expert” means a third party hydrometallurgical expert whose identity, terms of appointment and scope of work have been approved by the Recipient in writing;

“HPEMM Average Realised Price” means for a given Quarter, and for Disposals by or on behalf of the Grantor, the volume-weighted average price per ton of HPEMM Product payable to the Grantor or any Person on behalf of the Grantor, or to be applied to its benefit, in each case in the relevant Quarter, for Disposals to any Person, provided that:

- (A) for Disposals to EM Group Members (which shall only be undertaken in accordance with Clause 10.12(A)), if the applicable price (including payable quantities) for each Disposal is not on Arm’s Length Terms then such price shall be deemed to be a price (including payable quantities) on Arm’s Length Terms for that Disposal;
- (B) when determining for the purposes of this definition the amount payable to or on behalf of, or to be applied for the benefit of, any Person for a Disposal, any Taxes, deductions, penalties, set-off, refining charges, treatment charges, penalties, insurance charges, transportation or freight charges, settlement charges, financing charges or price participation charges, or other similar charges or deductions which are payable by or on behalf of, the Person by or on whose behalf such Disposal is made (or which are otherwise expressed to be a liability of such Person, including by way of a specific metal deduction, a recovery rate, a credit against future Disposals or otherwise) pursuant to the terms of the applicable Disposal or otherwise that would or could have the effect of reducing such amount payable, shall be disregarded and such amount payable shall therefore be calculated gross of all such items; and
- (C) when calculating the price per ton of HPEMM Product in respect of a Disposal, all amounts payable to the Grantor or any Person on behalf of the Grantor, or to be applied to its benefit, in respect of road, sea and rail freight costs and expenses incurred by or on behalf of the Grantor in relation to the transportation of HPEMM Product between the outer boundary of, or adjacent to, the Mining Area and the point of delivery of the HPEMM Product to any Person in respect of the same shall be disregarded, solely to the extent that:
 - (1) such costs and expenses were actually paid or incurred by the Grantor and have been evidenced to the Recipient by a valid invoice; and
 - (2) a payment in respect of such road, sea and rail freight costs and expenses incurred by the Grantor was actually made by the relevant Person to whom such Disposal was made;

“HPEMM Product” means high purity electrolytic manganese metal in any form extracted, milled, produced, recovered or processed from or at the Mining Area, which is capable of

being Disposed of, including ores and concentrates, and "HPEMM Products" shall be construed accordingly;

"HPMSM Average Realised Price" means for a given Quarter, and for Disposals by or on behalf of the Grantor, the volume-weighted average price per ton of HPMSM Product payable to the Grantor or any Person on behalf of the Grantor, or to be applied to its benefit, in each case in the relevant Quarter, for Disposals to any Person, provided that:

- (A) for Disposals to EM Group Members (which shall only be undertaken in accordance with Clause 10.12(A)), if the applicable price (including payable quantities) for each Disposal is not on Arm's Length Terms then such price shall be deemed to be a price (including payable quantities) on Arm's Length Terms for that Disposal;
- (B) when determining for the purposes of this definition the amount payable to or on behalf of, or to be applied for the benefit of, any Person for a Disposal, any Taxes, deductions, penalties, set-off, refining charges, treatment charges, penalties, insurance charges, transportation or freight charges, settlement charges, financing charges or price participation charges, or other similar charges or deductions which are payable by or on behalf of, the Person by or on whose behalf such Disposal is made (or which are otherwise expressed to be a liability of such Person, including by way of a specific metal deduction, a recovery rate, a credit against future Disposals or otherwise) pursuant to the terms of the applicable Disposal or otherwise that would or could have the effect of reducing such amount payable, shall be disregarded and such amount payable shall therefore be calculated gross of all such items; and
- (C) when calculating the price per ton of HPMSM Product in respect of a Disposal, all amounts payable to the Grantor or any Person on behalf of the Grantor, or to be applied to its benefit, in respect of all road, sea and rail freight costs and expenses incurred by or on behalf of the Grantor in relation to the transportation of HPMSM Product between the outer boundary of, or adjacent to, the Mining Area and the point of delivery of the HPMSM Product to any Person in respect of the same shall be disregarded, solely to the extent that:
 - (1) such costs and expenses were actually paid or incurred by the Grantor and have been evidenced to the Recipient by a valid invoice; and
 - (2) a payment in respect of such road, sea and rail freight costs and expenses incurred by the Grantor was actually made by the relevant Person to whom such Disposal was made;

"HPMSM Product" means high purity manganese sulphate monohydrate in any form extracted, milled, produced, recovered or processed from or at the Mining Areas, which is capable of being Disposed of, including ores and concentrates, and "HPMSM Products" shall be construed accordingly;

"Indemnified Parties" has the meaning given to the term in Clause 12;

"Independent Engineer" means an internationally recognized mine engineering firm nominated by the Recipient;

"Insurance Receivables Pledge Agreement" means the insurance receivables pledge agreement executed or to be executed between the Security Agent as pledgee and the Grantor as pledgor as required to be delivered to the Recipient pursuant to paragraph 7(B) of Part 1 of Schedule 2;

"Intercreditor Agreement" has the meaning provided in Clause 18.12(A);

"Interest Rate" means, save to the extent otherwise provided in accordance with Clause 10.6(D), 12.00% per annum;

"Intra-Group Lender" has the meaning given in Clause 18.4;

"Intra-Group Receivables Pledge Agreement" means the intragroup receivables pledge agreement in respect of the Existing Intra-Group Loan between the Security Agent as pledgee and the Grantor and each relevant Guarantor as pledgor as required to be delivered to the Recipient pursuant to paragraph 7(B) of Part 1 of Schedule 2;

"Lease Agreement" means each of the following lease agreements:

- (A) lease agreement concluded between the Grantor and Chvaletice Town on 6 June 2022 concerning lease of certain land plots registered in the cadastral register on the ownership deed no. 10001 and located in real estate area of Chvaletice, municipality Chvaletice;
- (B) lease agreement concluded between the Grantor and Galmet trade, spol. s.r.o. (Reg. No. 274 32 599) on 2 January 2020 concerning lease of certain land plots registered in the cadastral register on the ownership deed no. 230 and located in real estate area of Chvaletice, municipality Chvaletice;
- (C) lease agreement concluded between the Grantor and EP Chvaletice s.r.o. (Reg. No. 275 14 811) on 1 June 2021 concerning lease of certain land plots registered in the cadastral register on the ownership deed no. 263 and located in real estate area of Chvaletice, municipality Chvaletice;
- (D) lease agreement concluded between the Grantor and HELOT, spol. s r.o. (Reg. No. 481 68 343) on 7 June 2022 concerning lease of certain land plots registered in the cadastral register on the ownership deed no. 10056 and located in real estate area of Trnávka, municipality Trnávka;
- (E) lease agreement to be concluded between the Grantor and ČEZ, a.s. (Reg. No. 452 74 649) concerning lease of certain land plots registered in the cadastral register on the ownership deed no. 827 and located in real estate area of Trnávka; and
- (F) any other lease agreement entered into by the Grantor or any Guarantor to occupy and/or use any of the Mining Areas or to occupy and / or use any other land that is material to the Mining Operations [REDACTED]

"Lease Agreement Security Assignment" has the meaning given in Clause 10.6(C);

"Legal Reservations" means:

- (A) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (B) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984; and

(C) similar principles, rights and defences under the laws of any relevant jurisdiction;

“Material Contracts” means:

- (A) the Project Support Agreement;
- (B) the documents listed under the definition of “Material Contracts” in the Project Support Agreement (to the extent applicable and still in force);
- (C) the EPCM Contract;
- (D) each Lease Agreement; and
- (E) any other agreements for the acquisition of land, or the grant of rights in relation to the access of land, for the purposes of the Project;

“Maturity Date” means, as applicable:

- (A) the Original Maturity Date; or
- (B) the Extended Convertible Maturity Date;

“Mine Plan” means the mine plan set out in Schedule 7;

“Minerals” means any and all mineral elements and compounds, metals and mineral rights of whatever kind and nature in, under or upon the surface or sub-surface including, without limitation, metals, precious metals, base metals, industrial minerals, gems, diamonds, commercially valuable rock, aggregate, clays and diatomaceous earth which are mined, processed, extracted or otherwise recovered;

“Mining Areas” means each of the areas outlined in red on the map in Schedule 1;

“Mining Operations” means every kind of work and activities carried out on or in respect of the Mining Rights including but without limitation the following:

- (A) the acquisition, registration and maintenance of the Mining Rights;
- (B) developing, designing, constructing and equipping all mining facilities;
- (C) extracting, mining, producing, improving, smelting, treating, refining, transporting and handling of Products and Residue and disposing of Residue and despatching Products won under authority of the Mining Rights;
- (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 Rights; and
- (E) the restoration of the Mining Areas and all other work done after the completion of mining activities to comply with environmental and like requirements;

“Mining Rights” means all permits and approvals relating to the extraction and/or processing of Minerals in connection with the Project issued to Grantor, and the Permits, each as supplemented, amended, renewed or replaced from time to time;

"Mining Title Opinion" means each legal opinion regarding corporate, title, property, permits/licences and other matters relating to rights or interests of the Grantor and the Parent in relation to the Project as the Recipient may reasonably require;

"Misrepresentation" has the meaning given in Clause 16.1(F);

"Mortgage Agreement" means the mortgage agreement executed or to be executed between the Security Agent as mortgagee and the Grantor as mortgagor as required to be delivered to the Recipient pursuant to paragraph 7(B) of Part 1 of Schedule 2;

"Movables Pledge Agreement" means the movables pledge agreement executed or to be executed between the Security Agent as pledgee and the Grantor as pledgor as required to be delivered to the Recipient pursuant to paragraph 7(B) of Part 1 of Schedule 2;

"New Parent HoldCo" has the meaning provided in Clause 14.3(A);

"NI 43-101" means *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators as now in effect and as amended from time to time;

"Offtake Agreement" means any take or pay offtake agreement for Products (or other agreement for the disposal or grant of rights in respect of Products);

"Operations Report" has the meaning provided in Clause 11.5 (*Operations Reports*);

"Original Maturity Date" means the date falling 36 months after the Tranche 1 Closing Date;

"Orion HPEMM Consensus Price" means, in respect of any year and any Quarter falling in that year, the price set out in column titled "Orion HPEMM Consensus Price" in Part 1 of Schedule 4, provided that each such price shall be increased or decreased (as applicable) by the percentage increase or decrease (as applicable) in the United States Consumer Price Index between 2023 and such year;

"Orion HPMSM Consensus Price" means, in respect of any year and any Quarter falling in that year, the price set out in the column titled "Orion HPMSM Consensus Price" in Part 2 of Schedule 4, provided that each such price shall be increased or decreased (as applicable) by the percentage increase or decrease (as applicable) in the United States Consumer Price Index between 2023 and such year;

"Orion Sustainability Survey" has the meaning given in Clause 11.1(D);

"Outstanding Convertible Loan Amount" means, at any time, the outstanding principal amount of the Convertible Loan made available to the Grantor in accordance with this Agreement;

"Parties" means the parties to this Agreement and "Party" means any one of them;

"Payment Date" means the Tranche 1 Payment Date or the Tranche 2 Payment Date, as applicable;

"Permits" means all material licences, permits, approvals (including environmental approvals), authorisations, rights (including surface and access rights), privileges or concessions necessary for the Mining Operations, including the EIA Statement;

“Permitted Encumbrances” means any:

- (A) Encumbrances granted for the benefit of the Recipient;
- (B) Encumbrances granted in relation to Permitted Financial Indebtedness provided under the Senior Financing for the purposes of the Project only, provided that any such Encumbrance shall only be a Permitted Encumbrance if provided for in the Intercreditor Agreement and the relevant creditor(s) and EM Group Member(s) (to the extent not already parties in the relevant capacity) have executed or acceded to the Intercreditor Agreement in respect of such financing and such Encumbrance, and the Recipient benefits also from such Encumbrance;
- (C) Encumbrances securing financing arrangements in respect of specific mining equipment provided that the scope of such Encumbrances is limited to the specific mining equipment so financed;
- (D) Encumbrances for Taxes not yet due and payable (or which are subject to contest);
- (E) Encumbrances imposed by Law;
- (F) easements, rights of way and other Encumbrances on title to the Mining Area, or in respect of any land not forming part of the Mining Areas and that is owned or leased by the Grantor, in each case that do not materially adversely affect the use of property encumbered thereby for its intended purposes;
- (G) Encumbrance arising by operation of law and in the ordinary course of trading of the Grantor or any EM Group Member and not being overdue;
- (H) Encumbrance arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied in the ordinary course of trading of the Grantor or any EM Group Member and on the supplier’s standard or usual terms;
- (I) netting, close-out netting or set-off arrangement entered into by the Grantor or any EM Group Member in the ordinary course of its banking arrangements for the purposes of netting debit and credit balances of the EM Group Members (including any multi-account overdraft) or pursuant to any derivative transaction that constitutes Permitted Financial Indebtedness; and
- (J) Encumbrances granted in relation to the Royalty Agreement;

“Permitted Financial Indebtedness” means any Financial Indebtedness:

- (A) incurred further to this Agreement and the Royalty Agreement;
- (B) provided by an EM Group Member to the Grantor or any of its Subsidiaries solely for the purposes of the Project, provided that any such Financial Indebtedness shall only be Permitted Financial Indebtedness if the relevant creditor(s) have executed or acceded to the Intercreditor Agreement in such capacity;
- (C) provided under the Senior Financing (including, for the avoidance of doubt, any refinancing in an aggregate amount not exceeding the original aggregate amount of the Senior Financing), provided that any such Financial Indebtedness shall only be Permitted Financial Indebtedness if the relevant creditor(s) have executed or acceded to the Intercreditor Agreement in such capacity;

- (D) that constitutes Subordinated Financial Indebtedness incurred solely for the purposes of the Project;
- (E) incurred further to any unsecured hedging arrangements in respect of foreign Exchange Rates, energy input costs, interest rate fluctuations or prices of Products which have been entered into for bona fide business purposes;
- (F) trade payables incurred in the ordinary course of business;
- (G) incurred after the date of the Financial Investment Decision, and arising as a result of any lease or similar arrangement in respect of the right-of-use assets for the business comprised in the Project, limited to an aggregate amount of principal and interest not exceeding US\$10,000,000 payable in relation thereto over the life of the Project;
- (H) under any pension or tax liabilities in the ordinary course of business; or
- (I) incurred with the prior written consent of the Recipient;

“Person” means an individual, a partnership, a corporation, a Governmental Body, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual and words importing “Person” have similar meaning;

“Potential Default” means any event or circumstance which would constitute (with the giving of notice, lapse of time, determination of materiality, or the fulfilment of any other condition or any combination of the foregoing) a Default;

“Process Design Criteria” means those criteria specified in a document that provides the basis for the design of the process, equipment, and facilities of the Project, which shall include: (i) a description of the process and the design criteria for each area of the plant and process; (ii) required plant throughputs, capacities, and operating schedules for the equipment; (iii) quantity and quality of the feed material to be processed and the products to be obtained; (iv) plant availabilities and utilization factors; (v) measurement units and symbols; (vi) sources of the relevant information; (vii) tabulation of the design information, including flowsheet balance information and the design requirements; (viii) flows and tonnages for equipment sizing and selection; (ix) unit specific capacities (i.e., kg/m²/hr for filtration rates), equipment sizing information, selected chemical data for the streams such as pH and temperature, reagent usages and make up systems, and utilities requirements; and (x) other effluent, emissions, noise, and pollution control criteria and mitigations;

“Product” means HPEMM Product or HPMSM Product, as the case may be;

“Production Plan” means the production plan provided further to Clause 3.2 (*Conditions of Convertible Loan*) and paragraph 7 of Part 1 of Schedule 2 (*Conditions Precedent*) as may be amended from time to time in accordance with Clause 10.8;

“Production Report” has the meaning provided in Clause 11.2;

“Project” means the exploration, development, construction, commissioning, operation, and decommissioning and rehabilitation of the Mining Area (including all operations and activities incidental thereto and related infrastructure established to access, mine, extract, mill, produce and / or process Minerals in connection with the Mining Rights on the Mining Area, and the processing plant(s) and facilities used in connection therewith);

"Project Assets" means all assets used or required for ordinary conduct of the business with respect to extraction of Minerals from the Mining Area or for the purposes of the Project, including but not limited to all infrastructure and moveable assets;

"Project Schedule" means the schedule for the development, construction, commissioning and operation of the Project, as the same may be amended from time to time in accordance with this Agreement;

"Project Support Agreement" means the project support agreement dated 31 December 2021 executed between the Grantor, the Parent and European Bank for Reconstruction and Development, as may be amended and/or supplemented from time to time;

"Property" means the Mining Areas and/or the Mining Rights (as applicable);

"Public Official" means:

- (A) any officer, employee, director, principal, consultant, agent or representative whether appointed or elected, of any government (whether central, federal, state or provincial), ministry, body, department, agency, instrumentality or part of any of them, or any public international organisation, or any state or government owned or controlled entity, agency, enterprise, joint venture, or partnership; or
- (B) any person acting in an official capacity for or on behalf of:
- (C) any government, ministry, body, department, agency, instrumentality or part of any of them;
- (D) any public international organisation; or
- (E) any political party or political party official or candidate for office;

"Quarter" and "Quarterly" means a period of three consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, other than the first Quarter which commences on the Execution Date and expires on the date immediately preceding the next to occur of 1 January, 1 April, 1 July or 1 October;

"Recipient" shall refer to the Recipient, its Affiliates or successors in interest, including without limitation any transferee further to an Assignment;

"Recipient Bank Account" means such bank account as the Recipient may notify to the Grantor in accordance with Clause 20.7(D) (*Callback Contacts*);

"Recipient Offtake Agreements" has the meaning given in Clause 20.17(A);

"Related Entity" means an Affiliate of a Party and each related or associated company or other entity of the Party and its Affiliates, a joint venture between a third party and a Party or a Related Entity thereof, and each of the respective directors and direct and indirect legal and beneficial shareholders, partners and members of each such entity, and their spouses and family members, and the trustees and beneficiaries of each of such directors, spouses and family members;

"Residue" means any waste including any residues, waste rock, spoiled leach materials and other materials resulting from Mining Operations and activities conducted on or adjacent to

the Mining Areas, whether such operations and activities took place before or after the Execution Date;

