

ROYALTY PURCHASE AGREEMENT

THIS AGREEMENT dated as of September 26, 2019.

BETWEEN:

OSISKO GOLD ROYALTIES LTD, a corporation incorporated under the laws of Québec, Canada, having its head office at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada H3B 2S2

("Osisko")

AND:

SABLE RESOURCES LTD., a corporation incorporated under the laws of British Columbia, Canada, having its head office at 999 West Hastings Street, Suite 900, Vancouver, British Columbia, Canada V6C 2W2

("Sable")

AND:

EXPLORACIONES TRES CORDILLERAS, S.A. DE C.V., a corporation incorporated under the laws of the United Mexican States, having its head office at Calle Viento #3 Int. 5-6, Col. SM4, Cancún, Quintana Roo, México. C.P. 77500

("Tres Cordilleras")

AND:

EXPLORACIONES CATALINAS, S.A. DE C.V., a corporation incorporated under the laws of the United Mexican States, having its head office at Calle Viento #3 Int. 5-6, Col. SM4, Cancún, Quintana Roo, México. C.P. 77500

("Catalinas")

AND:

EXPLORACIONES VIENTOS DEL SUR, S.A. DE C.V., a corporation incorporated under the laws of the United Mexican States, having its head office at Calle Viento #3 Int. 5-6, Col. SM4, Cancún, Quintana Roo, México. C.P. 77500

("Vientos del Sur")

AND:

EXPLORACIONES SABLE, S. DE R.L. DE C.V., a corporation incorporated under the laws of the United Mexican States, having its head office at Fray Anton de Montesino #330, Col. Quintas del Marques, Querétaro, Querétaro, México, C.P. 76047

(**"Sable Mexico"**)

(collectively, the **"Parties"** and each of them, a **"Party"**)

RECITALS:

- A. On July 31, 2019, Osisko and Sable entered into a non-binding term sheet (the **"Term Sheet"**) providing, *inter alia*, for the grant to Osisko of a perpetual 1% net smelter return royalty on all Minerals (as defined herein) produced from the Initial Properties (as defined herein) and the Future Properties (as defined herein).
- B. On August 28, 2019, Osisko and Sable entered into the Subscription Agreement (as defined herein) and the Investment Agreement (as defined herein).

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

For the purposes of this Agreement (including the schedules hereto), the following capitalized words and phrases shall have the following meanings, and grammatical variations of such terms shall have corresponding meanings:

"Agreement" means this agreement including all schedules hereto, as the same may be amended, supplemented or restated from time to time.

"Amending Agreement" has the meaning ascribed in Section 7.2.

"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 or purporting to have authority over that Person, property, transaction or event.

"Applications" means those applications for mining concessions in the United Mexican States set forth in Schedule "A" hereto.

"Business Day" means any day other than a Saturday, Sunday or any day on which banks in (a) Mexico City, United Mexican States; (b) Montreal, Québec, Canada; or (c) Vancouver, British Columbia, Canada are generally not open for business.

"Catalinas" means Exploraciones Catalinas, S.A. de C.V. and any successor thereto.

“Complementing” means [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Construction” means the activities carried out with respect to the erection of facilities, buildings, machinery and equipment and the preparation of a property for Mining as provided for in the applicable Feasibility Study or Mine Plan.

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Data” means all files, ledgers and correspondence, reports, texts, notes, engineering, environmental, prefeasibility and feasibility studies, data, specifications, memoranda, invoices, receipts, accounts, accounting records and books, financial statements, financial working papers and all other records and documents of any nature or kind whatsoever, including, without limitation, those recorded, stored, maintained, operated, held or otherwise wholly or partly dependent on discs, tapes and other means of storage including, without limitation, any electronic, magnetic, mechanical, photographic or optical process, whether computerized or not (and all software, passwords and other information and means of or for access thereto).

“Debtor Relief Law” means any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) and the *Winding-Up and Restructuring Act* (Canada), each as now and hereafter in effect, and any proceeding under applicable corporate law seeking a compromise or arrangement of any debts of the corporation, or a stay of proceedings to enforce any of the claims of the corporation’s creditors, and all other liquidation, administration, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of Canada, of the United Mexican States or of other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Early Termination Amount” means [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Encumbrance” means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:

- (a) any royalty, stream, offtake or similar right, mortgage, assignment of receivable, lien, encumbrance, adverse claim, charge, execution, title defect, exception, reservation, encroachment, servitude, restriction on use, right of pre-emption, right of first refusal, privilege, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), conditional sales contract, title retention agreement, and a subordination to any right or claim of others in respect thereof;
- (b) a claim, interest or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), granted to or reserved or taken by any Person;
- (c) an option or other right to acquire, or to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
- (d) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); and
- (e) any contract to create, or right capable of becoming, any of the foregoing in

accordance with its terms.

“Environmental Claim” means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations or proceedings relating in any way to any Environmental Law or any permit issued under any such Environmental Law.

“Environmental Law” means all requirements of Applicable Law, or of environmental, health or safety statutes, regulations, rules, ordinances, policies, orders, approvals, notices, licenses, permits or directives of any federal, territorial, provincial, state or local judicial, regulatory or administrative agency, board or Governmental Authority.

“Feasibility Study” means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable), the results of which study may reasonably serve as the basis for a final decision by a financial institution to proceed with, or finance the development of the deposit for mineral production.

“Funds Notice” has the meaning set out in Section 2.6.

“Future Properties” means, collectively:

- (a) any Mining Right underlying the Optioned Properties (or any other right renewing, deriving, replacing or Complementing such Mining Right at any time) that may be acquired from time to time by Sable or any of the Sable Subsidiaries after the date hereof but conditional upon the completion of the Initial Closing on the Initial Closing Date; and
- (b) any additional Mining Right (or any other right renewing, deriving, replacing or Complementing such Mining Right at any time) that may be acquired from time to time by Sable or any of the Sable Subsidiaries after the date hereof and before the Maturity Date, including without limitation, the mining concessions derived from the Applications, conditional upon the completion of the Initial Closing on the Initial Closing Date;

and **“Future Property”** means any one of them.

“Future Property Royalty” means, for any of the Future Properties, all of the rights, mining concessions, titles and interests of Osisko in a perpetual 1% NSR royalty on all Minerals produced from such Future Property in accordance with the terms and conditions of a Future Property Royalty Agreement.

“Future Property Royalty Agreement” means the royalty agreement to be entered into between the applicable Parties hereto upon the grant of a Future Property Royalty conforming, *mutatis mutandis*, to the Initial Royalty Agreement, as the same may be amended, revised or restated from time to time.

“Governmental Authority” means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court

or any other law, regulation or rule-making entity having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing.

“Guarantee” has the meaning set out in Article 14.

“Indicated Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

“Initial Closing” means the closing in accordance with Article 6.

“Initial Closing Date” has the meaning set out in Section 6.1.

“Initial Properties” means, collectively, the Mining Rights and other rights and interests described in Schedule “B” hereto and any other rights or interests forming part thereof (or any rights renewing, deriving, replacing or Complementing such Mining Rights), and save and except for Future Properties, all future other Mining Rights or other rights that have the effect of increasing or modifying the size of the Initial Properties which Sable or any of the Sable Subsidiaries shall come to own prior to the Maturity Date.

“Initial Royalty” means all of the rights, titles and interests of Osisko in a perpetual 1% NSR royalty on all Minerals produced from the Initial Properties in accordance with the terms and conditions of the Initial Royalty Agreement.

“Initial Royalty Agreement” means the royalty agreement to be entered into by the applicable parties on the Initial Royalty Closing as set forth in Section 2.1, conforming to the form of initial royalty agreement attached as Schedule “E” hereto, as the same may be amended, revised or restated from time to time.

“Initial Royalty Consideration” means the amount of \$5,000,000, payable in cash, broken down as follows:

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Insolvency Event” means, in respect of any Person, any one or more of the following events or circumstances whereby such Person (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding up, administration, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any Debtor Relief Law, or (z) the entry of an order for relief or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its property, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, such Person fails to diligently and actively oppose such proceeding, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its properties and assets) occurs, (iv) passes a

resolution or takes any other corporate action to authorize any of the above actions, or (v) suffers anything analogous or having a similar effect to an event or circumstance described in (i) to (iv) above.

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Intervening Event” has the meaning set out in Section 11.1.

“Investment Agreement” has the meaning set out in Section 3.2 hereof.

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Maturity Date” means the fourth (4th) anniversary of the Initial Closing Date.

“Measured Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit

“Mine Plan” means at any time the most recent development and production plan (a) as provided to Osisko by Sable or an applicable Sable Subsidiary, that has been approved by the applicable board thereof or (b) as announced by Sable or an applicable Sable Subsidiary for a mineral project in the event that the board of directors of Sable or any Sable Subsidiary makes a production decision without the support of a Feasibility Study.

“Mineral Reserve” means the economically mineable part of a Measured Mineral Resource and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

“Mineral Resource” means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

“Minerals” means any and all metals, minerals or products of whatever kind and nature in, under or upon the surface or subsurface of the Initial Properties or the Future Properties (including, without limitation, ore, metals, precious metals, base metals, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other minerals which are mined, excavated, extracted, recovered or otherwise sold from the Initial Properties or the Future Properties).

“Mining” means the mining, extracting, producing, handling and milling or other processing of Minerals.

“Mining Rights” means any mining concession rights, exploration permits, mining licenses, forms of mineral tenure or other rights to Minerals or to access and work upon lands, such as ownership and ancillary rights, surface rights, leasing agreements, lands temporal occupation agreements or otherwise, for the purpose of exploring, exploiting or benefiting Minerals, under the terms of Applicable Laws, whether contractual, statutory or otherwise, or any interest therein. Mining Rights includes any amendments, relocations, adjustments, resurvey, additional locations,

derived rights or conversions of, or any renewal, amendment or other modification or extensions of any of the foregoing.

“Modifying Factors” means considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

“NI 43-101” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

“NSR” means net smelter returns.

“Optional Royalty” has the meaning set out in Section 2.4.

“Optional Royalty Agreement” means the royalty agreement to be entered into by the applicable parties upon the grant of the Optional Royalty conforming, *mutatis mutandis*, to the Initial Royalty Agreement, as the same may be amended, revised or restated from time to time.

“Optional Royalty Consideration” has the meaning set out in Section 2.4.

“Optional Royalty Closing” has the meaning set out in Section 8.1.

“Optional Royalty Closing Date” has the meaning set out in Section 8.1.

“Optioned Properties” means, collectively, the mining concessions described in Schedule “C” hereto under the heading “Optioned Properties”, and any Mining Rights or other rights forming part thereof (or any rights renewing, deriving, replacing or Complementing such Mining Rights or other rights at any time).

“Osisko” means Osisko Gold Royalties Ltd and any successor thereto.

“Party” means a party to this Agreement and **“Parties”** means all of them.

“Permitted Encumbrances” means:

- (a) easements, rights of way, servitude and similar rights in land including, but not limited to, rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric power, telephone, telegraph or cable television conduits, poles, wires and cables which are not material;
- (b) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, grant or permit forming part of the Initial Properties or the Future Properties, or by any statutory provision, to terminate any such lease, licence, grant or permit or to require annual or other periodic payments as a condition of the continuance of them, as well as all other reservations, limitations, provisions and conditions in any original grant from Governmental Authorities;
- (c) the right of any Governmental Authority to levy taxes on minerals or the revenue therefrom and governmental restrictions on production rates on the operation of a mine on the Initial Properties or the Future Properties, as well as all other rights

vested in any Governmental Authority to control or regulate the Initial Properties or the Future Properties pursuant to Applicable Laws; and

(d) any liens, charges or other encumbrances:

(i) for taxes, assessments or governmental charges;

(ii) incurred, created and granted in the ordinary course of business to a public utility or Governmental Authority in connection with operations conducted with respect to the Initial Properties or the Future Properties, but only to the extent those liens relate to costs for which payment is not due;

(e) the Encumbrances set forth in Schedule "D" hereto.

"Permitted Security" has the meaning set out in Section 2.8(c).

"Permitted Security Holder" has the meaning ascribed in Section 2.8(c).

"Person" means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, governmental agency or board or commission or authority and any other form of entity or organization.

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

"Property Transferee" has the meaning set out in Section 10.1(b)(i) hereof.

"Regulatory News Release" has the meaning set out in Section 12.3.

"Representatives" means, collectively, the employees, professionals, consultants and agents employed by or contracted to a Party.

"Royalties" means the Initial Royalty and, as applicable, each Future Property Royalty and the Optional Royalty.

"Royalty Agreements" means the Initial Royalty Agreement, each Future Property Royalty Agreement and each Optional Royalty Agreement.

"Royalty Net Present Value" means **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]**.

"Royalty Option" has the meaning set out in Section 2.4.

"Royalty Option Exercise Notice" has the meaning set out in Section 2.5.

"Sable" means Sable Resources Ltd. and any successor thereto.

"Sable Event of Default" has the meaning set out in Section 9.1.

"Sable Group" means, collectively, Sable and the Sable Subsidiaries.

"Sable Mexico" means Exploraciones Sable, S. de R.L. de C.V. and any successor thereto.

“Sable Subsidiaries” means, collectively, the direct and indirect subsidiaries of Sable, including, without limitation, (a) Tres Cordilleras; (b) Catalinas; (c) Vientos del Sur; and (d) Sable Mexico, and any successor thereto.