“Residue Disposal Area” means the area which will be used for deposition of Residue from the Mining Area as permitted further to the Mining Rights;

“Restricted Payment” means, with respect to any Person, any payment or repayment 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 Financial Indebtedness of the Grantor owed to the Parent, or a Related Entity of the Grantor or any of its Affiliates;
- (D) any management, consulting or similar fee, or any material bonus or comparable payment, or material payment by way of gift or other gratuity, to any Related Entity, unless such payment is to a director, officer or employee of the Grantor or the Parent or the New Parent Holdco (as applicable) in that capacity and consists of reimbursement for reasonable and ordinary course expenses related to the business of any such entity incurred by such director, officer or employee in accordance with the policies in effect governing such reimbursements;
- (E) of any Financial Indebtedness provided to, or from, any Related Entity; or
- (F) which is any other payment to, on behalf of or for the benefit of a Related Entity of the Grantor or any of its Affiliates,

provided that any repayment by the Grantor to the Parent of principal and interest under the Existing Intra-Group Loan to reimburse payments made by the Parent on behalf of the Grantor, or for any services provided by the Parent to the Grantor, or otherwise for general corporate purposes, in each case solely in connection with the Project (as contemplated under Clause 4 (*Use of proceeds*)), shall not constitute a Restricted Payment; provided, however, that: (i) any amounts applied for such purpose shall not exceed US\$1,600,000 in any Quarter; and (ii) any such cost reimbursements must represent reimbursement of actual costs incurred with no margin or interest;

“ROFR Agreement” means the right of first refusal agreement to be executed on or around the Execution Date between the Grantor, Recipient and the Parent;

“Royalty Agreement” means the royalty agreement to be entered into between the Grantor, the Recipient and the Parent and as required under Clause 3.2 and paragraph 12 of Part 1 of Schedule 2, relating to a royalty on any Disposal of Products in accordance with the terms of such agreement;

“Royalty Rate” means the Converted HPEMM Royalty Rate or the Converted HPMSM Royalty Rate, as applicable;

“Royalty Recipient” means the “Recipient” under and as defined in the Royalty Agreement;

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Governmental Body, the U.S. Departments of State or Commerce in the United States of America, Her Majesty’s Treasury, the United Nations Security Council, the European Union or OFAC;

“Security Agent” means the Recipient or such person as may, from time to time, hold first-ranking Encumbrances created under the Security Documents for the benefit of, *inter alios*, the Recipient, and, as of the Senior Financing Closing Date, the creditors in respect of the Senior Financing, further to the Intercreditor Agreement and a collateral agency agreement (or one or more other agreements in form and substance satisfactory to the Recipient);

“Security Documents” means:

- (A) the Share Pledge Agreement;
- (B) the Mortgage Agreement;
- (C) the Bank Accounts Pledge Agreement;
- (D) the Trade Receivables Pledge Agreement;
- (E) the Insurance Receivables Pledge Agreement;
- (F) the Movables Pledge Agreement;
- (G) the Enterprise Pledge Agreement;
- (H) the Intra-Group Receivables Pledge Agreement;
- (I) each Lease Agreement Security Assignment; and
- (J) the EPCM Receivables Security Assignment,

and any other security agreement entered into pursuant to Clause 18 (*Security*) and any security agreement as may be entered into from time to time and designated as a “Security Document” by the Security Agent;

“Senior Financing” means the project financing in the form of debt to be obtained by the Grantor and / or any EM Group Member, to be in an amount not exceeding US\$600,000,000 (and with a further US\$150,000,000 in headroom), in order to finance the majority or substantially all (excluding equity funding) of the remaining cost of the development and construction of the Project, including any associated security, and intercreditor and direct agreements, and any refinancing of the same which is permitted under the Intercreditor Agreement;

“Senior Financing Closing Date” means in respect of the Senior Financing, the date on which the conditions precedent to initial disbursement under the Senior Financing have been waived or satisfied (however any such terms are expressed in the Senior Financing documents);

“Share Pledge Agreement” means the ownership interest pledge agreement executed or to be executed between the Security Agent as pledgee and the Parent as pledgor as required to be delivered to the Recipient pursuant to paragraph 7(B) of Part 1 of Schedule 2;

"Subordinated Financial Indebtedness" means any Financial Indebtedness which is subordinated to and agreed to rank behind the obligations of each EM Group Member to the Recipient under this Agreement pursuant to the terms of the Intercreditor Agreement or otherwise on terms satisfactory to the Recipient;

"Subsidiary" means a controlled entity (in Czech: *ovládaná osoba*) as defined in Section 74 of the Czech Act No. 90/2012 Coll., the Act on Corporations, as amended;

"Surrender Date" has the meaning provided in Clause 13.2(A);

"Tax Deduction" has the meaning given to it in Clause 9.2;

"Taxes" means all taxes, duties, levies, imposts, tariffs, fees, assessments, reassessments, withholdings, dues and other charges of any nature, whether disputed or not, by an authority, and instalments in respect thereof, including such amounts imposed or collected on the basis of: income; capital, real or personal property; payments, deliveries or transfers of property of any kind to residents or non-residents; purchases, consumption, sales, use, import, export of goods and services; mining; distributions; equity; together with penalties, fines, additions to tax and interest thereon, and "Tax" shall have a corresponding meaning;

"Tax Returns" means any and all returns, reports, notices, statements, information returns, documents, declarations and elections, filed or required to be filed in respect of Taxes referred to in Clause 9.3(A) that are paid or payable by the Recipient, including any amendments thereof, schedules and attachments thereto;

"Technical Committee" has the meaning given to it in Clause 10.13 (*Technical Committee*);

"Termination Notice" has the meaning given to it in Clause 16.2(A);

"Third Party" means a person that is not a Party, or an Affiliate or Related Entity of that Party;

"Trade Receivables Pledge Agreement" means the trade receivables pledge agreement between the Security Agent as pledgee and the Grantor as pledgor, and to be entered into pursuant to Clause 18.6;

"Tranche 1 Closing Date" has the meaning given to it in Clause 3.2(A)(1);

"Tranche 1 Convertible Loan Amount" means an amount of US\$20,000,000;

"Tranche 1 Payment Date" has the meaning given to it in Clause 3.2(A)(1);

"Tranche 2 Closing Date" has the meaning given to it in Clause 3.2(A)(2);

"Tranche 2 Convertible Loan Amount" means an amount of US\$30,000,000;

"Tranche 2 Payment Date" has the meaning given to it in Clause 3.2(A)(2); and

"Transaction Documents" means this Agreement, the Security Documents, the Intercreditor Agreement and any other document designated as a "Transaction Document" by the Recipient and the Grantor in writing.

1.2 Schedules

Each Schedule, which is attached to this Agreement, is by reference incorporated into and forms part of this Agreement.

1.3 Severability

If any one or more of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable in any respect under the Law of any jurisdiction, the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby under the Law of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

1.4 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action will be valid if taken on or by the next Business Day.

1.5 Calculation of Time

In this Agreement, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (London time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period will terminate at 5:00 p.m. (London time) on the next Business Day.

1.6 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.7 Headings

The headings to the Clause and sections of this Agreement are inserted for convenience only and will not affect the construction hereof.

1.8 Grantor and Guarantors to procure

Each Guarantor will procure that the Grantor will comply with its obligations under this Agreement.

1.9 Other Matters of Interpretation

In this Agreement:

- (A) the singular includes the plural and vice versa;
- (B) the masculine includes the feminine and vice versa;
- (C) references to "Article", "Clause" and "Schedule" are to Clause, sections, Sections and schedules of this Agreement, respectively;

- (D) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
- (E) all provisions requiring a Party to do or refrain from doing something will be interpreted as the covenant of that Party with respect to that matter notwithstanding the absence of the words “covenants” or “agrees” or “promises”;
- (F) all provisions requiring a Party to do something will be interpreted as including the covenant of that Party to cause that thing to be done;
- (G) the words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions when used in this Agreement refer to the whole of this Agreement and not to any particular Clause, Section, Section, Schedule or portion thereof;
- (H) a reference to an agreement, instrument or other document includes, unless specified otherwise, such agreement, instrument or other document as amended, novated, supplemented or replaced from time to time;
- (I) a reference to “\$”, “US\$”, “USD”, “US Dollars”, “United States dollars” or “dollars” is to the lawful currency of the United States of America;
- (J) the expressions “including”, “includes” and “include” have the meaning as if followed by “without limitation”;
- (K) where provision is made for an agreement or the giving of notice, approval or consent by any Person, unless otherwise specified, such agreement, notice, approval or consent shall be in writing;
- (L) writing includes any mode of reproducing words in a legible and non-transitory form, including electronic form;
- (M) no rule of construction is to apply to the disadvantage of a Party on the basis that such Party drafted the whole or any part of this Agreement;
- (N) a reference to “Grantor” includes any Person who from time to time assumes or performs all or any of Grantor’s functions or activities in relation to all or any of the Project, the Mining Rights and / or the Mining Areas; and
- (O) a Potential Default is continuing if it has not been remedied or waived by the Recipient, and a Default is “continuing” if it has not been waived by the Recipient.

2. **Effectiveness and Term**

This Agreement will come into effect on the Execution Date and:

- (A) if the Conversion Date does not occur, shall continue until the full and final payment of the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest); or
- (B) if the Conversion Date does occur, but subject to earlier termination (as the case may be), shall continue until the later of: (i) the date on which all Minerals from the Mining Area have been extracted and no new or updated Mineral resource or reserve can be established on the Mining Area; (ii) the date on which no further extraction or

mining activity or Mining Operations can be undertaken on the Mining Area (for any reason other than due to a breach of the Mining Right or Applicable Law by the Grantor); and (iii) the date on which the land forming the Mining Area has been remediated and, where leased to the Grantor or a Guarantor, handed back to the lessors under the respective Lease Agreements in accordance with the terms of the Lease Agreements and Applicable Law, with no further potential to undertake any extraction or mining activities on such land (such applicable expiry date under (i), (ii) or (iii), the "End Date").

3. **The Convertible Loan**

3.1 Subject to the terms of this Agreement, the Recipient makes available to the Grantor a dollar convertible loan facility in an aggregate amount of up to US\$50,000,000.

3.2 **Conditions of Convertible Loan**

(A) The Recipient shall pay the Convertible Loan to the Grantor by direct deposit in immediately available funds to the Grantor Convertible Loan Disbursement Account in the manner set out below:

(1) the Tranche 1 Convertible Loan Amount shall be paid by the Recipient to the Grantor on the date falling not more than two Business Days after the date on which each of the conditions set out in Part 1 of Schedule 2 (*Conditions Precedent*) have been satisfied, in form and substance satisfactory to the Recipient (other than the documents to be entered into between the Grantor and the Recipient as referred to in paragraphs 12 and 13 of Part 1 of Schedule 2), or waived by the Recipient (the date of such payment, the "Tranche 1 Payment Date"). The Recipient shall promptly notify the Grantor when all such conditions have been so satisfied and/or waived by the Recipient (such date, the "Tranche 1 Closing Date"). The Recipient's obligation to pay the Tranche 1 Convertible Loan Amount under this Agreement is subject to such conditions remaining satisfied, or otherwise having been waived by the Recipient, on the Tranche 1 Payment Date; and

(2) the Tranche 2 Convertible Loan Amount shall be paid by the Recipient to the Grantor on the date falling not more than 12 Business Days after the date on which each of the conditions set out in Part 2 of Schedule 2 (*Conditions Precedent*) have been satisfied, in form and substance satisfactory to the Recipient, or waived by the Recipient (the date of such payment, the "Tranche 2 Payment Date"). The Recipient shall promptly notify the Grantor when all such conditions have been satisfied and/or waived by the Recipient (such date, the "Tranche 2 Closing Date"). The Recipient's obligation to pay the Tranche 2 Convertible Loan Amount under this Agreement is subject to such conditions remaining satisfied, or otherwise having been waived by the Recipient, on the Tranche 2 Payment Date.

(B) The Recipient's obligation to pay each of the Tranche 1 Convertible Loan Amount and the Tranche 2 Convertible Loan Amount is subject to the further conditions that:

- (1) on the proposed Payment Date:
 - (a) no Default or Potential Default has occurred and is continuing; and
 - (b) the representations and warranties given by the Grantor and each Guarantor under Clause 20.14 (*Representations and Warranties*) remain true and correct by reference to the facts and circumstances then existing on such proposed Payment Date; and
- (2) the Payment Date is on or before the Convertible Loan Longstop Date.
- (C) The Grantor and each Guarantor shall use reasonable endeavours to procure the fulfilment of each of the conditions set out in Schedule 2 (*Conditions Precedent*) not already satisfied on or before the Execution Date as soon as reasonably practicable after the Execution Date.

3.3 Repayment

- (A) Subject to Clause 5 (*Royalty Conversion*), the Grantor shall repay, in a single payment, the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest) on the applicable Maturity Date.
- (B) The Recipient may, at its sole discretion, by written notice to the Grantor extend (in one or more increments) the Original Maturity Date to a date falling not later than 72 months after the Tranche 1 Closing Date (the date to which the Original Maturity Date is so extended, the "Extended Convertible Maturity Date").

3.4 Interest

- (A) Until the Outstanding Convertible Loan Amount (along with accrued and unpaid interest): (i) has been repaid to the Recipient in full; or (ii) has been converted into the Converted Royalty, in each case in accordance with the provisions of this Agreement, interest on the principal amount from time to time of the Convertible Loan shall accrue daily and be payable on a quarterly basis at the Interest Rate.
- (B) Interest will be calculated on the basis of a 360-day year, consisting of 12 months of 30 days each.

4. Use of proceeds

The Grantor and each Guarantor undertakes to ensure that the proceeds of the Convertible Loan (including after Conversion) are used solely to fund the development, pre-construction, construction and commissioning of the Project, as well as general corporate purposes associated with the advancement of the Project to a construction ready state, in accordance with the Development Budget, Construction Budget, Project Schedule, Mine Plan and Production Plan. Such proceeds may not be used to make any Restricted Payment.

5. Royalty Conversion

5.1 Conversion by the Recipient

- (A) Subject to the provisions of this Agreement, at any time prior to the Maturity Date, the Outstanding Convertible Loan Amount may be converted, in full and not in part, into the Converted Royalty at the discretion of the Recipient, provided however that:

- (1) prior to the date of the Financial Investment Decision, the Recipient shall not be entitled to give a Conversion Notice if a Default or Potential Default is continuing, unless such Default or Potential Default arises out of or in connection with a deliberate or intentional act or omission by any EM Group Member, in which case the Recipient shall not be prevented from issuing a Conversion Notice;
 - (2) for the avoidance of doubt, the Recipient shall not be restricted from exercising its right to give a Conversion Notice prior to the date of the Financial Investment Decision, if at the date of such Conversion, no Default or Potential Default is continuing; and
 - (3) if, prior to the date of the Financial Investment Decision, the Recipient shall have waived (in writing) a Default or a Potential Default (such waiver, a "Pre-FID Waiver"), the Pre-FID Waiver shall be irrevocable after Conversion, such that after Conversion the Recipient may not declare a Default with respect to the same event or circumstance in respect of which the Pre-FID Waiver was granted. For clarity, any Pre-FID Waiver shall be limited to the specific Default or Potential Default waived at the relevant time, and the Recipient shall not be precluded from declaring a Default in accordance with the terms of this Agreement in case of any subsequent occurrence of such event or circumstance (or similar event or circumstance).
- (B) To effect the Conversion, the Recipient must notify the Grantor of the Conversion by delivering a notice substantially in the form set out in Schedule 5 (the "Conversion Notice").
- (C) The Parties agree that, on the Conversion Date:
- (1) any accrued but unpaid interest shall be paid to the Recipient in accordance with Clause 8.4; and
 - (2) the Outstanding Convertible Loan Amount due to the Recipient will be applied as payment of the purchase price for the Converted Royalty, and that on and from the Conversion Date, the obligation to repay the Outstanding Convertible Loan Amount will be deemed to have been discharged in full by way of such Conversion.

5.2 Conversion by Grantor

- (A) At any time after the Completion Date, the Grantor may, at its option, require that the Outstanding Convertible Loan Amount is converted in full into the Converted Royalty. Any Conversion Notice delivered pursuant to this Clause 5.2 shall be in respect of the entirety of the Outstanding Convertible Loan Amount only and shall not apply to partial conversions.
- (B) To effect the Conversion, the Grantor must notify the Recipient of the Conversion by delivering a notice substantially in the form set out in Schedule 6 (the "Conversion Notice").
- (C) The Parties agree that, on the Conversion Date:

- (1) any accrued but unpaid interest shall be paid to the Recipient in accordance with Clause 8.4; and
- (2) the Outstanding Convertible Loan Amount due to the Recipient will be applied as payment of the purchase price for the Converted Royalty, and that on and from the Conversion Date, the obligation to repay the Outstanding Convertible Loan Amount will be deemed to have been discharged in full by way of such Conversion.

5.3 **No waiver**

Without prejudice to Clause 5.1(A)(3) and subject always to Clause 5.1(A)(1), neither the issuing of a Conversion Notice, nor the completion of Conversion, shall constitute a waiver of any Default or Potential Default that is continuing at the time of such Conversion Notice or completion of Conversion.

6. **Converted Royalty**

- (A) On and from the Conversion Date, the Grantor hereby grants and reserves for the benefit of the Recipient the Converted Royalty in all Products, and covenants to pay to the Recipient the Converted Royalty on all Products that are Disposed of, on and subject to the terms of this Agreement.
- (B) Other than as provided for in paragraph (D) of the definition of Gross Revenue, in no event may the Grantor, in determining Gross Revenue, deduct the cost of mining, milling, leaching, smelting, refitting or any other processing costs, or costs associated with transportation, freight, offtake, insurance, storage, selling, marketing, brokerage, taxes or royalties, incurred or paid by or on behalf of the Grantor.

7. **Interest in the Property**

The Parties intend that, to the extent permissible under Applicable Law following the Conversion Date:

- (A) the Converted Royalty shall bind the Grantor and its successors and assigns, and the Grantor shall procure that all such successors and assigns shall execute such documents as may reasonably be required by the Recipient to ensure that the Converted Royalty shall so bind all such successors and assigns;
- (B) any sale or other disposition by the Grantor of any interest in the Property will be effective only in accordance with Clause 14.2 hereof; and
- (C) the Grantor will, promptly following request by the Recipient, sign and deliver to the Recipient, and the Recipient may register or otherwise record against the Property (to the extent owned by the Grantor) a mortgage (or any other similar document or documents as the Recipient may reasonably request) securing payment of the Converted Royalty and the covenants and obligations of the Grantor under this Agreement.