“Security” has the meaning set out in Section 2.8.

“Selected Commodity Analysts” means the respective division, group or entity of each of the following, which is responsible for forecasting precious metals and applicable other product: Bank of America Merrill Lynch, BMO Capital Markets, CIBC World Markets, Credit Suisse, GMP Securities, Morgan Stanley, RBC Capital Markets, Scotia Capital, TD Securities and UBS Securities, provided that any of the foregoing that has not published forecasts for the applicable product prior to end of the last calendar quarter shall be excluded with respect to such product and the foregoing list may be updated by the Parties, acting reasonably, in writing from time to time in order to remove and replace any institution that ceases to publish the relevant information. Where such term is used herein, the reference to consensus prices shall be determined based on the most recent forecast published by such persons.

“Subscription Agreement” has the meaning set out in Section 3.1 hereof.

“Subsidiary Disposition” has the meaning set out in Section 14.2 hereof.

“Subsidiary Transferee” has the meaning set out in Section 14.2 hereof.

“Termination Fee” has the meaning set out in Section 9.2 hereof.

“Term Sheet” has the meaning set out in the Recitals.

“Transferred Initial Properties” has the meaning set out in Section 10.1(b) hereof.

“Transferred Optioned Properties” has the meaning set out in Section 10.1(b) hereof.

“Transferred Other Future Properties” has the meaning set out in Section 10.1(b) hereof.

“Transferred Properties” means collectively, the Transferred Initial Properties, the Transferred Optioned Properties and the Transferred Other Future Properties.

“Transferred Subsidiary” has the meaning set out in Section 14.2 hereof.

“Tres Cordilleras” means Exploraciones Tres Cordilleras, S.A. de C.V. and any successor thereto.

“Trigger Date” means the date on which Sable, or any of the Sable Subsidiaries, acquires or otherwise becomes the legal or beneficial owner of a Future Property.

“Vientos del Sur” means Exploraciones Vientos del Sur, S.A. de C.V. and any successor thereto.

1.2 Schedules

The following schedules are attached to and incorporated in this Agreement by this reference:

Schedule “A” Applications

Schedule "B" Initial Properties
Schedule "C" Optioned Properties
Schedule "D" Permitted Encumbrances
Schedule "E" Form of Initial Royalty Agreement

ARTICLE 2

INITIAL ROYALTY, FUTURE PROPERTY ROYALTY AND OPTIONAL ROYALTY

2.1 Initial Royalty (1% NSR)

Conditional upon the completion of the Initial Closing on the Initial Closing Date, the Sable Group shall grant to Osisko the Initial Royalty in consideration for the payment by Osisko to Sable of the Initial Royalty Consideration, free and clear of all Encumbrances (save and except for Permitted Encumbrances) and in accordance with the other provisions of this Agreement.

More particularly, the Initial Royalty to be granted by the Sable Group to Osisko upon the completion of the Initial Closing on the Initial Closing Date is as follows:

Grantor	Initial Properties subject to the Initial Royalty: Mining concessions of the following lots, granted by the Mexican Government:	Initial Royalty
Catalinas/Sable Mexico	• "Manzana 2", Title 246,784 • "Manzana 2 Fracc. 2", Title 242,643 • "Manzana 2 Fraccion III", Title 246,785 • "Manzana 2 Fraccion IV", Title 246,786 • "Manzana 2 Fraccion V", Title 246,787 • "Manzana 2 Fraccion VI", Title 246,788 • "Manzana 2 Fraccion VII", Title 246,789 • "Manzana 2 Fraccion VIII", Title 246,790 • "Manzana 2 Fraccion IX", Title 246,791 • "Manzana 2 Fraccion X", Title 246,792 • "Manzana 2 Fraccion XI", Title 246,793 • "Manzana 2 Fraccion XII", Title 246,794	1% NSR

2.2 Use of Initial Royalty Consideration

The Initial Royalty Consideration shall be used for the Sable Group's ongoing exploration needs related to the Initial Properties and the Future Properties. The use of proceeds shall exclude any option or earn-in payments or other payments related to acquiring or increasing ownership interests in properties currently under contract with Sable or the Sable Subsidiaries.

2.3 Future Property Royalty (1% NSR)

Conditional upon the completion of the Initial Closing on the Initial Closing Date, if Sable or any of the Sable Subsidiaries shall acquire or otherwise become the legal or beneficial owner of:

- (a) any Optioned Property at any time after the date hereof; and/or
- (b) any other Future Property at any time before the Maturity Date (being as described in subsection (b) of the definition of Future Property);

then Sable or the applicable Sable Subsidiary, as the case may be:

- (i) shall immediately notify Osisko in writing of such event; and
- (ii) will be ipso facto deemed to have granted to Osisko a Future Property Royalty on each such Optioned Property and/or other Future Property, without payment by Osisko of any additional consideration, effective immediately upon the Trigger Date, free and clear of all Encumbrances (except for Permitted Encumbrances) and in accordance with the other provisions of this Agreement.

2.4 Optional Royalty (1% NSR)

Sable and the Sable Subsidiaries hereby grant to Osisko the one time whole but not partial exclusive option to purchase, at any time between the Initial Closing Date (provided that the Initial Closing occurs on the Initial Closing Date) and the Maturity Date, and for additional consideration in the amount of \$5,500,000 in cash (the “**Optional Royalty Consideration**”), an additional 1% NSR royalty on all Minerals produced from the Initial Properties and the Future Properties (the “**Optional Royalty**”), free and clear of all Encumbrances (except for Permitted Encumbrances) and in accordance with the other provisions of this Agreement (the “**Royalty Option**”).

2.5 Exercise of Royalty Option

At any time between the Initial Closing Date (provided that the Initial Closing occurs on the Initial Closing Date) and the Maturity Date, Osisko may exercise the Royalty Option by delivering a written notice to Sable and the Sable Subsidiaries to that effect and confirming the exercise of the Royalty Option (the “**Royalty Option Exercise Notice**”) and by making the payment of the Optional Royalty Consideration on the Optional Royalty Closing (failing such payment, Osisko shall be deemed to have not exercised the Royalty Option and the Royalty Option shall terminate).

Promptly following the delivery by Osisko of the Royalty Option Exercise Notice, the Parties, acting reasonably, will agree on a break down of the Optional Royalty Consideration between the Initial Properties and the Future Properties underlying the Optional Royalty.

If at any time and from time to time after the Royalty Option Exercise Notice, all or any part or parts of any of the Initial Properties or the Future Properties is abandoned, then the portion of the Optional Royalty Consideration attributed by the Parties to such abandoned Properties pursuant to the foregoing paragraph shall *ipso facto* be spread proportionally among the remaining Initial Properties and Future Properties.

2.6 Compulsory Acquisition of the Optional Royalty

If, prior to the Maturity Date, provided that the Initial Closing occurs on the Initial Closing Date, [REDACTED: COMMERCIALLY SENSITIVE INFORMATION] Sable shall then have the right to send a written notice to Osisko (the “**Funds Notice**”) advising of such raising of gross funds and requiring Osisko to exercise the Royalty Option and to pay to Sable in cash the Optional Royalty Consideration.

The payment of the Optional Royalty Consideration shall be made by Osisko to Sable on the closing date of the exercise of the Royalty Option pursuant to this Section 2.6, such closing

to occur within 15 Business Days after the delivery by Sable to Osisko of the Funds Notice or on such other date as may be mutually agreed upon in writing by the Parties, and Article 8 shall apply to such closing, *mutatis mutandis*.

Promptly following the delivery by Sable of the Funds Notice, the Parties, acting reasonably, will agree on a break down of the Optional Royalty Consideration between the Initial Properties and the Future Properties underlying the Optional Royalty.

If at any time and from time to time after the Funds Notice, all or any part or parts of any of the Initial Properties or the Future Properties is abandoned, then the portion of the Optional Royalty Consideration attributed by the Parties to such abandoned Properties pursuant to the foregoing paragraph shall *ipso facto* be spread proportionally among the remaining Initial Properties and Future Properties.

2.7 Use of Optional Royalty Consideration

The Optional Royalty Consideration shall be used for the Sable Group's ongoing exploration needs related to the Initial Properties and the Future Properties. The use of proceeds shall exclude any option or earn-in payments or other payments related to acquiring or increasing ownership interests in properties currently under contract with Sable or the Sable Subsidiaries.

2.8 Security

- (a) The Parties intend that the Royalties, to the extent permissible under Applicable Laws, shall constitute an interest in the lands comprising the Initial Properties and the Future Properties, as applicable.
- (b) As may be requested at any time by Osisko in its sole discretion, the Royalties will be secured:

[REDACTED: COMMERCIALY SENSITIVE INFORMATION]
- (c) **[REDACTED: COMMERCIALY SENSITIVE INFORMATION]**
- (d) **[REDACTED: COMMERCIALY SENSITIVE INFORMATION]**
- (e) The Parties agree that that from time to time upon the release of NI 43-101 reports or other agreed upon milestones, portions of the Property Security will be released or amended or monetary amounts thereunder shall be revised, and in such regard, the Parties shall take into consideration (i) the mineral resources and reserves data available on the Initial Properties or the Future Properties, as applicable (as demonstrated by the most recent report prepared in accordance with NI 43-101 available at the relevant time), and (ii) the estimates of anticipated production and (iii) prevailing commodity prices.
- (f) The Sable Group shall co-operate with the registration or recordation of the Security and, subject to the provisions of Section 2.8(b), provide any written consents or signatures to any documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to accomplish such registration or recordation in order to ensure that any successor or assignee or other acquiror of the Initial Properties or the Future

Properties, or any interest therein, shall have public notice of the Royalties, in order to assist Osisko in its efforts to register a restriction on title to the Initial Properties or the Future Properties, restricting the sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition of the Initial Properties or the Future Properties, in whole or in part, without compliance with the terms of the applicable Royalty Agreements.

- (g) The Sable Group shall promptly notify Osisko in writing of any additional Mining Rights or any extensions, renewal, replacements, substitutions or modifications of any Mining Rights included in the Initial Properties or any Future Property from time to time, in order to allow Osisko to proceed with amendments or additional registrations of the Property Security as may be necessary or advisable to ensure that the Property Security is properly registered or recorded but subject at all times to the provisions of Section 2.8(b).

ARTICLE 3 PRIVATE PLACEMENT AND INVESTMENT AGREEMENT

3.1 Private Placement

Under a subscription agreement dated August 28, 2019 between Sable and Osisko (the “**Subscription Agreement**”), Osisko subscribed for an aggregate of 16,000,000 units of Sable, at a price of \$0.13 per unit, in consideration for an amount of \$2,080,000.

3.2 Investment Agreement

On August 28, 2019, Sable and Osisko executed an investment agreement (the “**Investment Agreement**”).

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Mutual Representations and Warranties

Each Party represents and warrants to the other Party hereto that:

- (a) it is a body corporate duly incorporated or continued and duly organized and validly subsisting under the laws of its organizational jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement;
- (c) neither the execution and delivery of this Agreement nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (d) the execution and delivery of this Agreement do not violate or result in the breach of the laws of any jurisdiction applicable to a Party or pertaining thereto or of its organizational documents;

- (e) all corporate authorizations have been obtained for the execution of this Agreement and for the performance of its obligations hereunder; and
- (f) this Agreement constitutes a legal, valid and binding obligation of the Party enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws or by equitable principles generally;

For the purposes of this Section the members of the Sable Group are one Party and Osisko is a second Party.

4.2 Sable Group Representations and Warranties

The Sable Group represents and warrants to Osisko, that:

- (a) The recorded and beneficial owners of the Mining Rights comprising the Initial Properties, and the name of the application applicant with respect to the Applications, are as follows and that the following is a full and complete list of: 1. all Initial Properties beneficially owned by or on behalf of the Sable Group; 2. all mining concessions Applications submitted by or on behalf of the Sable Group in accordance with Applicable Law and currently in process; and 3. all Optioned Properties which are under option to the Sable Group:

Recorded and Beneficial Owner/Application Applicant	Name of Project
Nora Barrera Reyes (Application Applicant)	• "Caolin" (mining concession application, file 031/10361, in process) • "Corregidora" (mining concession application, file 065/15885, in process)
Nora Barrera Reyes (Assignment in favour of Sable Mexico in process of being recorded at PRM)	• "Manzana" (mining concession application, file 016/47020, in process) • "Manzana 2", Title 246784 • "Manzana 2 Fracc.2" Title 242643 • "Manzana 2 Fraccion III", Title 246785 • "Manzana 2 Fraccion IV", Title 246786 • "Manzana 2 Fraccion V", Title 246787 • "Manzana 2 Fraccion VI", Title 246788 • "Manzana 2 Fraccion VII", Title 246789 • "Manzana 2 Fraccion VIII", Title 246790 • "Manzana 2 Fraccion IX", Title 246791

	• “Manzana 2 Fraccion X”, Title 246792 • “Manzana 2 Fraccion XI”, Title 246793 • “Manzana 2 Fraccion XII”, Title 246794
Nora Barrera Reyes (Application Applicant)	• “Sainalto” (mining concession Application, file 093/33743, in process)
Compañía Minera La Perla, S.A. and Minas Guilloyna, S.A. de C.V.	• Margarita Silver Project (Option)
Hugo Enrique Bastias and Gabriel Enrique Bastias	• Don Julio Project (Option)
Alpha Mining S.A.C.	• Scorpius Project (Option)
Teck Peru S.A.	• Kirio Project (Option)

The Sable Group is not aware of any challenge to any of the Applications.