8. **Payments**

8.1 **Payment Obligation**

This Clause 8 (with the exception of Clause 8.4) is only effective on and from the Conversion Date. The Grantor must calculate and pay for each Quarter the Converted Royalty in accordance with the provisions of this Clause 8.

8.2 **Payments**

Within 60 days after the end of each Quarter (including the Quarter in which the Conversion Date occurs), the Grantor shall:

- (A) calculate the Converted Royalty payable for that Quarter, if any;
- (B) deliver a Production Report in respect of that Quarter to the Recipient; and
- (C) pay the Converted Royalty due from it for that Quarter to the Recipient.

8.3 **Audit and Adjustments**

All Converted Royalty payments will be considered final and in full satisfaction of all obligations of the Grantor unless the Recipient gives the Grantor written notice describing and setting forth an objection to the determination or calculation of the Converted Royalty within 18 months after receipt by the Recipient of the Production Report referred to in Clause 11.2 that relates to the Converted Royalty payment in question. If the Recipient objects to a particular Production Report (including the relevant Converted Royalty calculation or any element thereof), then the Recipient shall have the right upon 20 Business Days' notice, to have the Grantor's accounts and records relating to the calculation of the Converted Royalty in question audited by an independent firm of certified public accountants selected by the Recipient, acting reasonably and in good faith. If such audit determines that there has been a deficiency or an excess in the payment made to the Recipient, such deficiency or excess will be resolved by adjusting the next Converted Royalty payment due to take account of such deficiency or excess. The Recipient will pay all costs of such audit unless a deficiency of 5% or more of the amount determined to be due to the Recipient is determined to exist. The Grantor will pay the costs of such audit if a deficiency of 5% or more of the amount determined to be due to the Recipient is determined to exist. Failure on the part of the Recipient to make claim on the Grantor for adjustment in such 18 month period will establish the correctness of the Converted Royalty payment and preclude the filing of exceptions thereto or making of claims for adjustment thereon; provided however that, if the Recipient has reasonable grounds for alleging that fraud, wilful misconduct or gross negligence exists in respect of any Converted Royalty payment, then, for so long as such allegation is reasonably maintained, no time limit shall preclude audits and adjustments on past Converted Royalty payments.

8.4 **Currency and Wire Transfer**

All payments of interest on the Outstanding Convertible Loan Amount and all Converted Royalty payments must be made in United States dollars without demand, notice, set-off, or reduction (except any deduction or withholding required by Law), via the transfer of immediately available funds to the Recipient Bank Account.

8.5 **Books and Records**

All books and records used by the Grantor to calculate the Converted Royalty due hereunder will be kept according to IFRS or such other accounting principles generally accepted in Canada as it may adopt from time to time, provided that (save to the extent that such adoption is required under Applicable Law or a directive of a Governmental Body, securities regulator or stock exchange) any change in accounting principles is confirmed by the Recipient in writing, acting reasonably.

9. **Deductions and Taxes**

9.1 **Deductions**

The Grantor and each Guarantor shall make all payments to be made by it under or in connection with this Agreement without any deduction, unless such deduction is required by Applicable Law. If the Grantor or any Guarantor when making a payment under or in connection with this Agreement is legally required to deduct any Tax, duty, levy, impost, deduction, charge or withholding from a payment, the deduction is for the account of such Person making the payment.

9.2 **Permitted Deductions**

If the Grantor or a Guarantor is required by law to deduct any Tax, duty, impost, charge or withholding from a payment of any interest, principal, Converted Royalty or any other payment due to the Recipient under or in connection with this Agreement (the "Tax Deduction"), such Party shall:

- (A) promptly, upon becoming aware that it is required to make the Tax Deduction, or if there is any change in the rate or the basis of the Tax Deduction, notify the Recipient of the amount, date and proposed Recipient of the required Tax Deduction;
- (B) make the Tax Deduction and pay the minimum amount required by law to the relevant authority within the time allowed;
- (C) pay to the Recipient such additional amount as will, after the Tax Deduction has been made, leave the Recipient with the same amount as it would have been entitled to receive in the absence of such requirement to make the Tax Deduction; and
- (D) within 30 days of making either the Tax Deduction or any payment required in connection with that Tax Deduction, deliver to the Recipient evidence satisfactory to the Recipient, acting reasonably, that the Tax Deduction has been made and paid as required (including an official proof of payment from the Grantor's or Guarantor's bank (as applicable) in the event a payment has been made to the relevant authority pursuant to this Clause 9.2).

9.3 **Tax Liability**

- (A) Subject to Clause 9.4, if, in connection with entering into any Transaction Document (and/or, if the Recipient is party thereto as the Royalty Recipient, the Royalty Agreement) or any transaction or arrangement pursuant thereto or contemplated therein (or exercising any rights or performing any obligation under or in connection with any of the foregoing) other than in connection with an Assignment by the Recipient, the Recipient (or an Affiliate of the Recipient) becomes liable for any Tax in Czech Republic or any other jurisdiction (other than Canada) in which any EM Group Member is domiciled or conducts any operations from time to time (including

any income tax, VAT or other value-added, sales, goods and services or similar taxes), and as a result Taxes are imposed in Czech Republic, or any such other relevant jurisdiction, on any payments under or in connection with any Transaction Document (and/or, if the Recipient is party thereto as Royalty Recipient, the Royalty Agreement) or any other arrangement pursuant thereto or contemplated therein, the Grantor shall indemnify the Recipient (including on behalf of any such Affiliate of the Recipient) on demand for such Tax (other than Excluded Taxes, as defined below). Any such indemnity payment shall be increased by the Grantor as necessary so that, after the imposition of any such Tax on the indemnity payment (including Tax in respect of any such increase in the indemnity payment), the Recipient (or such Affiliate of the Recipient, as applicable) shall receive an amount equal to the full amount of such Taxes for which it is liable. The Recipient shall, after becoming aware that it is liable to pay any such Taxes, notify the Grantor in writing of the amount of the required Tax payment or liability. Such notification as to the amount of such payment or liability delivered to the Grantor by the Recipient shall be conclusive absent manifest error.

- (B) The Recipient covenants and agrees to promptly furnish or cause to be furnished to the Grantor copies of any additional information and documents as may be reasonably requested by the Grantor from time to time relating to the calculation of any Taxes contemplated in Clause 9.3(A).
- (C) Whilst the Recipient and the Royalty Recipient are the same Person, the Recipient shall not be indemnified under this Clause 9.3 in respect of liability for an amount of Taxes to the extent that the Recipient has been indemnified under Clause 8.3 of the Royalty Agreement in respect of the same liability for such amount of Taxes.

9.4 **Excluded Taxes**

The Grantor shall not be responsible pursuant to Clause 9.3(A) for any Excluded Taxes (as defined below) imposed or collected by any jurisdiction in respect of payments and transfers of property of any kind made by the Grantor pursuant to this Agreement. For these purposes "Excluded Taxes" means any additional Taxes imposed or collected by a jurisdiction by reason of:

- (A) the Recipient or its Affiliate (as applicable) being incorporated or resident in that jurisdiction, carrying on business in, or having a permanent establishment or a connection with that jurisdiction or participating in a transaction separate from this Agreement in that jurisdiction, in each case determined by application of the laws of that jurisdiction; or
- (B) the corporate or ownership structure of the Recipient or its Affiliate (as applicable),

provided that any Taxes imposed or collected in the Czech Republic or any other jurisdiction (other than Canada) in which any EM Group Member is domiciled or conducts any operations from time to time solely in connection with entering into any Transaction Document (and/or, if the Recipient is party thereto as Royalty Recipient, the Royalty Agreement) or any transaction or arrangement pursuant thereto or contemplated therein (or exercising any rights or receiving any payment thereunder or performing any obligation under or in connection with any of the foregoing) shall not be Excluded Taxes. In all cases, Excluded Taxes does not include VAT or other value added, sales, goods and services or similar taxes.

9.5 **Tax credit**

If the Recipient determines that it has received a refund or rebate of any Taxes as to which it has been indemnified by the Grantor or any Guarantor, or with respect to which the Grantor or any Guarantor has paid additional amounts pursuant to Clause 9.2 (*Permitted Deductions*), then within ten Business Days of receipt of such refund or rebate the Recipient shall pay to the Grantor or the relevant Guarantor(s) (as applicable) an amount equal to such refund or rebate (but only to the extent of indemnity payments made, or additional amounts paid, by the Grantor or the relevant Guarantor(s) (as applicable) with respect to the Taxes giving rise to such refund or rebate), net of all Taxes (of any Person) on such amount and out-of-pocket expenses of the Recipient and without interest (other than any net after-Tax interest paid by the relevant Governmental Body with respect to such refund or rebate). The Grantor or the relevant Guarantor(s) (as applicable), upon the request of the Recipient, agree to repay to the Recipient, within ten Business Days of receipt of such request, the amount paid over to the Grantor or the relevant Guarantor(s) (as applicable) if the Recipient is required to repay such refund or rebate. The Recipient shall, on request by the Grantor and at the Grantor's cost, use its reasonable endeavours to apply for any such refund or rebate to which the Recipient is entitled.

10. **Operation of the Property**

10.1 **Grantor to Determine Operations**

The Recipient acknowledges and agrees that, subject to the terms of this Agreement, any decision to commence, pursue, suspend or cease mining on the Mining Area is solely a matter for Grantor.

10.2 **Stockpiling**

Grantor may stockpile any Products from the Mining Area at such place or places as Grantor may elect.

10.3 **Commingling**

Unless the Recipient has provided its prior written consent to such commingling (such consent not to be unreasonably withheld, delayed or conditioned), the Grantor shall ensure there is no commingling (whether on the Mining Area or elsewhere) of Products from the Mining Area with other ores, concentrates, precipitates, metals, Minerals or Mineral by-products produced elsewhere.

10.4 **Insurance**

(A) The Grantor shall maintain at all times with reputable insurance companies insurance in good standing with respect to the Project and the operations conducted on and in respect thereof (including against loss of or damage to the Products), consistent with Good Mining Practice.

(B) Without prejudice to any of their obligations to make any payment under or in connection with this Agreement, if the Grantor has received payment under an insurance policy in respect of any Products then to the extent that any Converted Royalty has not been paid to the Recipient, the Recipient shall be entitled to receive sums equivalent to a percentage equal to the relevant Royalty Rate of any insurance proceeds received in satisfaction of that Converted Royalty payment.

- (C) The Grantor shall procure that the policies of insurance referred to above contain customary endorsements for the benefit of the Recipient, all in a form acceptable to the Recipient, acting reasonably, and shall procure that such policies will not be amended in any manner which is prejudicial to the Recipient or be cancelled without 10 days' prior written notice being given to the Recipient by the issuers thereof. The Grantor shall cause the Recipient to be added and maintained as a named insured with respect to its interest under such policies of insurance. The Grantor shall provide the Recipient promptly with such evidence of insurances and/or insurance policy information as the Recipient may from time to time reasonably require.

10.5 Residue

All Residue shall remain subject to the Royalty (if applicable) should the Residue be processed or reprocessed, as the case may be, in the future and result in the production and Disposal or other disposition of Products.

10.6 Mining Operations

- (A) The Grantor shall perform all development, construction, commissioning and operations and mining activities pertaining to or in respect of the Project (and each of the Grantor and each Guarantor shall conduct its business) in accordance with the Mine Plan, the Production Plan, the Construction Budget, the Project Schedule, then applicable Permits, Material Contracts and Good Mining Practice and in accordance with all Applicable Laws (including Environmental and Social Laws, and in all respects in accordance with Anti-Money Laundering Laws, Anti-Bribery Laws and Obligations and Sanctions) and:
- (1) the Grantor must comply in all material respects with each Permit necessary under Environmental Laws or Good Mining Practice, in all cases at the relevant time, to lawfully develop, construct, operate and finance the Project in the manner contemplated by the Mine Plan and the Production Plan or otherwise required in relation to its business and operations;
 - (2) the Grantor must comply in all material respects with the terms of Environmental and Social Standards;
 - (3) the Grantor shall comply with its obligations under each Material Contract;
 - (4) the Grantor shall not:
 - (a) terminate any Material Contract (other than upon its expiry in accordance with its terms or where the counterparty to the Material Contract has been in breach of a material obligation, or subject to a material event of default (howsoever described), for more than ████████); provided that, notwithstanding the foregoing, the Grantor shall be entitled to terminate a Material Contract if within ████████ following termination it enters into a replacement contract on substantively the same or better terms; provided, however, that such ████████ remedy period shall only apply for as long as the absence of the relevant (terminated) Material Contract does not have a materially adverse impact on the Grantor, the Project or the Recipient's rights under the Transaction Documents; or
 - (b) make any amendments to a Material Contract which would materially negatively affect either the Grantor or the Recipient.

(B) The Grantor shall:

- (1) within [REDACTED] from the Tranche 1 Payment Date, appoint an HM Expert who shall on a quarterly basis commencing on and from 1 April 2024 conduct a review of and report on the Demonstration Plant (such report to be satisfactory to the Recipient acting reasonably). The Grantor shall provide or procure the provision of such information and access as may be required by the HM Expert. The HM Expert shall review the associated results up to the end of life of the Demonstration Plant;
- (2) before the Engineering Completion Date, complete hydraulic modelling of the Labe River flood flows with improvements to the existing flood berm. The Grantor shall ensure that by the Completion Date the Project includes the design and implementation of diversions to reduce any adverse effects within the Mining Area or Residue Disposal Area, to the satisfaction of the Recipient (acting reasonably);
- (3) before the Engineering Completion Date:
 - (a) update the Project's water balance and corresponding hydrologic and hydrogeologic models to reflect stochastically model precipitation and potential worst case scenarios (such revised models to be satisfactory to the Recipient, acting reasonably);
 - (b) utilise John Wood Group Plc to ensure that, with respect to the Project, the design incorporates necessary noise mitigation and monitoring mechanisms and grievance mechanisms in relation to the same (in each case to the satisfaction of the Recipient, acting reasonably). For the avoidance of doubt, John Wood Group Plc will not be responsible further to this Clause 10.6(B)(3)(b) for operating any grievance mechanisms;
 - (c) complete an engineering assessment of the impact of, and mitigation measures for, the off gas emissions from the electrowinning tankhouse, in order to meet the regulatory requirements of the European Union (such assessment to be satisfactory to the Recipient, acting reasonably); and
 - (d) complete a detailed engineering solution to mine and conduct Residue placement activities (including ground preparation, liner placement and stacking) within a saturated zone at the base level of the Residue pile in the Residue Disposal Area (such plan to be satisfactory to the Recipient, acting reasonably);
- (4) three months prior to the Engineering Completion Date, demonstrate the functionality of the cathode handling and stripping systems of the selected vendor, with final tests using solutions generated by the Demonstration Plant with local water, such final testing plans to be developed between the Technical Committee and representatives of the Grantor and the Recipient, and approved by the Recipient, acting reasonably;
- (5) use its best endeavours to comply with all requirements and guidelines issued by the Canadian Dam Association for Residue stacks and the Residue Disposal Area (including Residue design, construction, operation, audit and monitoring), unless such requirements or guidelines are in conflict with the requirements imposed by the Czech Republic, in which case the Grantor shall

comply in full with the requirements and guidelines imposed by the Czech Republic;

- (6) within [REDACTED] from the Tranche 1 Closing Date, appoint the Project Director;
- (7) within six months from the Tranche 1 Closing Date, procure the continued supply of electricity and water from EP Chvaletice (for a duration of at least one year in case of electricity) on substantially the same terms as are supplied to the Grantor as at the Execution Date, or, if not on substantially the same terms, then on terms satisfactory to the Recipient (acting reasonably);
- (8) within 12 months of the Tranche 1 Closing Date:
 - (a) provide evidence that suitable high purity electrolytic manganese metal has been produced by the Demonstration Plant (including deleterious elements and variations in concentrations of these elements), as approved by Technical Committee;
 - (b) provide evidence that suitable high purity manganese sulphate monohydrate has been produced by the Demonstration Plant (having regard to the extent of deleterious elements and the variations in concentrations of these elements), as approved by the Technical Committee;
 - (c) provide evidence satisfactory to the Recipient (acting reasonably) that the Demonstration Plant can produce on-spec high purity electrolytic manganese metal in amounts equal to at least 80% of the throughput capacity. The throughput capacity will be ascertained following completion of the guarantee tests undertaken by the Demonstration Plant manufacturer on the Demonstration Plant, with batch modules having been run for 5 batch runs and electrowinning module having been run for a 5-day period with no more than an aggregate of 8 hours off-line;
 - (d) appoint an HM Engineer;
 - (e) complete a timing and sequence study for mining advance and residue deposition, including a study of the mining sequence (including how the cut advances at various rates of mining 3,900 to 4,300 tonnes/day) and the residual backfill placement sequence (including liner prep, liner, deposition and compaction and haulage ramp placement). Each task to be shown in sequence by polygons and scheduled on a monthly basis for a period of 1 year to understand any space restrictions within the sequence and provide the results of such study to the Recipient (such study to be satisfactory to the Recipient, acting reasonably);
 - (f) develop a noise mitigation and monitoring plan (including a grievance mechanism and tracking program), consistent with Clause 10.6(B)(3)(b), in a form acceptable to the Recipient, acting reasonably, and implement such plan in accordance with the terms thereof; and
 - (g) obtain approval from the relevant Governmental Body(ies) of the EIA Documentation and Permits required to have been obtained under Applicable Law as at such time for the then-current phase of performance of the Project, including (to the extent so required under

- [REDACTED]
- [REDACTED]
- (E) Notwithstanding paragraph (C) above, in the event that the Grantor or any Guarantor acquires land which is the subject of any Lease Agreement or any other land material to the Mining Operations, then, instead of being required to enter into a Lease Agreement Security Assignment in relation to such land, the Grantor or Guarantor shall ensure that any land so acquired is within ten Business Days following acquisition subject to a mortgage agreement in favour of the Security Agent, with security interests in respect of such land to be duly registered in the Czech Land Register within six weeks from the date of the relevant mortgage agreement.
- (F) The Grantor shall adhere to geotechnical parameters and safety parameters as recommended by an appropriate expert (in accordance with Applicable Law) during operations.
- (G) The Grantor shall, within one month following the date on which the EIA Statement is issued by the relevant Governmental Body(ies) (such date the "EIA Approval Date"), develop an Environmental and Social Action Plan so as to be in accordance with ISO 140001, ISO 45001 and Good Mining Practice and to the written satisfaction of the Recipient, acting reasonably. Thereafter the Grantor must implement, review and keep up-to-date and comply with the ESAP, in each case in accordance with Applicable Law, ISO 14001, ISO 45001 and Good Mining Practice. Notwithstanding the foregoing, the Grantor may at all times amend the ESAP to the extent required to comply with Applicable Law. The Grantor must submit a copy of any proposed amendment to the ESAP to the Recipient before making any amendment, and shall provide the Recipient the most recent ESAP for review and comment on or prior to 28 February every year until this Agreement is terminated. The Grantor shall work in cooperation with the Recipient to address any reasonable modifications to the ESAP requested by the Recipient, within thirty (30) days of receipt of said proposed modifications.
- (H) The Grantor shall, within six months following the EIA Approval Date, develop an ESMP (having regard to the then current ESAP, ESG Risk Register and EIA Statement) so as to be in accordance with ISO 14001, ISO 45001, Good Mining Practice and the then current Environmental and Social Standards and to the written satisfaction of the Recipient, acting reasonably. Thereafter the Grantor must implement, review and keep up-to-date and comply with the ESMP (having regard to the then current ESAP, ESMS, ESG Risk Register and EIA Statement), in each case in accordance with Applicable Law, ISO 14001, ISO 45001, Good Mining Practice and the Environmental and Social Standards. Notwithstanding the foregoing, the Grantor may at all times amend the ESMP to the extent required to comply with Applicable Law. The Grantor must submit a copy of any proposed amendment to the ESMP to the Recipient before making any amendment.
- (I) The Grantor shall, within nine months following the EIA Approval Date, develop an ESMS (having regard to the then current ESAP, ESG Risk Register and EIA Statement) so as to be in accordance with ISO 14001, ISO 45001, Good Mining Practice and the then current Environmental and Social Standards and to the written satisfaction of the Recipient, acting reasonably. Thereafter the Grantor must implement, review and keep up-to-date and comply with the ESMS (having regard to the then current ESAP, ESMP, ESG Risk Register and EIA Statement), in each case in accordance with Applicable Law, ISO 14001, ISO 45001, Good Mining Practice and the Environmental and Social Standards. Notwithstanding the foregoing, the Grantor may at all times amend the ESMS to the extent required to

comply with Applicable Law. The Grantor must submit a copy of any proposed amendment to the ESMS to the Recipient before making any amendment.