- (b) other than options or other rights granted to Sable and Sable Mexico on the Margarita Silver Project, the Don Julio Project, the Scorpius Project and the Kirio Project, neither the Sable Subsidiaries nor any of the Initial Properties or the Optioned Properties is subject to any option, right of first refusal, purchase right, acquisition right or other similar right to acquire an interest therein;
- (c) none of the Initial Properties or the Optioned Properties is subject to any area of common interest or similar obligations;
- (d) each of the Initial Properties and the Optioned Properties is properly and accurately described in Schedules “B” and “C” hereto;
- (e) the Mining Rights comprising the Initial Properties have been duly and validly recorded pursuant to all Applicable Laws and regulations and the Initial Properties and the Optioned Properties are in good standing;
- (f) the Sable Group has provided Osisko or its Representatives access to all material Data in its possession relating to the Initial Properties, the Optioned Properties and the Applications;
- (g) the Sable Group has not received notice that there are any adverse claims, challenges, suits, actions, prosecutions, investigations or proceedings against or to the ownership of or rights or title to the Initial Properties, the Optioned Properties or the Applications or any portion thereof;
- (h) it has not had notice of and has no knowledge of any proposal to terminate or vary the terms of rights attaching to any of the Initial Properties, the Optioned Properties or the Applications from any Governmental Authority, or of any challenge to its right, title or interest in any of the Initial Properties, the Optioned Properties or the Applications;
- (i) no part of the Initial Properties, the Optioned Properties or the Applications lies within any protected area, rescued area, reserve, reservation or reserved area or

other designated by any Governmental Authority, that would impair the development of a mining project thereon;

- (j) other than the options or other rights granted to Sable and Sable Mexico on the Margarita Silver Project, Don Julio Project, Scorpius Project and Kirio Project, the Mining Rights comprising the Initial Properties and the Optioned Properties are free and clear of all Encumbrances (except for Permitted Encumbrances) or other claims whatsoever and, without limiting the generality of the foregoing, other than this Agreement, there are not any agreements or options to grant or convey any interest in the Initial Properties or the Optioned Properties or with respect to the Initial Properties or the Optioned Properties;
- (k) there are no Environmental Claims with respect to the Initial Properties or the Optioned Properties nor to the knowledge of the Sable Group, any facts which could give rise to any such claim, nor have any activities on the Initial Properties or the Optioned Properties by or on behalf of the Sable Group been in violation of any applicable Environmental Law, regulations or regulatory prohibition or order, and conditions on and relating to the Initial Properties and the Optioned Properties are in material compliance with such Environmental Laws, regulations, prohibitions and orders;
- (l) there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by any Applicable Law) from, on, in or under the Initial Properties or the Optioned Properties or into the environment;
- (m) no toxic or hazardous substance or waste has been disposed of or is located on the Initial Properties or the Optioned Properties as a result of activities of or on behalf of the Sable Group other than in compliance with Applicable Law;
- (n) there are no pending or ongoing actions pursuant to the assertion of any land claims with respect to lands included in the Initial Properties or the Optioned Properties;
- (o) to the knowledge of the Sable Group, no proceedings are pending for and the Sable Group is not aware of any basis for the institution of any proceedings leading to the dissolution or winding-up of Sable or any of the Sable Subsidiaries or the placing Sable or any of the Sable Subsidiaries into bankruptcy or subject to any other laws governing the affairs of insolvent persons;
- (p) the Sable Group is, in all material respects, conducting its business in compliance with all Applicable Laws, rules and regulations and is licensed, registered or qualified in the jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing;
- (q) no consent or approval of any third party or Governmental Authority is required for the execution, delivery or performance of this Agreement, other than the approval of the TSX Venture Exchange; and

- (r) the Sable Group has no liability, direct or indirect, contingent or otherwise, which materially adversely affects the Sable Group or would reasonably be expected to have a material adverse effect on the Properties and without limiting the generality of the foregoing, the Sable Group has no material obligation or liability except those arising in the ordinary course of business none of which is materially adverse to the Sable Group.

ARTICLE 5

COVENANTS REGARDING THE FUTURE PROPERTIES

5.1 Operations

Conditional upon the completion of the Initial Closing on the Initial Closing Date and commencing on the Trigger Date, the Sable Group shall:

- (a) not allow any Future Property to become subject to any Encumbrance (other than Permitted Encumbrances);
- (b) perform its activities in a sound and professional manner and in accordance with the Applicable Laws and best industry practices on all of the Future Properties and use commercially reasonable efforts to preserve, protect and safeguard all of the Future Properties; and
- (c) make all necessary tax, governmental and other filings necessary in respect to the all of the Future Properties in a timely fashion.

5.2 Books, Records, Inspections

Conditional upon the completion of the Initial Closing on the Initial Closing Date and commencing on the Trigger Date:

- (a) The Sable Group shall keep true and accurate financial books and records of all of its operations and activities on the Future Properties.
- (b) Within ten (10) days following a request from Osisko, the Sable Group will make available to Osisko the Data in its possession or under its control pertaining to exploration, development activities and operations conducted upon or with respect to the Future Properties.
- (c) Subject at all times to the workplace rules and supervision of Sable, and in compliance with Applicable Laws, Osisko or its Representatives, on not less than five (5) days written notice to Sable, may enter upon all surface and subsurface portions of the Future Properties for inspection purposes. Osisko, or its Representatives, shall enter the Future Properties at Osisko's own risk and expense and may not unreasonably hinder operations on or pertaining thereto. Osisko shall indemnify and hold Sable harmless from any damage, claim or demand by reason of injury to person or property or loss of life to Osisko or the Sable Group or any of their Representatives caused by Osisko's exercise of its rights herein. At all times Osisko personnel shall conduct their activities in a good and miner like fashion in accordance with recognized engineering practices and in accordance with all Applicable Laws and relevant community and social customs.

5.3 Mutual Covenants

Each Party shall from the date of this Agreement use all reasonable efforts to ensure that the representations and warranties of such Party in this Agreement are true and correct and that the covenants and conditions to be fulfilled by each such Party pursuant to this Agreement are fulfilled on or prior to the Initial Closing, the Future Property Royalty Closing or the Optional Royalty Closing, as the case may be, and shall promptly inform the other Party of any state of facts that will or is reasonably likely to result in any representation or warranty of such Party being untrue or incorrect or in any covenant or condition being unfulfilled. For the purposes of this Section the members of the Sable Group are one Party and Osisko is a second Party.

5.4 Supercession

The Parties agree that as and when a Future Royalty Agreement is signed with respect to a Future Property or Future Properties or an Initial Royalty Agreement is amended to include a Future Property or Future Properties, the provisions of Section 5.1 and 5.2 with respect to such Future Property or Future Properties are superceded by such Future Royalty Agreement or amended Initial Royalty Agreement, as the case may be. In each such instance, matters governing "Operations" and "Books, Records, Inspections" are covered not by this Agreement but by the applicable Future Royalty Agreement or amended Initial Royalty Agreement, as the case may be.

ARTICLE 6 INITIAL CLOSING

6.1 Date and Place of Initial Closing

The closing of the grant of the Initial Royalty (the "**Initial Closing**") shall occur on September 27, 2019 (the "**Initial Closing Date**") in the offices of Osisko or such other date and place as may be mutually agreed upon in writing by the Parties.

6.2 Osisko's Initial Closing Deliveries

At the Initial Closing, Osisko shall deliver the following to the Sable Group:

- (a) an amount of \$4,880,000 to Sable by wire transfer net of the \$20,000 referenced in Section 16.11;
- (b) an amount of \$120,000 to Sable Mexico by wire transfer;
- (c) an executed Initial Royalty Agreement; and
- (d) such other documentation as contemplated in the closing agenda prepared for the Initial Closing and in form and substance agreed upon the Parties.

6.3 Sable Group's Initial Closing Deliveries

At the Initial Closing, the Sable Group shall deliver the following to Osisko:

- (a) an executed Initial Royalty Agreement;

- (b) certified copies of resolutions of the directors of the applicable members of the Sable Group approving the execution and delivery of the Initial Royalty Agreement; and
- (c) such other documentation as contemplated in the closing agenda prepared for the Initial Closing and in form and substance agreed upon the Parties.

ARTICLE 7 FUTURE PROPERTY ROYALTY CLOSING

7.1 Date and Place of Closing

The closing of each grant of a Future Property Royalty (each, a **“Future Property Royalty Closing”**) shall occur within fifteen (15) Business Days following the applicable Trigger Date (the **“Future Property Royalty Closing Date”**) at the offices of Osisko or such other date and place as may be mutually agreed upon in writing by the Parties.

7.2 Osisko’s Future Property Royalty Closing Deliveries

At the Future Property Royalty Closing, Osisko shall deliver to Sable and the applicable Sable Subsidiary an executed Future Property Royalty Agreement, dated for reference and effective as of the Trigger Date.

At the request of either Osisko or Sable, the Parties shall consider in good faith and acting reasonably, whether it would be optimal or beneficial to amend any then existing Royalty Agreement to include the applicable Future Property or Future Properties as Mineral Rights thereunder. Sable shall have the right to determine if a Future Property or Future Properties should reasonably be considered as potentially forming part of a mineral project together with the Initial Properties, the Applications or other Future Properties, including without limitation, based on geography, geology and geophysics. If the Parties reach such agreement and can agree, acting reasonably on the terms of the amending agreement (the **“Amending Agreement”**), then the closing deliveries to be made pursuant to this Article 7 shall include the Amending Agreement in lieu of the Future Property Royalty Agreement.

Additionally, Osisko acknowledges that no Party to this Agreement has obtained legal advice from counsel in Argentina or Peru as to, among other things, the local law requirements relative to a royalty agreement in the local jurisdiction and as such, there may be currency control or other local issues (related or not) that would impact the form of the royalty agreement. The Parties agree to act reasonably and to consider each of their respective local counsel concerns and comments with a view to ensuring compliance and ease of operation of the Royalty Agreement given Applicable Laws.

7.3 Sable Group’s Future Property Royalty Closing Deliveries

At each Future Property Royalty Closing, the Sable Group shall deliver the following to Osisko:

- (a) an executed Future Property Royalty Agreement or Amending Agreement, as the case may be, dated for reference and effective as of the Trigger Date;
- (b) subject to Section 2.8, all documents pertaining to the Security;

- (c) certified copies of resolutions of the directors approving the execution and delivery of the Future Property Royalty Agreement or Amending Agreement, as the case may be; and
- (d) such other documentation as contemplated in the closing agenda prepared for the Future Property Royalty Closing and in form and substance agreed upon the Parties.

7.4 Osisko's Future Property Royalty Closing Deliveries

At each Future Property Royalty Closing, Osisko shall deliver the following to the Sable Group:

- (a) an executed Future Property Royalty Agreement or Amending Agreement, as the case may be, dated for reference and effective as of the Trigger Date; and
- (b) such other documentation as contemplated in the closing agenda prepared for the Future Property Royalty Closing and in form and substance agreed upon the Parties.

ARTICLE 8 OPTIONAL ROYALTY CLOSING

8.1 Date and Place of Closing

The closing of the grant of the Optional Royalty (the “**Optional Royalty Closing**”) shall occur within fifteen (15) Business Days following the delivery of the Royalty Option Exercise Notice by Osisko (the “**Optional Royalty Closing Date**”) at the offices of Osisko or such other date and place as may be mutually agreed upon in writing by the Parties.

At the request of either Osisko or Sable, the Parties shall consider in good faith and acting reasonably, whether it would be optimal or beneficial to amend any then existing Royalty Agreement to include the Optional Royalty thereunder, thereby increasing the Royalty rate payable. This could apply to an Initial Property Royalty Agreement or a Future Property Royalty Agreement. If the Parties reach such agreement and can agree, acting reasonably on the terms of the Amending Agreement, then the closing deliveries to be made pursuant to this Article 8 shall include the Amending Agreement in lieu of the Optional Royalty Agreement.

8.2 Osisko's Optional Royalty Closing Deliveries

At the Optional Royalty Closing, Osisko shall deliver the following to the Sable Group:

- (a) the Optional Royalty Consideration by wire transfer;
- (b) an executed Optional Royalty Agreement or Amending Agreement, as the case may be; and
- (c) such other documentation as contemplated in the closing agenda prepared for the Optional Royalty Closing and in form and substance agreed upon the Parties.

8.3 Sable Group's Optional Royalty Closing Deliveries

At the Optional Royalty Closing, the Sable Group shall deliver the following to Osisko:

- (a) an executed Optional Royalty Agreement or Amending Agreement, as the case may be;
- (b) subject to Section 2.8, all documents pertaining to the Security;
- (c) certified copies of resolutions of the directors approving the execution and delivery of the Optional Royalty Agreement; and
- (d) such other documentation as contemplated in the closing agenda prepared for the Optional Royalty Closing and in form and substance agreed upon the Parties.