- (J) Notwithstanding any indication to the contrary, references in this Agreement to one or more items or matters being required to be in accordance with ISO 14001 or ISO 45001 shall not be construed to require that the Grantor obtain independent certification of compliance therewith.

10.7 **Construction Budget and Project Schedule**

The Grantor shall review and, if applicable, amend at least Quarterly (and more frequently if required further to this Clause 10.7), until the later of the date of the Financial Investment Decision and the Senior Financing Closing Date, each of the Development Budget and the Project Schedule, and thereafter, shall review and amend each of the Construction Budget and the Project Schedule, in each case in accordance with Good Mining Practice and in order to ensure that the same accurately reflects actual progress and expenditure in respect of the Project and forecast future progress and expenditure of the Project at the relevant time. The then-current Construction Budget and Project Schedule will be included in the Construction Report provided to the Recipient in accordance with Clause 11.4 (*Construction Report*).

10.8 **Mine Plan and Production Plan**

Before the Completion Date the Grantor may not amend the Mine Plan or the Production Plan without the prior written consent of the Recipient. On and from the Completion Date, the Grantor may amend the Mine Plan or the Production Plan in accordance with Good Mining Practice and in order to reflect the actual and expected development and operation of the Project, provided if such amendment (in aggregate with any previous amendments to the Mine Plan and/or the Production Plan since the Tranche 1 Closing Date):

- (A) would result in a reduction of greater than 7% to the projected production profile of Products (on either an annual or life-of-mine basis) relative to the Mine Plan and the Production Plan as at the Tranche 1 Closing Date;
- (B) would reasonably be expected to result in a material increase in the technical, operational or design risk of the Project; or
- (C) would reasonably be expected to have a material adverse effect on the Project (or any part thereof), the Grantor or any Guarantor or the Recipient (or any of its rights under or in connection with this Agreement),

then the prior written consent of the Recipient shall be required for such amendment. The Grantor shall ensure that the Recipient is provided at all times with a copy of the then-current Mine Plan and Production Plan.

10.9 **Permits**

The Grantor shall:

- (A) obtain within any timeframe specified under Applicable Law, and thereafter comply with and do all that is necessary to maintain in full force and effect; and
- (B) promptly upon reasonable request of the Recipient, supply certified copies to the Recipient of,

any Permit required under Applicable Law to:

- (1) carry out the Mining Operations in accordance with Applicable Law;
- (2) enable it to perform its obligations under the Transaction Documents to which it is a party; and
- (3) ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document to which it is a party.

10.10 **ABC / AML Policy**

The Grantor shall, and shall procure that each EM Group Member shall:

- (A) implement, and thereafter maintain and comply with, a comprehensive anti-bribery corruption policy so as to ensure it complies with all Anti-Bribery Laws and Obligations and Anti-Money Laundering Laws, such policy to be at all times in form and substance satisfactory to the Recipient, acting reasonably (such policy, the "ABC / AML Policy");
- (B) in the event of any changes to the Anti-Bribery Laws and Obligations and / or the Anti-Money Laundering Laws, update the ABC / AML Policy from time to time in order to ensure compliance with Anti-Bribery Laws and Obligations and the Anti-Money Laundering Laws;
- (C) comply with all Anti-Bribery Laws and Obligations and Anti-Money Laundering Laws; and
- (D) not amend the ABC / AML Policy without the prior written consent of the Recipient (acting reasonably), other than pursuant to Clause 10.10(B) above or as may otherwise be required to comply with Applicable Law in which case, for the avoidance of doubt, consent of the Recipient shall not be required.

10.11 **Accounts**

Neither the Grantor nor any Guarantor (other than the Parent) shall have any bank accounts other than the Accounts over which security has been or shall be granted, and is maintained, in accordance with Clause 18.3 (*Account security*).

10.12 **Offtakes and processing**

- (A) Only the Grantor may Dispose of Products. The Grantor may not Dispose of Products to any EM Group Member or to any Related Entity of the Grantor or any EM Group Member without the consent of the Recipient (which shall not be unreasonably withheld, conditioned or delayed).
- (B) The Grantor shall:

(1) [REDACTED]
[REDACTED]
[REDACTED] and

(2) within [REDACTED] from the Tranche 1 Payment Date have executed (and thereafter maintain in full force and effect) binding Offtake Agreements for 40% of the planned production (as described in the then current Mine Plan and Production Plan) until at least the fifth anniversary of the commencement of production, each on terms satisfactory to the Recipient as confirmed in writing, acting reasonably.

(C) Notwithstanding any other provision of this Agreement, Grantor shall not enter into any Offtake Agreement, prepayment agreement, forward sale or option agreement or any other agreement for the Disposal of Product or processing of Product other than on Arm's Length Terms. The credit period for payments to the Grantor under any Offtake Agreement or other such agreements shall not exceed 90 days for either provisional or final payments.

(D) The Grantor shall provide to the Recipient a copy of:

(1) any Offtake Agreement, prepayment agreement, forward sale or option agreement or any other agreement for the Disposal of Product or processing of Product; and

(2) for the purposes of Clause 10.12(B)(1), relevant term sheets such as to meet the requirements set out therein,

in each case within five (5) Business Days of execution; provided that:

(a) no such requirement shall apply to the extent that the Grantor is prohibited from making disclosure under Applicable Law;

(b) if, notwithstanding the Grantor having exercised all reasonable endeavours to ensure that disclosure of the relevant Offtake Agreement or term sheet (as applicable) is permitted by the counterparty thereto, the counterparty does not permit the relevant agreement to be disclosed to the Recipient in full, the Grantor shall not be in breach of this provision if:

(i) it provides a redacted copy of such agreement to the Recipient; or

(ii) in the event that the counterparty to such agreement does not permit a redacted copy to be disclosed, it shares a reasonably detailed description of the key economic terms of such agreement with the Recipient,

subject to any such redacted copy or detailed description of key economic terms (as the case may be) containing sufficient information to enable the Recipient to: (A) verify the amount and the calculation of the Converted Royalty as it relates to the relevant agreement; (B) verify whether the requirements of Clause 10.12(B) and the obligations under paragraph 4 of Part 2 of Schedule 2 have been met; and (C) exercise its rights under Clause 20.17.

10.13 **Technical Committee**

- (A) The Grantor will establish and maintain a technical committee (the "Technical Committee") comprising a representative of senior management of the Grantor, up to one representative of the Recipient selected by the Recipient, and the Independent Engineer for the purposes of monitoring the development and construction of the Project. The Technical Committee members shall not be entitled to any salary, compensation or remuneration from the Grantor for performing their role as such members but shall be entitled to recover all reasonable and documented expenses from the Grantor that they incur in the course of their role as Technical Committee members, including pre-agreed travel and accommodation expenses. The Grantor shall owe no liabilities or obligations whatsoever to any Technical Committee members in such role.
- (B) The Technical Committee will meet in person or by telephone or video conference at least once per month until the Completion Date to discuss relevant matters. The Grantor will provide any member of the Technical Committee with such information as it may reasonably request to enable that person to fulfil his/her duties as a member of the Technical Committee, subject to any duty of confidentiality of the Grantor.
- (C) The Technical Committee shall have no executive authority in respect of the management of the Grantor and shall be advisory in nature.
- (D) The Grantor shall use reasonable endeavours to procure that the Independent Engineer is also appointed by the lenders under the Senior Financing to perform the role of lenders' technical advisor. In the event that the lenders under the Senior Financing wish to appoint a different independent engineer, then determinations made by such other independent engineer shall not be binding on the Recipient for the purposes of this Agreement.

11. **Records, Access and Reporting**

11.1 **Records and Access**

The Grantor must:

- (A) keep true, accurate and complete accounts and records, including as required to enable the Royalty, if any, to be calculated in accordance with this Agreement (and so as to be able to audit the same);
- (B) within 30 days after the end of each Quarter deliver to the Recipient unaudited unconsolidated financial statements in respect of the Grantor for such Quarter;
- (C) within 120 days after the end of each fiscal year in respect of the EM Group deliver to the Recipient audited consolidated financial statements in respect of the EM Group (and the Bécancour Companies) for such fiscal year;
- (D) deliver to the Recipient a sustainability survey (the "Orion Sustainability Survey") within thirty (30) days of receiving said survey from the Recipient, said survey not to be requested more than once in any calendar year, and will use reasonable efforts to provide the information requested in the Orion Sustainability Survey;
- (E) permit the Recipient, after it has given reasonable notice to the Grantor, to inspect at the Grantor's premises and at all reasonable times and with access to the

Grantor's relevant personnel, those accounts and records referred to in Clause 11.1(A), and to make and take away with it copies of such accounts and records; and

- (F) permit the Recipient, after it has given reasonable notice to the Grantor, to enter at its own cost and risk the Mining Area for the purpose of inspecting the area and operations in it, provided that the Recipient does not unreasonably hinder the Grantor's operations in the Mining Area and complies with the Grantor's instructions and directions, including in relation to health and safety, and provided further that: (x) until the Completion Date, the Recipient may conduct not more than 2 (two) site visits per year; (y) after the Completion Date, the Recipient may conduct not more than 1 (one) site visit per year; and (z) upon the occurrence of a Default, the Recipient may conduct site visits at all reasonable times, after it has given reasonable notice to the Grantor of such visit,

or procure the foregoing.

11.2 Production Reports

- (A) At the same time as paying each Converted Royalty payment under Clause 8.2, the Grantor must provide to the Recipient a report in electronic, editable, non-PDF format, and in the form set out as a template in Part 1 of Schedule 3 (*Production Report*) ("Production Report"). Such report will include the information set out in Part 1 of Schedule 3 (*Production Report*), and may be modified from time to time in such manner as may be agreed in writing between the Grantor and the Recipient, and shall also include in reasonable detail in respect of the relevant Quarter:
- (1) the quantity, type and grade of Products extracted;
 - (2) the quantity, type and grade of Products that have been processed and the location of the relevant facilities;
 - (3) the quantity, type and grade of all Products that have been Disposed of;
 - (4) offtaker settlement sheets in respect of Products disposed of on a provisional or final basis;
 - (5) the quantity and type of Product held or not Disposed of;
 - (6) the applicable Converted Royalty and details of the Gross Revenue underlying the calculation of the Converted Royalty;
 - (7) the cumulative total of Converted Royalty payments paid to the Recipient under this Agreement to date (including the payment under Clause 11.2(A)(6));
 - (8) invoices in respect of road, sea and rail freight costs and expenses incurred by or on behalf of the Grantor in relation to the transportation of Minerals between the outer boundary of, or adjacent to, the Mining Area and the point of delivery of the Minerals to a purchaser in respect of the same, if any; and
 - (9) other pertinent information in sufficient detail to explain the calculation of the Converted Royalty payment.

- (B) The final Production Report in respect of each year shall, in addition to the above information in respect of the relevant Quarter, also provide such information in respect of the relevant year.

11.3 New Product Resources or Reserves

If Grantor establishes a further, new or updated Mineral resource or Mineral reserve on any part of the Property, the Grantor must promptly provide to the Recipient reports pertaining to such Mineral resource or Mineral reserve as reasonably requested.

11.4 Construction Report

- (A) The Grantor will deliver to the Recipient a report (in electronic, editable, non-PDF format, and in the form set out as a template in Part 2 of Schedule 3 (*Construction Report*)) in respect of each month following the date of the Financial Investment Decision until the expiry of 6 months after the Completion Date which details all construction activities undertaken in respect of the relevant month to demonstrate implementation of the Project and compliance by the Grantor and other EM Group Members, to the extent relevant, with the Construction Budget and Project Schedule ("Construction Report"). Each Construction Report shall be delivered within fifteen Business Days of the end of the month to which it relates. Such report will include the information set out in Part 2 of Schedule 3 (*Construction Report*), and may be modified from time to time in such manner as may be agreed in writing between the Grantor and the Recipient, and shall also include in respect of the relevant month:
- (1) details of the extent of compliance with health and safety Laws and other Environmental Law together with a description of any instances of material non-compliance with any of them and details of any related claims;
 - (2) actual expenditure for the relevant period and a comparison of that expenditure against the Construction Budget and Project Schedule;
 - (3) any change, damage to or destruction of any material part of the Project or any Project Assets;
 - (4) cash balances held by each member of the EM Group as at the first day and last day of the relevant period;
 - (5) the information set out in Clauses 11.2(A)(1)-11.2(A)(5) (in respect of the relevant month rather than the relevant Quarter); and
 - (6) any other or additional information for that period that the Recipient reasonably requests the Grantor to provide in relation to the Project and/or the Project Assets, including for the purposes of the Orion Sustainability Survey.
- (B) The Grantor will promptly ensure that if the Recipient makes a reasonable request that the form and/or content of the Construction Report be amended then the Grantor shall make any such requested amendments to the form and/or content of such report.

11.5 Operations Report

- (A) The Grantor will deliver to the Recipient a report (in electronic, editable, non-PDF format, and in the form set out as a template in Part 3 of Schedule 3 (*Operations Report*)), and may be modified from time to time in such manner as may be agreed

in writing between the Grantor and the Recipient, in respect of each month following the Completion Date (the "Operations Report"). Each Operations Report shall be delivered within fifteen Business Days of the end of the month to which it relates.

- (B) The Grantor will promptly ensure that if the Recipient makes a reasonable request that the form and/or content of the Operations Report be amended then the Grantor shall make any such requested amendments to the form and/or content of such report.

11.6 Residue Report

The Grantor shall, and each Guarantor shall procure that the Grantor shall, engage a third party auditor acceptable to the Recipient to audit the Residue Disposal Area, and deliver to the Recipient, once every year commencing upon the start of any Residue deposition, the report of such auditor (in electronic, editable, non-PDF format).

11.7 NPV Estimate

Not later than 60 days after the end of each Quarter and within 10 Business Days after each material amendment of either the Mine Plan or the Production Plan, the Grantor shall provide to the Recipient (in electronic format), for indicative purposes only, an estimate of the Converted Royalty NPV effective as at the last day of such Quarter or the date of such amendment (as applicable) including reasonable detail of the underlying calculations, and raw data in Excel format, used in producing such estimate. Such estimate shall not be used in order to calculate or assess any Converted Royalty Termination Amount.

12. Indemnity

12.1 Indemnity

- (A) The Grantor indemnifies and holds harmless the Recipient and its Affiliates (the "Indemnified Parties") from any loss, cost or liability (including reasonable legal fees) incurred or suffered by any such Indemnified Party (except to the extent solely caused by such Indemnified Party's own gross negligence or wilful default) that arises from a claim against any such Indemnified Party in respect of:
- (1) any failure by an EM Group Member (as well as any Bécancour Company) to at all times comply with all Laws relating to any of them, the Property or the Mining Operations or any business or activities of any EM Group Member (as well as any Bécancour Company) (as applicable);
 - (2) any failure by an EM Group Member (as well as any Bécancour Company) to timely and fully perform all waste disposal, abandonment, restoration, remediation, reclamation or other obligations required by relevant Governmental Bodies (including the terms and conditions of Laws) pertaining or related to the Mining Operations or any business or activities of any EM Group Member (as well as any Bécancour Company) or required under this Agreement or otherwise to prevent liability in respect of the Property or any business or activities of any EM Group Member (as well as any Bécancour Company);
 - (3) any claims by Third Parties against any Indemnified Party, including in respect of property damage or injury or death to persons, arising out of the Mining Operations or other activities on or with respect to the Property or any business or activities of any EM Group Member (as well as any Bécancour Company);

- (4) an EM Group Member causing, suffering, or permitting any condition or activity at, on or in the vicinity of a Mining Area, or in connection with any business or activities of any EM Group Member (as well as any Bécancour Company), which constitutes a nuisance;
- (5) any failure by an EM Group Member (as well as any Bécancour Company) to comply with Anti-Bribery Laws and Obligations, the Anti-Money Laundering Laws, the ABC / AML Policy or their obligations under Clause 10.10 (*ABC / AML Policy*) and also in relation to a breach by an EM Group Member of Clause 20.15 (*Anti-Bribery Laws and Obligations and Sanctions*); or
- (6) the enforcement of the rights of the Recipient and its Affiliates under this Clause 12.1,

provided that if such loss, cost or liability was contributed to by fraud, wilful misconduct or gross negligence of any Indemnified Party, the indemnity to the Indemnified Parties shall be reduced by the proportion in which the relevant Indemnified Party contributed to such loss, cost or liability.

12.2 Environmental indemnity

The Grantor indemnifies and holds harmless each Indemnified Party from any loss, cost or liability (including legal fees) incurred or suffered by any such Indemnified Party that arises from a claim against any such Indemnified Party (except to the extent solely caused by such Indemnified Party's own gross negligence or wilful default) in respect of:

- (A) any actual or alleged breach of any Environmental and Social Law (whether by the Grantor or any EM Group Member (as well as any Bécancour Company));
- (B) an Environmental or Social Claim; or
- (C) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Environmental or Social Claim and any other enquiry, investigation, subpoena (or similar order) or litigation in respect of any breach of any Environmental Law that has or is reasonably likely to give rise to a liability for an Indemnified Party,

which relates to the EM Group (as well as any Bécancour Company), any assets of the EM Group (as well as any Bécancour Company) or the operation of all or part of the business of the EM Group (as well as any Bécancour Company), or, in each case, any member of the EM Group (as well as any Bécancour Company); provided that if such loss, cost or liability was contributed to by fraud, wilful misconduct or gross negligence of any Indemnified Party, the indemnity to the Indemnified Parties shall be reduced by the proportion in which the relevant Indemnified Party contributed to such loss, cost or liability.

12.3 Enforcement of Indemnity

It is not necessary for an Indemnified Party to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

12.4 Survival of Indemnity

The indemnities in Clauses 12.1 (*Indemnity*) and 12.2 (*Environmental Indemnity*) are a continuing obligation, separate and independent from other obligations and will not be discharged by any one payment or act and will survive expiration or earlier termination of this Agreement.

12.5 **No Double Recovery under Indemnity**

Whilst the Recipient and the Royalty Recipient are the same Person, the Recipient shall not be indemnified under Clause 12.1 or Clause 12.2 in respect of any loss, cost or liability (including legal fees) to the extent that the Recipient has been indemnified under Clause 11.1 or 11.2 of the Royalty Agreement in respect of the same loss, cost or liability (including legal fees) arising out of the same event or circumstances.

13. **Title Maintenance**

13.1 **Title Maintenance and Taxes**

Subject to Clause 13.2, Grantor must:

- (A) not do or permit to be done, anything that may render the Property liable for forfeiture;
- (B) maintain title to the Property, including without limitation, paying when due all taxes, duties or other payments on or with respect to the Property and doing all things and making any investments required by Applicable Law or appropriate to maintain the right, title and interest of Grantor and the Recipient, respectively, in the Property and under this Agreement; and
- (C) perform all required assessment work (whether statutory or contractual), pay all maintenance fees and make such filings and recordings on the Property as are necessary to maintain title to the Property in accordance with Applicable Law and regulations.

13.2 **Abandonment**

- (A) If Grantor intends to abandon or surrender the Property or any portion thereof prior to the End Date (the "Abandonment Property"), the Grantor must give notice of such intention to the Recipient at least 90 days in advance of the proposed date of abandonment or surrender (the "Surrender Date") along with details of any Encumbrances on the Property (or such portion thereof) created by, through or under Grantor. Within 30 days of receipt of such notice, the Recipient may deliver notice to the Grantor that the Recipient desires Grantor to convey the Abandonment Property to the Recipient on the Surrender Date and, if the Recipient desires to have the Abandonment Property conveyed to it, then, subject to paragraph (B) below, the Grantor must procure the conveyance of the Abandonment Property to the Recipient (or any Affiliate of the Recipient, as directed by the Recipient), which will be on an "as is" basis in consideration for the sum of US\$1.00. The Grantor must obtain or procure the obtaining of all approvals and consents required by any third Person or Governmental Body to effect this transfer.
- (B) The Recipient acknowledges that, if paragraph (A) applies, then the Grantor shall be subject to equivalent obligations owed to the Royalty Recipient under clause 12.2 of the Royalty Agreement. Accordingly, to the extent that each of the Recipient and the Royalty Recipient desires that the Abandonment Property be conveyed to it, any rights exercisable by the Recipient and the Royalty Recipient in such case must be exercised jointly pursuant to such conveyance mechanic and shared ownership terms as may be mutually agreed between them and the Grantor shall procure the transfer of such Abandoned Property to the Recipient and the Royalty Recipient in accordance with such mechanic and terms.

- (C) If the Recipient does not request conveyance of the Abandonment Property on or before the date of Grantor's proposed abandonment or surrender of the Abandonment Property, then the Recipient's right to have such property re-conveyed will be terminated concurrently with the abandonment or surrender of the Abandonment Property.
- (D) For greater certainty:
 - (1) if, for any reason, the Property or any portion thereof which is proposed to be abandoned or surrendered by Grantor, is not abandoned, surrendered or transferred to the Recipient in accordance with this Clause 13.2, or the Royalty Recipient under clause 12.2 of the Royalty Agreement (or both of them pursuant to such mechanic and ownership terms as may be agreed between the Recipient and the Royalty Recipient), then the Converted Royalty (and the Royalty in accordance the Royalty Agreement) shall continue to be payable on the Property and the Grantor will not proceed with any abandonment or surrender of the Property without again complying with the provisions of this Clause 13.2 and so on from time to time;
 - (2) the obligation of the Grantor under and subject to the foregoing conditions of this Clause 13.2 to convey to the Recipient the Abandonment Property shall not be construed to require the Grantor to effect a conveyance of property to the extent that, at the relevant time, the Grantor is not legally able to do so; provided that such inability is not caused by the Grantor or any Guarantor having breached this Agreement or Applicable Law; and
 - (3) the Grantor shall, and each Guarantor shall procure that the Grantor shall, ensure that each Lease Agreement Security Assignment (or any mortgage agreement executed pursuant to Clause 10.6(E)) permits the transfer of any Abandonment Property to the Recipient in accordance with this Clause 13.2.

13.3 Financial Indebtedness, Holding of Shares and other Assets and Grant of Encumbrances

Subject to Clause 14.3 below:

- (A) no EM Group Member shall incur or provide or allow to exist:
 - (1) any Financial Indebtedness other than Permitted Financial Indebtedness; or
 - (2) any guarantee (or indemnity or undertaking, in either case entered into to guarantee payment obligations) for the benefit of any Person that is not the Grantor;
- (B) no EM Group Member shall hold or directly or indirectly acquire:
 - (1) shares or any other interest in any Person, other than:
 - (a) a Person that is an EM Group Member as at the Execution Date;
 - (b) the shares in EP Chvaletice, save that EP Chvaletice may not take on any new activities after its acquisition that do not relate directly or indirectly to the Project; and
 - (c) in the case of the Parent, Bécancour ProjectCo; or

- (2) any asset, or interest in any asset, other than:
 - (a) a Project Asset;
 - (b) any assets and/or interests in assets owned by EP Chvaletice; and
 - (c) in the case of the Parent (and until the Bécancour Transfer Date), assets and/or interests in assets in connection with the development of the Bécancour Project; and
- (C) the Grantor and each Guarantor covenants in favour of the Recipient that it will not grant, nor allow to exist any Encumbrance over the Property or any of its assets other than Permitted Encumbrances.

13.4 **Restricted Payment**

- (A) Prior to the Completion Date, neither the Grantor nor any Guarantor may make any Restricted Payments, directly or indirectly, to any EM Group Member (or any Bécancour Company) (and the Grantor shall procure that no Subsidiary of the Grantor shall make any such Restricted Payment (other than to the Grantor)), and no EM Group Member (or any Bécancour Company) shall demand or receive any such Restricted Payment.
- (B) After the Completion Date, and subject to Clause 14.3 below, neither the Grantor nor any Guarantor may make any Restricted Payments, directly or indirectly, to any EM Group Member (or any Bécancour Company) (and the Grantor shall procure that no Subsidiary of the Grantor shall make any such Restricted Payment (other than to the Grantor)) and no EM Group Member (or any Bécancour Company) shall demand or receive any such Restricted Payment, unless all amounts then due to the Recipient have been paid and no Default or Potential Default is continuing.
- (C) Subject as otherwise provided under the Intercreditor Agreement, after the occurrence of an event identified in Clause 16.1(L) or Clause 16.1(M) in relation to the Grantor or a Guarantor, each other EM Group Member shall, to the extent it is able to do so (including as may be provided under Applicable Law, including as the same relates to payments required to be made to preferential creditors), direct the person responsible for the distribution of the assets of the Grantor or the relevant Guarantor to pay that distribution to the Recipient or its nominee until the obligations owed to the Recipient under or in connection with this Agreement have been irrevocably and unconditionally discharged in full.

13.5 **Existing Intra-Group Loan Conversion**

The Parties acknowledge that the Parent may increase the registered share capital of the Grantor or increase its capital reserves by way of capitalisation of all or a portion of the Existing Intra-Group Loan, and the Recipient confirms that, notwithstanding any indication to the contrary in this Agreement, this shall not be prohibited under the terms of this Agreement (including without limitation under Clause 13.4); provided, however, that any additional shares held by the Parent in the Grantor constituted by any abovementioned increase in registered share capital shall be secured under the Share Pledge Agreement immediately upon such capitalisation.

14. **Transfers**

14.1 **Assignment by the Recipient**

- (A) Subject to Clause 19 (*Right of First Offer*) below in respect of the Convertible Loan only, the Recipient may sell, transfer, grant, assign or otherwise dispose of all or part of its rights, interests and obligations under or in connection with this Agreement (including its rights and obligations in respect of any security or subordination further to Clause 18 (*Security*)) (an "Assignment") without requiring the consent of any other Party, provided, however, that:
- (1) at any time following the Tranche 1 Payment Date but prior to the Tranche 2 Payment Date (but not thereafter), the Recipient may undertake an Assignment in respect of its rights, interests and obligations arising from or in relation to the funding of the Tranche 1 Convertible Loan Amount, without requiring the consent of any other Party;
 - (2) at any time following the Tranche 1 Payment Date but prior to the Tranche 2 Payment Date (but not thereafter), the Recipient may only undertake an Assignment in respect of its rights, interests and obligations arising from or in relation to the funding of the Tranche 2 Convertible Loan Amount if the proposed transferee has, at the time of such proposed Assignment, the funds available to fund the Tranche 2 Convertible Loan Amount; and
 - (3) at any time whatsoever: (a) if the proposed transferee is at the time of such proposed Assignment the subject of Sanctions; or (b) if the Assignment would lead to an EM Group Member being in breach of Applicable Law, then the consent of the Grantor to such Assignment shall be required (such consent not to be unreasonably withheld, conditioned or delayed).
- (B) The Grantor and each Guarantor shall and shall procure that each EM Group Member and the relevant counterparty(ies) to any Security Documents (other than the Recipient) shall execute all such documents as the Recipient may reasonably require in connection with an Assignment (and / or the assignment of any Security Documents) and the treatment of the transferee as Recipient for all purposes of this Agreement, the Security Documents and the Intercreditor Agreement, its entitlement to the full benefit of the same and the release of the existing Recipient.

14.2 **Restricted Transfer**

Neither the Grantor nor any Guarantor may directly or indirectly transfer, sell, assign, or otherwise dispose of (or permit the same) all or any interest in any member of the EM Group, the Project, the Property or any Project Assets unless:

- (A) the Recipient provides its prior written consent;
- (B) the Recipient shall have received from the Grantor completed "Know-Your-Client" questionnaires in respect of the transferee, required to ensure compliance with Applicable Laws and internal "Know-Your-Client" procedures of the Recipient or its Affiliates which are generally applicable to counterparties of the Recipient or its Affiliates;
- (C) the transferee, the Recipient and the Grantor have entered into an instrument under which the transferee covenants to be bound by the terms of this Agreement and the

Intercreditor Agreement in the same capacity, and on the same terms, as the Grantor or the relevant Guarantor (as applicable); and

- (D) if the Recipient has been granted a mortgage or other security agreement in respect of the Property which secures the payment of the Converted Royalty (as relevant) and obligations contained in this Agreement, then the Person must covenant to be bound by the terms of such mortgage or security agreement in form and substance satisfactory to the Recipient, acting reasonably.

14.3 EM Group Reorganisation

- (A) The Parent is contemplating a potential reorganisation of the EM Group pursuant to which it may do all or some of the following:
- (1) incorporate and interpose one or more holding companies between the Parent and the Grantor in preparation for the Senior Financing;
 - (2) incorporate a company to be designated a “FinCo” for the purpose of securing optimum tax efficiency in connection with the transactions contemplated under this Agreement;
 - (3) merge the Grantor with EP Chvaletice, save that EP Chvaletice may not take on any new activities after its acquisition that do not relate directly or indirectly to the Project; and/or
 - (4) incorporate a company for the sole purpose of developing the Bécancour Project (the “Bécancour ProjectCo”), with the Bécancour ProjectCo potentially incorporating one or more Bécancour Subsidiaries from time to time which are also to be used for such purpose,

(collectively, the “EM Group Reorganisation”) and, in relation to the EM Group Reorganisation, the Parent would propose that:

- (a) in connection with the interposition of one or more holding companies between the Parent and the Grantor as referred to in paragraph (1) above, the Encumbrance over the shares in the Grantor created under the Share Pledge Agreement be released to allow those shares to be transferred to that certain holding company being the parent of the Grantor (the “New Parent HoldCo”), on condition that the New Parent HoldCo has executed a new share pledge agreement in the form of the Share Pledge Agreement; and
 - (b) in connection with paragraph (4) above, no Bécancour Company shall be an EM Group Member for the purposes of this Agreement, unless otherwise expressly specified.
- (B) Having regard to the foregoing, the Recipient agrees in good faith that it shall consider reasonably any request made by the Parent in connection with the EM Group Reorganisation (including without limitation any request that the Recipient enter into an amendment to this Agreement and/or other documentation in connection with this Agreement and/or any one or more of the Security Documents), provided that:
- (1) the Recipient may withhold its consent if it reasonably considers that any part of the proposed EM Group Reorganisation (by itself, or in aggregate with other

parts of the EM Group Reorganisation) would have an adverse impact on its rights or interests under or in connection with this Agreement (absent the EM Group Reorganisation), including: (a) on its ability to enforce any Transaction Document (excluding, for the avoidance of doubt, a Transaction Document that is to be replaced on substantively similar terms in connection with the EM Group Reorganisation); (b) causing an adverse impact on the value of amounts payable to the Recipient under or in connection with the Convertible Loan or the Converted Royalty or any Transaction Document; or (c) causing an adverse tax position for the Recipient or any Affiliate of the Recipient relative to such position as would have been the case absent the EM Group Reorganisation; and

- (2) the Grantor shall be responsible for costs and expenses incurred by the Recipient under or in connection with its entry into any such amendment and/or other documentation.
- (C) Subject to Clause 14.3(D) below, no EM Group Member may: (1) provide any Financial Indebtedness with respect to any Bécancour Company; or (2) provide any guarantee (or indemnity or undertaking in either case entered into to guarantee payment obligations) with respect to the Bécancour Project.
 - (D) After the Completion Date, the Parent (but no other EM Group Member) may provide Financial Indebtedness and provide a guarantee with respect to the Bécancour Project or do either of the foregoing.
 - (E) Prior to the Commencement of Major Construction Works, no EM Group Member may use any proceeds raised from an equity financing from the public equities market for the Bécancour Project, or transfer any such proceeds to any Bécancour Company, without the prior written consent of the Recipient.
 - (F) On and from the Commencement of Major Construction Works, the Parent shall be entitled to raise equity financing with respect to the Bécancour Project, provided that only such amount of such equity financing that is in excess of 110% of the funds required by the Grantor to achieve the Completion Date (as confirmed by the Independent Engineer in writing) may be used in connection with the Bécancour Project or may be transferred to one or more of the Bécancour Companies. For the avoidance of doubt, nothing in this Agreement shall prohibit the Parent from undertaking equity financing for the Project at any time.
 - (G) The Parent shall incorporate Bécancour ProjectCo and, to the extent that any rights, interests and/or liabilities relating to the Bécancour Project vest in the Parent at such time, procure the full and effective transfer of the same to the Bécancour ProjectCo, in each case within 6 months following the Execution Date (the date of such transfer, the "Bécancour Transfer Date").

15. **Confidentiality**

15.1 **Confidentiality**

- (A) Subject to Clause 15.1(B), each Party covenants with the other that it will keep confidential the terms of this Agreement and all information flowing to a Party by reason of the operation of this Agreement, including any information regarding a Party's Affiliates ("Confidential Information").

- (B) Each Party undertakes that neither it nor its employees, agents or contractors will, without the prior written consent of the other Party, disclose any Confidential Information to any third Person unless:
- (1) the disclosure is expressly permitted by this Agreement;
 - (2) the information is already in the public domain (unless it entered the public domain because of a breach of this Clause 15.1 by the Party);
 - (3) the disclosure is made on a confidential basis to the Party's officers, employees, auditors, agents, financiers or professional advisers, and is necessary for the Party's business;
 - (4) the disclosure is necessary to comply with any Applicable Law, or an order of a court or tribunal;
 - (5) subject to Clause 15.1(C), the disclosure is necessary to comply with a directive or request of any Governmental Body, securities regulator or stock exchange (whether or not having the force of law) so long as a responsible person in a similar position would comply;
 - (6) subject to Clause 15.1(C), the disclosure is necessary or desirable to obtain an authorization from any Governmental Body, securities regulator or stock exchange;
 - (7) the disclosure is necessary in relation to any discovery of documents, or any proceedings before a court, tribunal, other Governmental Body, securities regulator or stock exchange; or
 - (8) the disclosure is made on a confidential basis to an actual or prospective acquirer, investor or transferee of this Agreement or a Party or actual or prospective funder of a Party (or of such acquirer, investor or transferee), or to any other person who proposes to enter into contractual relations with the Party in connection with such an acquisition, investment or transfer, and any advisers to the foregoing, provided that (save to the extent already bound by professional duties of confidence) such proposed recipient agrees to keep the disclosure confidential in accordance with this Clause 15.1.
- (C) Before disclosing any Confidential Information to a Governmental Body or securities regulator in accordance with Clauses 15.1(B)(5) or 15.1(B)(6), the disclosing Party must use its best endeavours to provide the other Party with a draft of the proposed disclosure for its consideration and comment.