ARTICLE 9 EVENTS OF DEFAULT

9.1 Event of Default

Each of the following events or circumstances constitutes an event of default by the Sable Group (each, a "**Sable Event of Default**"):

- (a) any of the Sable Group is in breach or default of any terms or conditions, or any of its covenants or obligations, set forth in Section 2.3, Section 2.4, Section 2.8 (but subject to the provisions of Section 2.8(b)), Section 6.3, Section 7.3, Section 8.3, Article 10 (but subject to the provisions of Section 10.2(c)) and Article 14 of this Agreement;
- (b) any of the representations or warranties given by the Sable Group in this Agreement or any of the Royalty Agreements is inaccurate as at the time made, in any material respect; and
- (c) upon the occurrence of any Insolvency Event affecting Sable or any of the Sable Subsidiaries.

9.2 Remedies

- (a) If a Sable Event of Default occurs, Osisko shall have the right, upon 15 Business Days prior written notice to Sable, at its option and in addition to and not in substitution for any other remedy which is available at law or equity, to take any or all of the following actions:
 - (i) to bring an action for specific performance or injunctive relief against Sable or any of the Sable Subsidiaries; and
 - (ii) demand the payment of all amounts and satisfaction of all deliveries then owed by the Sable Group to Osisko, including any amounts then owing under the Royalty Agreements; and
 - (iii) exercise any and all of its recourse under the Security;

or

- (iv) terminate this Agreement and all of the Royalty Agreements (regardless of the identity of the counterparties to the Royalty Agreements including the guarantor, the royalty holder and the royalty payor) and, without limiting Section 9.2(a)(ii), demand all damages and losses suffered or incurred as a result of the occurrence of such Sable Event of Default comprising in full and final settlement thereof the immediate payment in cash of the greater of:

[REDACTED: COMMERCIALY SENSITIVE INFORMATION]

(the “Termination Fee”).

[REDACTED: COMMERCIALY SENSITIVE INFORMATION]

- (b) Osisko hereby acknowledges and agrees that any specific action that might be taken by it under subsection 9.2(a) hereof shall never be duplicative with any remedy otherwise available to Osisko (or its successors and assigns) upon certain events of default pursuant to the terms of any of the Royalty Agreements.
- (c) **[REDACTED: COMMERCIALY SENSITIVE INFORMATION]**.
- (d) **[REDACTED: COMMERCIALY SENSITIVE INFORMATION]**.
- (e) Save and except as provided in Section 9.2(c), the obligations of the Sable Group hereunder shall continue in full force and effect notwithstanding the exercise or not by Osisko of any of its rights under this Section 9.2.
- (f) The Sable Group hereby acknowledges and agrees that: (i) Osisko will be damaged by a Sable Event of Default, (ii) it would be impracticable or extremely difficult to determine the actual damages to Osisko resulting from a Sable Event of Default, (iii) **[REDACTED: COMMERCIALY SENSITIVE INFORMATION]**.
- (g) The obligations of the Sable Group under this Agreement will not be discharged, prejudiced or affected by (i) the occurrence of an Insolvency Event affecting any of Sable or the Sable Subsidiaries or (ii) an arrangement or compromise with any of Sable or any of the Sable Subsidiaries. Osisko will not be required to commence or exhaust its remedies or exercise its rights against any of Sable or the Sable Subsidiaries before exercising its rights or remedies against the other of Sable or Sable Subsidiaries.

ARTICLE 10 ASSIGNMENT AND EXEMPT TRANSFERS

10.1 Assignment

- (a) Osisko may assign, transfer, pledge, hypothecate or otherwise convey this Agreement without any prior consent provided that it shall be a condition of such assignment, transfer, pledge, hypothecation or other conveyance the transferee or other counterparty to such transaction first execute and deliver to the other Parties

to this Agreement an instrument in writing pursuant to which such transferee or other counterparty agrees to be bound by the terms of this Agreement, the Security and any Intercreditor Agreements and by all of the liabilities and obligations of the transferor hereunder and thereunder in the same manner and to the same extent as though the transferee was an original party hereto and thereto. Any such sale, assignment, transfer, conveyance, lease, license or other disposition which does not comply with the terms of this Agreement shall be null and void and of no force or effect.

- (b) Neither Sable nor any of the Sable Subsidiaries may sell, assign, transfer, convey, lease, license or otherwise dispose of any of its interest in and to the following in any manner whatsoever: (i) until the Maturity Date, the Initial Properties (the **"Transferred Initial Properties"**); (ii) until the Maturity Date, the Future Properties that are not Optioned Properties (the **"Transferred Other Future Properties"**); (iii) the Optioned Properties (the **"Transferred Optioned Properties"**); or (iv) this Agreement; without in each case complying with the following:

- (i) it shall be a condition of such sale, assignment, transfer, conveyance, lease, license or other disposition that the transferee or other counterparty to such transaction (the **"Property Transferee"**) first execute and deliver to the other Parties to this Agreement an instrument in writing pursuant to which such Property Transferee or other counterparty (A) agrees to be bound by the terms of this Agreement in so far as the same relates to the Transferred Properties, the Security in so far as the same relates to the Transferred Properties and any Intercreditor Agreements in so far as the same relates to the Transferred Properties and by all of the liabilities and obligations of the transferors hereunder and thereunder in the same manner and to the same extent as though the Property Transferee was an original party hereto and thereto in the first instance, without in any way derogating from clause (ii) hereunder, and (B) consents and agrees to the continuation or re-registration of any restrictions registered pursuant to Section 2.8; and
- (ii) any such sale, assignment, transfer, conveyance, lease, license or other disposition shall not relieve or discharge the Sable Group from any of its liabilities or obligations hereunder existing at the time of closing of such sale, assignment, transfer, conveyance, lease or other disposition, and Osisko may continue to look to them for the performance thereof.

Any such sale, assignment, transfer, conveyance, lease, license or other disposition which does not comply with the terms of this Agreement shall be null and void and of no force or effect.

The provisions of this Section 10.1(b) are qualified by the provisions of Section 2.8(c).

Osisko agrees that if, as and when the Property Transferee of Sable or the Sable Group signs the counterparts contemplated in Section 10.1(b)(i), then Osisko will promptly and in any event within twenty (20) Business Days make the attendant changes to this Agreement, the Security and any Intercreditor Agreements to bifurcate the relevant provisions thereof as between the Property Transferee as

pertains to the Transferred Properties and the Sable Group as pertains to the properties that remain subject to this Agreement that are not Transferred Properties. For example, the provisions of this Agreement that state that Sable and the Sable Subsidiaries, the Sable Group or the Sable Subsidiaries covenant or agree as to certain matters would be modified to extrapolate out the various obligations and liabilities of Sable and the Sable Subsidiaries on the one hand, and the Property Transferee on the second hand.

- (c) The Parties agree that as and when a Future Royalty Agreement is signed with respect to a Future Property or Future Properties or an Initial Royalty Agreement is amended to include a Future Property or Future Properties, the provisions of Section 10.1(b) with respect to such Future Property or Future Properties are superceded by such Future Royalty Agreement or amended Initial Royalty Agreement, as the case may be. In each such instance, matters governing transfer of the Future Property or Future Properties are covered not by this Agreement but by the applicable Future Royalty Agreement or amended Initial Royalty Agreement, as the case may be.