15.2 Announcements

Each Party agrees that before it makes any public announcement regarding the existence or content of this Agreement or the results of exploration, it will provide a copy of the proposed announcement to the other Party at least 48 hours prior to the time that the announcement is intended to be made. The Party making the announcement shall consider in good faith any reasonable additions or amendments to its proposed announcement requested by the other Party.

16. Default and Termination

16.1 Grantor Default

It shall be a default (a "Default") if:

- (A) the Grantor or, where applicable, a Guarantor:
- (1) does not pay when due the Converted Royalty, or any interest or the Outstanding Convertible Loan Amount in accordance with this Agreement, or any other amount due to the Recipient or any of its Affiliates in accordance with this Agreement (including under Clause 12 (*Indemnity*)), unless, however, such failure to pay is caused by: (a) administrative or technical error; or (b) disruption: (i) to payment or communications systems used by the Grantor or a Guarantor to make payment; or (ii) of a technical or systems-related nature to treasury or payments operations that prevents payment and/or communications as required in accordance with this Agreement (and, in either of cases (i) and (ii), which is not caused by, and is beyond the control of, the Person who has failed to pay the relevant amount), and in any of the circumstances set out in (a) or (b), the relevant payment is made within five Business Days of its due date. If the Grantor or, where applicable, a Guarantor is prevented from making, or the Recipient is prevented from demanding, receiving or retaining, under any agreement, including the Intercreditor Agreement, any such payment then this will not prevent such non-payment from being a Default in accordance with the foregoing;
 - (2) materially breaches its obligations under Clause 10 (*Operation of the Property*) (other than obligations under Clause 10.6(C) (*Mining Operations*), Clause 10.6(E) (*Mining Operations*), Clause 10.10 (*ABC / AML Policy*)), 11 (*Records, Access and Reporting*), or 13 (*Title Maintenance*) (excluding Clause 13.3 (*Financial Indebtedness, Holding of Shares and other Assets and Grant of Encumbrances*)), if such breach is not remedied within 30 days after the earlier of the date on which such Party became aware, or ought reasonably to have become aware, of such Default and delivery of a notice of breach from the Recipient to the Grantor, provided that, if the relevant provision refers to a time period within which an obligation has to be completed (including by reference to a specific deadline), then the 30-day remedy period that would otherwise apply under this Clause 16.1(A)(2) shall not apply in such case and a Default will occur on the last day of such time period set out in such provision if the relevant obligation is not complied with by such time;
 - (3) does not comply with its obligations under Clause 10.10 (*ABC / AML Policy*) or Clause 20.15 (*Anti-Bribery Laws and Obligations and Sanctions*);
 - (4) materially breaches any provision of this Agreement not expressly referred to elsewhere in this Clause 16.1, if such breach is not remedied by the Grantor within 45 days of the earlier of: (a) the date on which such Party became aware, or ought reasonably to have become aware of such breach; or (b) delivery of a notice of breach from the Recipient to the Grantor, provided that, if the relevant provision refers to a time period within which an obligation has to be completed, then the 45-day remedy period that would otherwise apply under this Clause 16.1(A)(4) shall not apply in such case and the "Default" will occur on the last day of such time period set out in such provision (provided further that, for the avoidance of doubt, a breach of Clause 10.6(C)(1) or 10.6(C)(2)

shall not constitute a Default under this Clause 16.1(A)(4) and shall only constitute a Default to the extent that Clause 16.1(U) below applies);

- (5) Commencement of Major Construction Works has not occurred by the Original Maturity Date; or
 - (6) breaches any of its obligations under the Security Documents or any other Transaction Document, where such breach has a material adverse effect on the rights or interests of the Recipient thereunder or in connection therewith;
- (B) the Completion Date does not occur on or before the Completion Longstop Date;
- (C) a breach of Clause 13.3 (*Financial Indebtedness, Holding of Shares and other Assets and Grant of Encumbrances*), Clause 13.4 (*Restricted Payments*), Clause 14.2 (*Restricted Transfer*) or any of paragraphs (C), (D), (E), (F) or (G) of Clause 14.3 (*EM Group Reorganisation*) occurs;
- (D) the Grantor or a Guarantor breaches 18 (*Security*) or any Encumbrance granted in accordance with 18 (*Security*) becomes invalid or unenforceable or is repudiated or extinguished or any Person (other than the Recipient) purports or seeks to repudiate or extinguish any such security or make any of it invalid or unenforceable;
- (E) any party to the Intercreditor Agreement (other than the Recipient) fails to comply with the Intercreditor Agreement;
- (F) any warranty given further to Clause 20.14 (*Warranties*) (other than a warranty given by the Recipient) is materially incorrect or materially misleading to the Recipient (a "Misrepresentation") and, if capable of remedy, such Misrepresentation is not remedied such that the relevant warranty can be given, by reference to the facts and circumstances then subsisting, without a Misrepresentation occurring within 30 days of the earlier of: (1) the date on which the Party that made the Misrepresentation became aware, or ought reasonably to have become aware, of such Misrepresentation; and (2) delivery of a notice of such Misrepresentation from the Recipient to the Grantor;
- (G) any Governmental Body condemns, expropriates, seizes, relinquishes, withdraws, repudiates, cancels or appropriates any property or assets or part thereof which, when combined with any other property or assets previously condemned, expropriated, seized, relinquished, withdrawn, repudiated, cancelled or appropriated, forms a material part of the Mining Operations or Property or any such Governmental Body purports or seeks to do any of the foregoing, provided that the applicable foregoing action shall not be a Default under this Clause 16.1(G) if it is unconditionally and irrevocably reversed within 30 days of occurrence;
- (H) any material Permit (which shall include the EIA Statement and zoning Permits): (1) that has been previously obtained is suspended, cancelled, revoked, forfeited, surrendered, refused renewal when required to be renewed or terminated (whether in whole or in part) or is not, or ceases to be, in full force and effect for a period exceeding 90 days; or (2) that is required to be obtained under the terms of this Agreement for the purposes of the Project is not obtained by the date on which it is required to be obtained and is not obtained within 90 days thereafter, provided that such 90-day remedy period shall only apply for as long as the relevant circumstances do not have a materially adverse impact on the Grantor, the Project or the Recipient's rights under the Transaction Documents;

- (I) it is or becomes unlawful for the Grantor or any Guarantor to perform any of its obligations under or in connection with this Agreement, a Security Document or the Intercreditor Agreement or:
 - (1) any of them; or
 - (2) any other Person (other than the Recipient) lawfully, repudiates, extinguishes or rescinds this Agreement, a Security Document or the Intercreditor Agreement or purports or seeks to repudiate, extinguish or rescind this Agreement, a Security Document or the Intercreditor Agreement;
- (J) prior to the Completion Date, any Financial Indebtedness of the Grantor or any Guarantor in an aggregate amount exceeding US\$2,000,000 is declared to be due and payable, or otherwise becomes due and payable, prior to its specified maturity as a result of an event of default (however described);
- (K) on or after the Completion Date, any Financial Indebtedness of the Grantor or any Guarantor in an aggregate amount exceeding US\$8,000,000 is declared to be due and payable, or otherwise becomes due and payable, prior to its specified maturity as a result of an event of default (however described);
- (L) the Grantor or any Guarantor:
 - (1) is unable or admits in writing its inability to pay its debts as they fall due; or
 - (2) suspends making payments on any of its debts;
- (M) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (1) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, compulsory composition, scheme of arrangement or otherwise) of the Grantor or any Guarantor;
 - (2) a composition, compromise, assignment or arrangement by the Grantor or any Guarantor with its creditors generally;
 - (3) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Grantor or any Guarantor or all or substantially all of its assets; or
 - (4) enforcement of any Encumbrance over all or substantially all of the assets of the Grantor or any Guarantor;

or any analogous procedure or step is taken in any jurisdiction, provided that: (a) for clarity, the reference to the taking of any “step” in the lead-in to this Clause 16.1(M) shall not be construed to refer to mere discussions or negotiations with one or more creditors prior to the taking of any formal action, the initiation of proceedings or the entry into of any procedure in relation to any of those matters specified in subparagraphs (1) to (4); and (b) this Clause 16.1(M) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement;

- (N) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Grantor or any Guarantor which is not discharged within 30 days;
- (O) the Grantor or any Guarantor suspends or ceases to carry on all or a material part of its business;
- (P) subject to clause 16.1(Q) below, the Grantor or any Guarantor is unable lawfully to access any portion of the Mining Area or any other land that is material to the Mining Operations, or is unable to undertake any Mining Operations over any part of the Mining Area or such other land (whether due to easements, usufructuary rights, pre-emption rights or otherwise), unless lawful access rights resume in effect within 30 days after the earlier of the date: (i) on which the Grantor or the Guarantor (as applicable) became aware, or ought reasonably to have become aware, of such matter; and (ii) delivery of a notice from the Recipient to the Grantor in relation thereto;
- (Q) the Grantor or any Guarantor is unable lawfully to access (i) land plots no. 1004/2 and 349/2 in the cadastral area of Trnávka after payment of the final purchase price instalment under the relevant purchase contracts, [REDACTED] unless lawful access rights resume in effect within 30 days after the earlier of the date: (i) on which the Grantor or the Guarantor (as applicable) became aware, or ought reasonably to have become aware, of such matter; and (ii) delivery of a notice from the Recipient to the Grantor in relation thereto;
- (R) any counterparty to a Lease Agreement executed by the Grantor or a Guarantor in connection with the Project terminates or is entitled to terminate such Lease Agreement in accordance with the terms thereof, and notice of termination is not revoked, the event giving rise to the counterparty's right to terminate the Lease Agreement is not remedied or a substitute lease agreement on substantially the same terms is not entered into, in each case within 30 days after the date on which the relevant Lease Agreement was terminated or the right to terminate the Lease Agreement arose;
- (S) the occurrence of an "Event of Default" (however defined in the Senior Financing documents) which has not been remedied or waived in accordance with the terms thereof;
- (T) a breach of Clause 10.6(E) occurs; or
- (U) [REDACTED]

16.2 Consequences of Default

- (A) If there is a Default, the Recipient shall be entitled to deliver a notice to the Grantor that it wishes to terminate this Agreement (a "**Termination Notice**"). Upon delivery of a Termination Notice:

- (1) if the Conversion has not occurred, the Grantor shall be required to pay to the Recipient the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest and any other amounts due to the Recipient but not yet paid); or
 - (2) if the Conversion has occurred, the Grantor shall be required to pay to the Recipient the Converted Royalty Termination Amount as set out in the Termination Notice.
- (B) This Agreement shall terminate with effect from the date of payment of the relevant amount referred to in Clause 16.2(A) (plus the interest set out in Clause 16.2(D) below), and any and all accrued rights or liabilities of any Party in respect of damages for non-performance of any obligation falling due for performance or otherwise for breach of this Agreement prior to such termination, and provisions relating to the same and the enforcement of the same, shall continue to exist.
- (C) The Parties confirm that the relevant amount referred to in Clause 16.2(A) (plus the below mentioned interest thereon):
 - (1) constitutes liquidated damages;
 - (2) is reasonable and proportionate to protect the Recipient's legitimate interest in the performance of this Agreement;
 - (3) is not extravagant and/or unconscionable; and
 - (4) is not a penalty.
- (D) The Grantor shall pay the relevant amount referred to in Clause 16.2(A) (plus interest at the rate of 20% per annum on such amount from the date of the Termination Notice and up to and including the date upon which the moneys are paid, calculated on a daily basis and compounded monthly), to the Recipient within 20 days following the date of the Termination Notice in immediately available funds by direct deposit to the bank account nominated by the Recipient in accordance with the provisions of this Agreement, and confirmed by the relevant Callback Contact in accordance with Clause 20.7(D).
- (E) Notwithstanding the foregoing, but subject always to Clause 16.2(F) below, if there is a Default, the Recipient shall be entitled to claim and promptly receive all losses and costs incurred by it:
 - (1) arising out of or in connection with such Default; provided however that a Termination Notice has not been issued; and
 - (2) in enforcing and preserving its rights under the Transaction Documents in connection with such Default.
- (F) Without prejudice to Clauses 9.2, 9.3 or 12, if a Default occurs after the Tranche 1 Payment Date and prior to the Tranche 2 Payment Date, the Recipient shall not be entitled to claim and receive any losses relating to such Default in connection with the Tranche 2 Convertible Loan Amount. This Clause 16.2(F) shall not apply in the event that a Grantor or any Guarantor is in breach of its obligations under Clause 3.2(C).

17. **Guarantee**

17.1 **Guarantor guarantees**

Each Guarantor hereby unconditionally and irrevocably:

- (a) guarantees as a primary obligation to the Recipient the payment when due of the Outstanding Convertible Loan Amount and interest thereon, the Converted Royalty and all other amounts payable by the Grantor under, or arising out of or in connection with, this Agreement;
- (b) agrees that if and each time that the Grantor fails to make any such payment when it is due, it shall on demand (without requiring the Recipient first to take steps against the Grantor or any other person) pay that amount to the Recipient as if it were the principal obligor in respect of that amount; and
- (c) agrees as principal debtor and primary obligor to indemnify the Recipient against all costs, losses and damages sustained by it or any member of the Recipient's Group flowing from any non-payment by the Grantor of any amount due under or arising out of or in connection with this Agreement,

(the "Guaranteed Obligations").

17.2 Notwithstanding any other provision of this Agreement, the Parent shall cease to be subject to any obligations under and in connection with this Agreement on and from the later of: (i) the Completion Date; and (ii) date on which it has been fully and irrevocably released from any guarantee and any indemnity obligations in connection with the Senior Financing (the later of such dates, the "Parent Release Date"), provided, however, that if on the Parent Release Date any Default or Potential Default is continuing, then all obligations of the Parent hereunder shall remain in full force and effect until no Default or Potential Default is continuing.

17.3 This guarantee is in addition to and without prejudice to and not in substitution for any rights or security which the Recipient may now or hereafter have in connection with the performance and observance of the Guaranteed Obligations.

17.4 If at any time the Parent or the Grantor acquires a controlling interest in any Person, directly or indirectly, then it shall procure that within 10 Business Days of such acquisition such Person accedes to this Agreement as a Guarantor and grants any Encumbrances referred to in Clause 18; provided that, for the avoidance of doubt, the foregoing shall not apply in case of the incorporation of any Bécancour Company.

17.5 Other than in respect of the acquisition of EP Chvaletice, the Grantor shall not, and shall procure that none of its Subsidiaries shall acquire any interest in any Person, directly or indirectly, without the prior written consent of the Recipient.

17.6 **Waiver of defences**

Each Guarantor's obligations under this Agreement shall not be affected by any matter or thing which but for this provision might operate to affect or prejudice those obligations, including without limitation:

- (A) any time or indulgence granted to, or composition with, the Grantor or any other person;

- (B) the taking, variation, renewal or release of any right, guarantee, remedy or security from or against the Grantor or any other person;
- (C) neglecting to perfect or enforce this Agreement against the Grantor or any other person;
- (D) any variation or change to the terms of this Agreement; or
- (E) any unenforceability or invalidity of any obligation of the Grantor or any Guarantor under this Agreement, so that this Agreement shall be construed as if there were no such unenforceability or invalidity.

18. **Security**

18.1 **Security granted by the Grantor**

The Grantor shall:

- (A) deliver to the Security Agent a copy of an extract from the Czech Notarial Registry of Pledges evidencing that the pledge and negative pledge established under the Enterprise Pledge Agreement has been duly registered in the Czech Notarial Registry of Pledges, within seven weeks from the date of the Enterprise Pledge Agreement;
- (B) deliver to the Security Agent copies of extracts from the Czech Notarial Registry of Pledges evidencing that the negative pledge established under the Bank Accounts Pledge Agreement, the Trade Receivables Pledge Agreement and the Insurance Receivables Pledge Agreement have been duly registered in the Notarial Registry of Pledges, within five Business Days from the date of the respective Security Document;
- (C) ensure that, where such acknowledgement is required under the Security Documents, security thereunder has been duly acknowledged by the relevant counterparty within one month from the date of the relevant Security Document; and
- (D) deliver to the Security Agent satisfactory evidence that the mortgage over the real estate property and other *in rem* restrictions established under the Mortgage Agreement have been duly registered in the Czech Land Register, within six weeks from the date of the Mortgage Agreement.

18.2 **Asset Security**

- (A) If pursuant to any transaction or transactions any one or more assets are acquired or otherwise obtained after the Tranche 1 Closing Date, and the aggregate purchase price in respect of such asset(s) (on a cumulative basis) exceeds US\$500,000, then, as soon as reasonably practicable (and in any event within five Business Days) after such asset(s) being acquired or obtained (or such longer period as mutually agreed in writing between the Grantor and the Recipient, acting reasonably), but in any case only after the waiver of the Enterprise Pledge Agreement by the Security Agent, any EM Group Member (other than the Parent) having so acquired or obtained such asset(s) shall (and the Grantor shall procure that each such EM Group Member (other than the Parent) shall) grant (to the extent not already so granted under the then existing Security Documents) to the Security Agent for the benefit of the creditors under the Senior Financing and the Recipient (subject to Clause 18.12 (*Intercreditor Agreement*)), and thereafter perfect and maintain, a first-ranking

security interest (it being acknowledged by the Parties that any existing or future Permitted Encumbrance under any of paragraphs (D), (E), (F), and (G) of the definition of Permitted Encumbrances does not constitute security ranking ahead of, or *pari passu* with, the security required by this Clause) in respect of all of the assets so acquired, to the extent comprising its machinery and plant (including, to the extent legally possible, intellectual property rights), vehicles or inventory, as security for the liabilities under the Senior Financing and the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement and the Royalty Agreement.

18.3 Account Security

Within ten Business Days (or such longer period as mutually agreed in writing between the Grantor and the Recipient) after any Account is acquired, opened or obtained, each EM Group Member (other than the Parent) shall, and the Grantor shall procure that each EM Group Member (other than the Parent) shall grant to the Security Agent, and maintain, a fully-perfected first ranking security (subject only to Permitted Encumbrances) in respect of all of such Accounts as security for the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement and the Royalty Agreement. Upon termination of any agreement creating security over an Account, the Grantor and each Guarantor shall procure that the funds in such Account are transferred to an account nominated by the Security Agent, or to such other Account over which first ranking security has been created in accordance with this Clause 18.3, within 5 Business Days of such termination, and, provided that such obligation is performed, no Default shall be deemed to have occurred in relation to this Clause 18.3 as a result of such termination.