10.2 Exceptions

Nothing in Section 10.1 restricts in any manner an amalgamation, merger or other form of corporate reorganization which is a *bona fide* business transaction that has the effect in law of the amalgamated or surviving corporation possessing, directly or indirectly, substantially all the property, rights and interests and being subject to substantially all the debts, liabilities and obligations of the transferring party.

ARTICLE 11 FORCE MAJEURE

11.1 Events

Notwithstanding any other provisions contained herein, a Party will not be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control (except those caused by its own lack of funds) including, but not limited to: acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances; laws, rules and regulations or orders of any duly constituted court or governmental authority; war; or protests, demonstrations or other events causing work stoppages by environmental lobbyists, non-governmental organizations, aboriginal groups or local community groups (in this Article, each an “**Intervening Event**”).

For the purposes of this Article, the members of the Sable Group are one Party and Osisko is a second Party.

11.2 Effect of Intervening Events

All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event described in Section 11.1.

11.3 Obligation to Remove Intervening Events

A Party relying on the provisions of this Article 11 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as

practical, but nothing herein will require such Party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted court or governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

11.4 Giving Notice

A Party relying on the provisions of this Article 11 will give notice to the other Party forthwith upon the occurrence of the Intervening Event and forthwith after the end of the period of delay when such Intervening Event has been eliminated or rectified.

ARTICLE 12 CONFIDENTIAL INFORMATION

12.1 Confidential Information

Except as specifically otherwise provided for herein, the Parties will keep confidential this Agreement and the terms hereof and will refrain from using it other than for the activities contemplated hereunder or publicly disclosing it if required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction, or with the consent of the other Party, such consent not to be unreasonably withheld. Osisko acknowledges that this Agreement may be made public and filed on the System for Electronic Document Analysis and Retrieval (SEDAR) profile of Sable and Osisko consents to such public filings, provided that Osisko shall be permitted a reasonable amount of time prior to any such filing in order to, if warranted, make suggestions as to redacted portions of this Agreement in accordance with applicable law, and Sable shall act reasonably in considering whether to accept such changes as to redactions.

For the purposes of this Article, the members of the Sable Group are one Party and Osisko is a second Party.

The consent required by this Section shall not apply to a disclosure:

- (a) to an affiliate, advisor, auditor, consultant, contractor or subcontractor that has a bona fide need to be informed;
- (b) to any third Person to whom the disclosing Party contemplates a transfer of its interest in or to this Agreement or any of the Initial Properties, the Applications or the Future Properties and to whom the disclosing Party is permitted to make a transfer hereunder;
- (c) which, through no fault of a Party, has become publicly disclosed or part of the public domain;
- (d) to a governmental agency or to the public (including public filing on SEDAR at www.SEDAR.com) which the disclosing Party believes in good faith is required or desirable by pertinent law or regulation or the rules of any stock exchange;
- (e) if required in connection with legal proceedings or arbitration relating to this Agreement or for the purpose of advising a Party in relation to legal proceedings or arbitration; or

- (f) to a banker or other financial institution considering the provision of or, which has provided financial accommodation to, a Party or an affiliate or to a trustee, representative or agent or such a banker or financial institution,

provided that, in the case of disclosure pursuant to Sections 12.1(b) or 12.1(f), a confidentiality undertaking must be executed that must be in a prior agreed form satisfactory to the non-disclosing Party, acting reasonably, which form may be redacted to protect the identity of such third Person, banker or other financial institution. Such confidentiality undertaking must (i) contain a third party beneficiary clause or otherwise provide that it is in favour of the non-disclosing Party hereunder, and (ii) must permit disclosure of its terms by the disclosing Party to such non-disclosing Party. The disclosing Party must (i) advise the non-disclosing Party if it executes a confidentiality undertaking and provide notice when the disclosure commences and when the disclosure ceases under such confidentiality undertaking (without being required to provide names of the third Person, banker or other financial institution), and (ii) must strictly enforce any confidentiality undertaking and advise the non-disclosing Party of any breach thereof. If there is a breach of a confidentiality undertaking, the disclosing Party is obligated to provide a copy of the confidentiality undertaking to the non-disclosing Party.

12.2 Information in Public Domain

The provisions of this Article 12 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.

12.3 Press Release

The Parties will consult with each other prior to issuing any press release or other public statement regarding this Agreement. In addition, each Party will, to the extent practicable, obtain prior consent from the other Party before issuing any such press release or public statement, except if such disclosure is required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction (a “**Regulatory News Release**”) and the other Party unreasonably withholds consent to such press release or other public statement or does not provide such consent in a timely manner. Notwithstanding the above, when practicable, where a Party requests consent from the other Party of any such press release or public statement and the other Party has not responded to such request within forty eight (48) hours, then the Party proposing the press release or public statement will be entitled to proceed with its disclosure as if it had received consent from the other Party, which forty eight (48) hours period shall be reduced to twelve (12) hours in the case of a Regulatory News Release.

12.4 Request to Disclose

Where a request is made for permission under this Article 12 to disclose confidential information, a reply thereto will be made as soon as possible and in any event within twenty-four (24) hours after receipt of such request, failing which the Party requesting will be entitled to disclose such information in the limited circumstances specified in such request as if such consent had been given.

ARTICLE 13 SURVIVAL AND INDEMNIFICATION

13.1 Survival

Conditional upon the completion of the Initial Closing on the Initial Closing Date, the representations and warranties, covenants and obligations of the Parties in or under this Agreement and in or under any documents, instruments and agreements delivered pursuant to this Agreement will survive the execution and delivery of this Agreement and: (i) with respect to the representations and warranties contained in this Agreement shall continue in full force and effect for a period of [REDACTED: COMMERCIALY SENSITIVE INFORMATION]; and (ii) with respect to the covenants and obligations shall continue in full force and effect.

For the purposes of this Article, the members of the Sable Group are one Party and Osisko is a second Party.

13.2 Indemnification

Each Party agrees to indemnify and save harmless the other from and against all losses suffered or incurred as a result or arising directly or indirectly out of or in connection with:

- (a) any breach or any misrepresentation or inaccuracy of any representation or warranty contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto; and
- (b) any breach or non-performance of any covenant or obligation to be performed which is contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto.

ARTICLE 14 GUARANTEE; SUBSIDIARY DISPOSITIONS

14.1 Guarantee

Subject to Section 14.3, Sable hereby guarantees the due punctual and full payment and performance of all obligations, covenants, commitments, debts, agreements, indemnities, representations, warranties, and undertakings of any kind whatsoever of any Sable Subsidiary arising out of this Agreement (the “**