18.4 Loan Security

In respect of any Financial Indebtedness provided by an EM Group Member (each an "Intra-Group Lender") to any other EM Group Member, within 5 days after such Financial Indebtedness is incurred (or such longer period as mutually agreed in writing between the Grantor and the Recipient), or if such Financial Indebtedness was incurred prior to the Execution Date, within 5 Business Days of the Execution Date, the Grantor and each Guarantor shall ensure that:

- (A) the Security Agent is granted, and maintains, a fully-perfected first ranking security (subject only to Permitted Encumbrances) over receivables payable to the Intra-Group Lenders under such Financial Indebtedness (including for the avoidance of doubt, the Existing Intra-Group Loan) as security for the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement and the Royalty Agreement; and
- (B) all such Intra-Group Lenders subordinate all of their rights and interests in such Financial Indebtedness to the Security Agent.

Such security and subordinations will be granted and perfected on terms and in form and substance satisfactory to the Recipient, acting reasonably.

18.5 Share Security

(A) Within five days after the Execution Date in respect of paragraph (1) below or, in respect of paragraph (2) below: (i) in the case of the acquisition of EP Chvaletice, within ten Business Days after the date of such acquisition; or (ii) in all other cases, within ten days after the date of acquisition of the relevant Subsidiary, the Grantor and each Guarantor shall procure that:

- (1) the Parent shall grant to the Security Agent, and maintain, a fully perfected first ranking security (subject only to Permitted Encumbrances) on 100% of the issued share capital in the Grantor, by entering into the Share Pledge Agreement; and
- (2) the Grantor shall grant to the Security Agent, and maintain, a fully perfected first ranking security (subject only to Permitted Encumbrances) on 100% of the issued share capital in each of its Subsidiaries (including for the avoidance of doubt, any shares acquired by it or any EM Group Member in EP Chvaletice),

each as security for the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement.

(B) If any share capital in an entity is acquired directly or indirectly by the Grantor or a Guarantor after the Execution Date then the Grantor or the relevant Guarantor (as the case may be) shall, within ten days after such share capital is acquired (or such longer period as mutually agreed in writing between the Grantor and the Recipient), grant or procure the grant to the Security Agent, and maintain and procure the maintenance of, a fully-perfected first ranking security (subject only to Permitted Encumbrances) on such acquired share capital in such entity.

18.6 Trade Receivables Security

Within five Business Days after entry into any Offtake Agreement by the Grantor or any Guarantor, the Grantor and each Guarantor shall grant to the Security Agent, and maintain, a fully-perfected first ranking security on all of its trade receivables under such Offtake Agreement as security for the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement and the Royalty Agreement.

18.7 EPCM Receivables Security Assignment

Within five Business Days after the Execution Date, the Grantor shall grant to the Security Agent, and maintain, a fully-perfected first ranking security on all of its receivables under the EPCM Contract as security for the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement and the Royalty Agreement.

18.8 Further Assurances

Each of the Grantor and each Guarantor shall all at their own cost, take, and shall cause each other Person providing security to take, or cause to be taken, such action and execute and deliver or cause to be executed and delivered to the Recipient such agreements, documents and instruments as the Recipient may reasonably request (including legal opinions and any necessary amendments to constitutional documents / articles of association), and register, file or record the same (or a notice or financing statement in respect thereof) in all offices where such registration, filing or recording is, in the opinion of the Recipient, necessary to constitute, perfect and maintain the security referred to this Clause 18 as first-ranking security (including for the avoidance of doubt, any agreements, documents and instruments that may be required to assign the Security Documents in favour of the Security Agent), subject only to the Permitted Encumbrances, in each case promptly after the request therefor by the Recipient, and in each case in form and substance satisfactory to the Recipient, acting reasonably. Any security to be created in favour of a new Security Agent shall be created on substantially the same terms as any equivalent security that has already been granted to the existing Security Agent, and the new Security Agent shall not be required to enter into any agreements, documents or instruments if the execution of any such agreement, document or instrument by the new Security Agent would have an adverse impact on the rights or interests of the Recipient or any Security Agent with respect to the security to be created pursuant to this Agreement, including on any ability to enforce any Security Document.

18.9 Subsequent security

If any Encumbrance or a guarantee (including any supporting indemnity) is given by any member of the EM Group to the Security Agent or any other Person, in connection with the Senior Financing raised to fund the cost of the development, construction and/or operation of the Project, then the Grantor shall procure that such Encumbrance or guarantee (including any supporting indemnity) (as applicable) is granted on terms that the Recipient benefits from such Encumbrance or guarantee (including any supporting indemnity) (as applicable), as security for the Grantor's and each Guarantor's obligations to: (i) pay (as applicable) the Outstanding Convertible Loan Amount (along with any accrued and unpaid interest), the Converted Royalty and the Converted Royalty Termination Amount (plus the abovementioned interest); and (ii) pay any other amounts due under or in connection with this Agreement and the Royalty Agreement.

18.10 Release of security

Any security created or purported to be created in accordance with this Clause 18 shall be released on the Completion Date, provided that the security is also released in connection with the Senior Financing and no Default is continuing.

18.11 Indemnity

The Grantor and each Guarantor shall indemnify and hold harmless the Indemnified Parties from any loss, cost or liability incurred or suffered by such Indemnified Party in connection with entering into, perfecting or exercising any of its rights or performing any of its obligations under any of the Security Documents to be entered into pursuant to this Clause 18; provided that such indemnity shall not apply in case of fraud, wilful misconduct or gross negligence by any such Indemnified Party. Whilst the Recipient and the Royalty Recipient are the same Person, the Recipient shall not be indemnified under this Clause 18.11 in respect of any loss, cost or liability to the extent that the Recipient has been indemnified under Clause 17.10 of the Royalty Agreement in respect of the same loss, cost or liability arising out of the same event or circumstances.

18.12 Intercreditor Agreement

- (A) In relation to and in preparation for any proposed Senior Financing, the Recipient agrees (at the Grantor's cost) to negotiate in good faith, and agree the form of, an intercreditor agreement to be entered into with the proposed senior lenders at the relevant time, the same to be on terms acceptable to the Recipient, acting reasonably (the "**Intercreditor Agreement**").
- (B) Breach of the terms of such Intercreditor Agreement by any such finance parties, shall be deemed a breach of this Agreement by the Grantor.
- (C) The Grantor and each Guarantor shall ensure that any security not already to be granted to the Recipient pursuant to this Agreement that is to be granted to any finance parties in connection with any Senior Financing is granted to the Recipient at the same time as it is granted to such finance parties. Such security shall be governed by the Intercreditor Agreement and collateral agency agreement into which the Recipient agrees to enter in connection with the Senior Financing to, *inter alia*, facilitate the distribution of proceeds among secured creditors following enforcement of security interests under the Security Documents.

19. Right of First Offer

19.1 If, at any time after the Tranche 1 Payment Date, but prior to the Tranche 2 Payment Date, the Recipient wishes to transfer all or part of the Outstanding Convertible Loan Amount, along with any accrued and unpaid interest ("Offered Amount") to a Person who is not an Affiliate of the Recipient ("Third Party Sale"), the Recipient shall first offer to transfer to the Grantor (or any Person nominated by the Grantor) the Offered Amount, prior to making such Third Party Sale. Notwithstanding anything contained herein, this Clause 19 shall not apply to the Converted Royalty.

19.2 **ROFO Offer Notice**

- (A) Prior to making any Third Party Sale, the Recipient shall deliver a written notice (a "Transfer Notice") to the Grantor that: (i) states its bona fide intention to transfer the Offered Amount; (ii) describes the Offered Amount that it intends to Transfer (including details of the accrued interest on the Outstanding Convertible Loan Amount); and (iii) requests the Grantor to make an offer at which it (or any Person nominated by it) is willing to acquire the Offered Amount from the Recipient.
- (B) At any time prior to the expiry of 15 Business Days from the date of the Transfer Notice, the Grantor may deliver written notice to the Recipient, offering to acquire the Offered Amount ("Offer Notice"). The Offer Notice shall contain: (i) the price at which the Grantor (or any person nominated by it) will acquire the Offered Amount; (ii) the name and address of the proposed transferee to whom the Offered Amount will be transferred ("Proposed Transferee"); and (iii) any material terms and conditions with respect to the transfer of the Offered Amount to the Proposed Transferee.
- (C) At any time prior to the expiry of 10 Business Days from the date of the Offer Notice ("Offer Acceptance Period"), the Recipient may deliver notice to the Grantor, accepting the terms set out in the Offer Notice ("Offer Acceptance Notice"). Upon receipt of the Offer Acceptance Notice by the Grantor, the Recipient and the Proposed Transferee (and the Grantor shall procure that the Proposed Transferee)

shall, within 10 Business Days from the date of the Offer Acceptance Notice (“ROFO Transfer Period”): (i) enter into an assignment agreement for the transfer of the Offered Amount, and (ii) deliver to the Recipient the consideration for such Offered Amount, as set forth in the Offer Notice, by wire transfer of immediately available funds to an account nominated by the Recipient in accordance with Clause 20.7(D) (*Callback Contacts*). The Recipient may accept or reject the Grantor’s offer at its discretion and is not required to act reasonably in respect of such offer.

- (D) If: (i) the Grantor has not issued an Offer Notice within the time period set out in Clause 19.2(B); or (ii) the Recipient has not issued an Offer Acceptance Notice within the Offer Acceptance Period; or (iii) the transfer of the Offered Amount to the Proposed Transferee is not consummated within the ROFO Transfer Period (due to any act or omission to act by the Proposed Transferee), the Recipient may transfer the Offered Amount to a third party, at a price not less than, or on other terms no less favourable to the Recipient than, that offered by the Grantor (or the Proposed Transferee, as applicable) in the Offer Notice. In the event of any dispute regarding such price or terms, either the Recipient or the Grantor may refer such matter to an Expert in accordance with Clause 20.4 (*Expert Determination*).
- (E) If the Third Party Sale is not completed within 6 months from the date of the Transfer Notice, the rights provided hereunder shall be deemed revived, and the Recipient shall not offer the Offered Amount to any third party who is not an Affiliate of the Recipient without complying with this Clause 19. Any dispute between the Recipient and the Grantor with respect to the price at which the Offered Amount will be transferred will be determined by the Expert, in accordance with Clause 20.4.

20. **Miscellaneous**

20.1 **Governing Law**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

20.2 **Arbitration**

- (A) Subject to Clause 20.3 and the right to refer a dispute for final determination by an Expert in accordance with Clause 20.4 (*Expert Determination*), any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration (“LCIA Rules”) (excluding the emergency arbitrator provisions), which LCIA Rules are deemed to be incorporated by reference into this Clause.
- (B) The number of arbitrators shall be three. Each party to the dispute shall nominate an arbitrator and the two arbitrators so nominated shall nominate a third arbitrator who shall act as presiding arbitrator.
- (C) The governing law for the arbitration shall be English Law. The arbitration panel shall not decide based on equity.
- (D) The seat, or legal place, of arbitration shall be London, United Kingdom.
- (E) The language to be used in the arbitral proceedings shall be English.

20.3 Courts

- (A) Nothing in this Clause 20, the LCIA Rules or the law of the seat chosen under Clause 20.2(D) shall prevent the Recipient from commencing proceedings in any court having jurisdiction to obtain urgent interlocutory relief and the other Parties hereby submit to the jurisdiction of any such courts for the purpose of any urgent interlocutory relief.
- (B) In addition, notwithstanding anything in this Clause 20, the LCIA Rules or the law of the seat chosen under Clause 20.2(D), the Recipient shall be entitled to apply for any right, remedy or relief from any court having jurisdiction and the other Parties hereby submit to the jurisdiction of any such courts.

20.4 Expert Determination

Where a dispute is permitted by this Agreement to be determined by an Expert, or the Parties agree that a Dispute should be determined by an Expert, the following provisions shall apply:

- (A) the reference to the Expert is made in accordance with, and subject to, the Appointing Governmental Body;
- (B) the Expert determination shall be conducted by a Person agreed to by the parties to such dispute or failing agreement within fourteen (14) days by the Person nominated by the Appointing Governmental Body on the request of either party to such dispute;
- (C) in making a determination:
 - (1) the Expert shall act in that capacity and not as an arbitrator;
 - (2) each party to the dispute may make written representations to the Expert including its position on the issue in dispute. The Expert will set a timetable for the submission of such written representations. The Expert is entitled to make his determination after the expiry of the periods set out in the timetable, whether or not any written representations were submitted;
 - (3) in making his decision the Expert must select one of the positions submitted by the parties to the dispute and may not select or substitute his own view on the dispute (regardless of whether or not each party to the dispute submits a position);
 - (4) the Expert's finding is final and binding upon all the Parties except in the case of fraud or manifest error;
 - (5) the Expert shall determine which party or parties to the dispute should bear the costs of any such determination and in what proportion (and, in making this decision, the Expert shall consider the degree to which he or she considers such parties to the dispute was unreasonable in failing to agree to the matter); and
 - (6) the Expert may employ consultants to carry out his or her duties; and
- (D) the Expert's decision shall be applied retrospectively and to the extent that any amount is due to or from a Party such payment shall be made with five (5) Business Days of the date of such decision.

20.5 Late Payment

Without limiting the rights of the Recipient in relation to any breach of this Agreement by any Person (and subject to Clause 16.2(D)), if the Grantor or any Guarantor fails to pay any amount due pursuant to this Agreement on or before the due date for payment (including for the avoidance of doubt, the Outstanding Convertible Loan Amount or any interest thereon), then it shall also pay to the Recipient within one Business Day following demand:

- (A) interest at the rate of 18% per annum or, if lower, the maximum rate permitted by Applicable Law, on the amount due from the due date up to and including the date upon which the moneys are paid, accruing on a daily basis and compounded monthly; and
- (B) all costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by the Recipient which are attributable to such failure to pay by the due date.

20.6 No Partnership

This Agreement is not intended to, and will not be deemed to, create any partnership between or among the Parties including, without limitation, a mining partnership or commercial partnership. The obligations and liabilities of the Parties will be several and not joint and no Party will have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of any other Party. Nothing herein contained will be deemed to constitute a Party the partner, agent or legal representative of the other Parties or to create any fiduciary relationship between the Parties.

20.7 Notice

- (A) Any notice, demand, consent or other communication given or made under this Agreement:
 - (1) must be in writing and signed by a person duly authorised by the sender;
 - (2) must be delivered to the intended recipient by hand, courier or email to the addresses below or the addresses last notified by the intended recipient, to the sender:
 - (a) to the Recipient:
OMRF (Bk) LLC
Address: [REDACTED]
E-mail: [REDACTED]
Attention: General Counsel
 - (b) to the Recipient callback contact:
Attention: [REDACTED]
Email: [REDACTED]

Phone: [REDACTED]

(c) to the Grantor:

MANGAN Chvaletice s.r.o.

Address: U Kulturního domu 158 533 12 Chvaletice, Czech Republic

Attention: [REDACTED]

With copy to:

Euro Manganese Inc.

Address: #709 – 700 West Pender Street, Vancouver, BC, V6C1G8,
Canada

Attention: [REDACTED]

Email: [REDACTED]

(d) to the Parent:

Euro Manganese Inc.

Address: #709 – 700 West Pender Street, Vancouver, BC, V6C1G8,
Canada

Attention: [REDACTED]

E-mail: [REDACTED]

(e) to the Grantor callback contact:

[REDACTED]

(B) Any notice, demand, consent or other communication will be deemed to have been given and received:

- (1) if personally delivered, then on the day of personal service to the receiving Party, provided that if such date is a day other than a Business Day such notice, demand, consent or other communication will be deemed to have been given and received on the first Business Day following the date of personal service;
- (2) if by pre-paid registered mail, then the first Business Day, after the expiration of 5 days following the date of mailing; or
- (3) if sent by e-mail and successfully transmitted prior to 4:00 pm on a Business Day where the receiving Party is located, then on that Business Day, and if transmitted after 4:00 pm on a Business Day where the receiving Party is located or on the day that is not a Business Day where the receiving Party is located, then on the first Business Day following the date of transmission.

- (C) A Party may at any time change its address for any future notice, demand, consent or other communication hereunder by notice in accordance with this Clause.

(D) **Callback Contacts**

Notwithstanding any other provision of this Agreement, no notice, instruction or other communication relating to any change in any details of the Recipient or the Grantor relating to payment (including identity of the Recipient or Grantor, receiving bank or receiving account number, broker, broker account number, or, if applicable, refinery), or in any details of the Recipient's or Grantor's Callback Contact, will be valid, and shall not be complied with by any Party unless:

- (1) written notice of the relevant details is given in accordance with this Clause 20.7; and
- (2) such instruction is confirmed verbally by telephone or voice over internet protocol call using the relevant details for that callback contact in Clause 20.7(A), and not by writing in any form, by the callback contact of the Party notifying such change to the other Party's callback contact, with such verbal confirmation being further confirmed to the callback contact of the Party giving such instruction via a second written notice given by the callback contact of the Party receiving such instruction in accordance with this Clause 20.7 contemporaneously with the completion of such verbal confirmation.

20.8 Compliance with National Instrument 43-101, etc.

The Parties acknowledge that the Recipient or Affiliates thereof may become subject to NI 43-101 or other disclosure or reporting requirements. If the Recipient or any of its Affiliates becomes subject to NI 43-101 or other disclosure or reporting requirements and must complete a technical report, each of the Grantor and each Guarantor hereby covenants that, upon written request by the Recipient or an Affiliate thereof, it shall (at the Recipient's cost and expense, excluding costs or expenses incurred in respect of information otherwise required to be provided under this Agreement):

- (A) provide or procure the provision of any and all necessary technical data on the Property as reasonably requested by the Recipient;
- (B) upon reasonable notice at reasonable times and at their own risk, grant or procure the grant of access to the Property to the Recipient, its Affiliates or any representative thereof for personal inspection of the Property (including reviewing relevant accounts and records); and
- (C) (subject to consent from qualified persons that prepared the relevant report, which the Grantor and each Guarantor shall use reasonable endeavours to obtain) allow any report prepared for the Grantor in accordance with NI 43-101 (or other disclosure or reporting requirements) to be used by the Recipient or its Affiliates in any technical report prepared for the Recipient or its Affiliates.

20.9 Further Assurances

Each Party will, at the request of another Party and at the requesting Party's expense, execute all such documents and take all such actions as may be reasonably required to effectuate the purposes and intent of this Agreement.

20.10 **Entire Agreement**

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between or among the Parties with respect thereto.

20.11 **Amendments and Waiver**

No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties and no waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived.

20.12 **Counterparts**

This Agreement may be executed in two or more counterparts (including counterparts delivered by email), all of which, taken together, shall be regarded as one and the same instrument. Counterparts may be delivered by email and the Parties adopt any signatures received by email as original signatures of the Parties.

20.13 **Parties in Interest**

This Agreement will inure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

20.14 **Representations and Warranties**

- (A) Each Party represents and warrants as at the Execution Date that:
- (1) is an entity duly incorporated and validly existing under the Applicable Laws of its place of incorporation;
 - (2) it has the requisite power and authority to enter into and perform this Agreement and any other document or agreement referred to in this Agreement to which it is or has agreed to become a party;
 - (3) the execution and delivery of and performance by it of its obligations under this Agreement and any other document or agreement referred to in this Agreement to which it is or has agreed to become a party, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of it;
 - (4) subject to the Legal Reservations, it has duly authorised, executed and delivered this Agreement and any other document or agreement referred to in this Agreement to which it is or has agreed to become a party, and this Agreement and any other document or agreement referred to in this Agreement to which it is a party constitutes a valid and binding obligation of it, enforceable against it in accordance with its terms (in the case of any Security Document, subject to the registration and perfection of any Encumbrances created by it);
 - (5) the execution and delivery by it of, and performance of its obligations under, this Agreement and any other document or agreement referred to in this Agreement to which it is or has agreed to become a party, and the

consummation of the transactions contemplated by hereby and thereby, will not result in a breach of:

- (a) any provision of its constitutional documents or any Applicable Law;
 - (b) or constitute a default under, any agreement or instrument to which it is a party or by which it is bound; or
 - (c) any order, judgment or decree of any Governmental Body to which it is a party or by which it is bound;
- (6) the execution and delivery of and performance by it of its obligations under this Agreement and any other agreement referred to in this Agreement to which it is or has agreed to become a party, and the consummation of the transactions contemplated by hereby and thereby, do not require any filing with, notification to, or authorisation of, any Governmental Body by it; and
- (7) no corporate action, legal proceedings or other procedure or steps described in Clause 16.1(M) or creditors' process described Clause 16.1(N) has been taken and none of the circumstances described in Clauses 16.1(L) or 16.1(O) applies to it.
- (B) Each of the Grantor and the Parent warrants as at the Execution Date for the benefit of the Recipient that:
- (1) the Grantor is, or will be as at the Tranche 1 Closing Date and thereafter, the 100% beneficiary of the Mining Rights, free of any Encumbrance (other than any Permitted Encumbrance);
 - (2) the Parent is the legal and beneficial owner of 100% of the issued share capital of the Grantor, and, other than the share security to be granted in accordance with the Share Pledge Agreement or pursuant to any Senior Financing, there is no agreement to create any Encumbrance over any shares of the Grantor held by it;
 - (3) all payments due in respect of the Property (including for the avoidance of doubt, the purchase price, taxes, costs and levies) have been made, and there are no amounts due and payable by any EM Group Member with respect to the Property that have not been paid;
 - (4) the Mining Rights are in good standing under all Applicable Laws and applicable regulations, have been fully and effectively acquired by the Grantor and are not liable to cancellation or forfeiture for any reason and neither the Grantor nor any Guarantor is aware of any circumstances which may reasonably be considered likely to give rise to such cancellation or forfeiture;
 - (5) the Grantor holds all Permits and approvals and authorizations required from any Governmental Body for it to be the beneficiary of the Mining Rights, to conduct Mining Operations on the Property, and to access the Property, and:
 - (a) such Permits and approvals and authorizations are not liable to cancellation or forfeiture for any reason; and
 - (b) it is not aware of any circumstances which may reasonably be considered likely to give rise to such cancellation or forfeiture;
 - (6) the Grantor:

- (a) (i) subject to (c) below, holds all necessary licences permitting it to undertake mining and exploration activities (including in relation to Demonstration Plant operations); or (ii) has the benefit of decisions on the establishment of an exploration area, referred to by the Czech Ministry of Environment as the “Establishment of an Exploration Area for Deposit Exploration”, valid until 31 May 2026 and which secures the Grantor’s exploration rights for the entire exploration area;
- (b) holds a preliminary mining permit, referred to by the Czech Ministry of Environment as the “Prior Consent for the Establishment of a Mining Lease District”, valid until 31 May 2026 and which is required for submission of the application for the establishment of a mining lease district;
- (c) does not yet hold Permit for buildings demolitions (Act No. 283/2021 Coll., Building Act), Environmental Impact Assessment (Act No. 100/2001 Coll., on Environmental Impact Assessment), Coherent Stamp connected to Land Planning proceeding (Act No. 100/2001 Coll., on Environmental Impact Assessment), Permit for tree cutting (Act No. 114/1992 Coll., on the Conservation of Nature and Landscape), Land Planning Permit - Railway Siding (Railway Act No. 266/1994 Coll.), Land Planning Permit – Plant (Act No. 283/2021 Coll., Building Act), Decision on the Delimitation of a mining area (Act No. 44/1988 Coll., on the Protection and Utilization of Mineral Resources (Mining Act)), Classification into mining waste category (Act No. 157/2009 Coll., on mining waste management), Coherent Stamp connected to Construction Proceeding (Act No. 100/2001 Coll., on Environmental Impact Assessment), Construction Permit - Railways siding (Railway Act No. 266/1994 Coll.), Construction Permit – Plant (Act No. 283/2021 Coll., Building Act), Settled property rights (conflicts of interest) (Act No. 61/1988 Coll., on Mining Activities, Explosives and the State Mining Administration), Mining Activities Permit (Act No. 61/1988 Coll., on Mining Activities, Explosives, and the State Mining Administration), Decision on the construction of storage of mining waste (Act No. 157/2009 Coll., on mining waste management), Integrated Permit (Processing Plant) (Act No. 76/2002 Coll., on Integrated Pollution Prevention and Control), Operating Permit for Railway siding (Railway Act No. 266/1994 Coll.), Operating permit storage of mining waste (Act No. 157/2009 Coll., on mining waste management), permit for exemption from the protection of specially protected species (Act No. 114/1992 Coll., on the Conservation of Nature and Landscape); permit for Affecting a Significant Landscape Component (Act No. 114/1992 Coll., on the Conservation of Nature and Landscape); permit for Affecting Landscape Character (Act No. 114/1992 Coll., on the Conservation of Nature and Landscape), and the warranty set forth in this Clause 20.14(B)(6) and in Clause 20.14(B)(5) shall be subject to the disclosures set out herein; and
- (d) has full and exclusive access to the Property for the performance of exploration, development and mining and related works on the Property, with the exception of: [REDACTED] and (2) [REDACTED] land plots no. 1004/2 and 349/2 in the cadastral area of Trnávka, to which the Grantor will obtain full and exclusive access after: (i) payment of the final purchase price instalment under the relevant purchase contracts in

respect of such land plots; (ii) release of such purchase contracts from escrow; and (iii) registration of the transfers in the land registry,

and no event of default exists (and, to the knowledge of the Grantor or each Guarantor no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality, or the fulfilment of any other condition or any combination of the foregoing) would constitute a default) under the abovementioned documents;

- (7) all Mining Operations and all exploration activities in respect of the Property have been conducted in accordance with Good Mining Practice and all workers' compensation and health and safety regulations applicable to the Mining Operations or the Grantor or the applicable EM Group Member have been complied with in all material respects;
- (8) the Grantor and each EM Group Member has complied in all material respects with all Laws in respect of the Property and all fees (including annual fees per hectare and state inspection fees), rents, rates, royalties (including statutory royalty and landowner's royalty), taxes and other similar payments due and payable in respect of all of the Mining Rights have been paid;
- (9) the Encumbrances to be granted pursuant to this Agreement has or will have first ranking priority and are not subject to any prior ranking or *pari passu* ranking Encumbrance;
- (10) there are no outstanding obligations of any party under the BIP Project Agreement;
- (11) all amounts due and payable from or to the Grantor and the Parent under the BIP Services Agreement have been paid; and
- (12) there are no legal proceedings pending, or threatened in writing to the Grantor or any EM Group Member (or otherwise known to the Grantor or any EM Group Member) which are reasonably likely to prohibit or hinder the ability of the Grantor or any Guarantor to enter into this Agreement or consummate the transactions contemplated hereby, or which may reasonably be considered likely to: (i) have a material adverse impact on the Recipient's rights or interests under or in connection with this Agreement, including its ability to enforce any Transaction Document; or (ii) have a material adverse impact on the value of amounts payable to the Recipient under or in connection with the Convertible Loan or Converted Royalty, and neither the Grantor nor any Guarantor is aware of any circumstances which may reasonably be considered likely to give rise to any such legal proceedings,

and where a warranty in this Clause 20.14(B) is qualified by the expression 'to the knowledge of', 'to the awareness of', or any similar expression, that expression shall be deemed to include the actual knowledge of all directors, officers or employees in a managing function of the relevant Person as at the Execution Date, with those persons having made due and reasonable enquiries of any and all other Persons who may reasonably be expected to have knowledge of the facts, matters or circumstances to which the warranty relates.

20.15 Anti-Bribery Laws and Obligations and Sanctions

- (A) The Grantor and each Guarantor:

- (1) warrants as at the Execution Date that it and each of its Affiliates and their respective directors, officers and employees have complied with all material Anti-Bribery Laws and Obligations, Anti-Money Laundering Laws and Sanctions applicable to such Party or its activities; and
- (2) covenants that it and each of its Affiliates and their respective directors, officers and employees will comply with all Anti-Bribery Laws and Obligations, Anti-Money Laundering Laws and Sanctions applicable to such Party or its activities,

and will sanction any breach of this provision in accordance with the ABC / AML Policy.

(B) The Grantor and each Guarantor:

- (1) warrants as at the Execution Date that it and each of its Affiliates and their respective directors, officers and employees have not made, offered or authorised; and
- (2) covenants that it and each of its Affiliates and their respective directors, officers and employees will not make, offer or authorise,

any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any Public Official, any political party, political party official, or candidate for office.

20.16 **Costs and Expenses**

Except as otherwise provided for in this Agreement and subject to the following sentence, all costs and expenses incurred by a Party shall be for its own account. The Grantor shall pay to the Recipient, within 10 days of a written request in this regard, all reasonable and documented costs and expenses of the Recipient (including, without limitation, all fees, expenses and disbursements of legal counsel and technical, commercial and other advisors) in connection with: (A) its due diligence investigations in connection with the transactions contemplated by this Agreement; (B) the preparation, negotiation, and completion of, this Agreement and the other Transaction Documents and all instruments supplemental or ancillary thereto; (C) any actual or proposed amendment or modification thereof or any waiver under the Transaction Documents, and all instruments supplemental or ancillary thereto, made at the request of the Grantor; and (D) the registration, maintenance or discharge of any Security in any public record office, provided that the Recipient shall use reasonable efforts to keep such costs and expenses to a minimum. The Recipient acknowledges that the Parent has paid a sum of US\$200,000 to the Recipient as a good faith deposit towards the expenses incurred or to be incurred by the Recipient in connection with the technical, legal, tax, commercial, and financial due diligence in respect of the EM Group.

20.17 **Offtake Rights**

- (A) At any time prior to the date on which the Grantor has executed offtake agreements with respect to 60% of its planned production (as described in the Mine Plan and Production Plan) (excluding any offtakes entered into with the Recipient pursuant to this Clause 20.17), the Recipient shall have the right, upon notice to the Grantor, to enter into binding offtake agreements with the Grantor in respect of HPEMM Products and HPMSM Products on the terms set out in this Clause 20.17 (such agreements, "Recipient Offtake Agreements").

- (B) The Grantor shall procure that the Recipient Offtake Agreements shall:
- (1) include terms relating to floating index linked mechanism(s) and floor pricing in line with a weighted average floor price for the HPEMM Products or HPMSM Products (as applicable), on terms substantially similar to those agreed by the Grantor in its other offtake agreements; and
 - (2) relate to a percentage of total production of HPEMM Products or HPMSM Products (as applicable) equal to between 20% and 22.5% with respect to each of HPEMM Products and HPMSM Products and be for a term of ten years from the date of first delivery of the HPEMM Products or HPMSM Products (as applicable) in accordance with the terms thereof,
- and shall otherwise be on terms acceptable to the Recipient and the Grantor, each acting reasonably.
- (C) The Recipient will make commercially reasonable efforts to keep the Grantor informed of any planned sales outreach by the Recipient for HPEMM Products and/or HPMSM Products (as applicable) and the Recipient and Grantor agree to work on a best endeavours basis to co-ordinate marketing efforts.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as a deed on the date first set forth above.

SCHEDULE 2 : CONDITIONS PRECEDENT

PART 1

CONDITIONS PRECEDENT TO TRANCHE 1 PAYMENT DATE

1. The Grantor has provided the Recipient with copies of all written resolutions and approvals that are required from the board of directors and/or shareholder(s) of the Grantor and the Parent in respect of the transactions contemplated in this Agreement.
2. Legal opinion(s) on the capacity, title and authority of the Grantor and the Parent to enter into this Agreement, the security referred to in Clause 18 (*Security*) and any related agreement and the transactions contemplated by any of them (and on such other matters as the Recipient may reasonably require (and shall have agreed with the Grantor in advance) including due execution of documents, application of withholding, income and other taxes, and recognition and enforceability of court judgments and arbitral awards), have been provided to the Recipient.
3. Each Mining Title Opinion has been provided to the Recipient.
4. Applications for registration in respect of each of the Security Documents provided to the Recipient under paragraph 6 below have been made and, in the case of the Share Pledge Agreement and Movables Pledge Agreement only, the Encumbrances thereunder have been perfected (and the Grantor has delivered evidence to the Security Agent that: (i) the pledge and negative pledge over the ownership interest in the Grantor established under the Share Pledge Agreement have been duly registered in the Czech Commercial Register; and (ii) the pledge and negative pledge established under the Movables Pledge Agreement has been duly registered in the Czech Notarial Registry of Pledges).
5. The Trade Receivables Pledge Agreement shall be in a form agreed between the Grantor and the Recipient, acting reasonably.
6. A copy of each of the following documents has been provided to the Recipient, each duly executed by the parties thereto (other than the Recipient) and in full force and effect:
 - (A) this Agreement; and
 - (B) each of the Security Documents (other than the Trade Receivables Pledge Agreement and the Lease Agreement Security Assignments).
7. A copy of each of the following documents has been provided to the Recipient:
 - (A) the Production Plan;
 - (B) the Construction Budget;
 - (C) the Development Budget;
 - (D) the Project Schedule; and
 - (E) the ABC / AML Policy.

8. The completion of technical, legal, tax, commercial, and financial due diligence (including site visit(s)), the results of which shall be satisfactory to the Recipient, acting reasonably.
9. The Grantor has conducted a legal review regarding the potential for the agency to decline or withdraw its regulatory approval and private legal action concerning the regulatory approval and impacts from noise due to the construction and operation of the Project, the results of which are satisfactory to the Recipient, acting reasonably.
10. 
11. The Grantor has provided the Recipient with an up to date copy of an excerpt from the Insolvency Register (*in Czech: "Insolvenční rejstřík"*) concerning the Grantor evidencing that no proposal for the opening of insolvency proceedings has been filed and an up to date certificate of good standing of the Parent issued by the office of the registrar of companies for British Columbia (the "Office of the Registrar") evidencing that the Parent is a valid and existing company and is, with respect to the filing of annual reports, in good standing with the Office of the Registrar.
12. The Royalty Agreement, in form and substance satisfactory to each of the parties thereto, shall have been executed by the parties thereto (other than the Recipient).
13. The ROFR Agreement, in form and substance satisfactory to each of the parties thereto, shall have been executed by the parties thereto (other than the Recipient).

PART 2

CONDITIONS PRECEDENT TO TRANCHE 2 PAYMENT DATE

1. The Tranche 1 Payment Date has occurred.
2. The Security Documents required to be entered into by the Grantor and/or the Guarantors (as applicable) (other than such Security Documents that have already been delivered to the Recipient under paragraph 6 above) have been executed by the parties thereto and, the security to be created under such Security Documents has been perfected, in each case at such time as is required pursuant to the terms of this Agreement.
3. The Project has been and is being developed in accordance with the Project Schedule and the Construction Budget (as approved by the Technical Committee).
4. The Grantor shall have entered into binding Offtake Agreements for 40% of planned production (as described in the then current Mine Plan and Production Plan) until at least the fifth anniversary of the commencement of production, each on terms satisfactory to the Recipient in writing, acting reasonably.
5. The Grantor shall have obtained equity financing for the Project from an original equipment manufacturer or other suitable strategic equity partner acceptable to the Recipient and on terms acceptable to the Recipient (acting reasonably), and the transactions contemplated under such equity financing shall have been completed in accordance with the terms thereof, provided that this paragraph 5 shall not require the Grantor to have obtained the entirety of its equity financing for the Project from such original equipment manufacturer or other suitable strategic equity partner.
6. The Grantor shall have procured the continued supply of electricity and water from EP Chvaletice (for a duration of at least one year in case of electricity) on substantially the same terms as are supplied to the Grantor as at the Execution Date, or, if not on substantially the same terms, then on terms satisfactory to the Recipient (acting reasonably).
7. The Bécancour Transfer Date has occurred.

SCHEDULES 1, 3 TO 7 IMAGES REMOVED

SIGNATURE PAGES

The Recipient

EXECUTED AS A DEED

For and on behalf of

OMRF (Bk) LLC

By:

Name:

Title:

a person who, in accordance with the laws of its jurisdiction of incorporation, is acting under the authority of that company

SIGNATURE PAGES

The Grantor

EXECUTED AS A DEED

MANGAN CHVALETICE, S.R.O

Signature: _____

Name:

Title:

SIGNATURE PAGES

The PARENT

EXECUTED AS A DEED

EURO MANGANESE INC.

Signature: _____

Name:

Title: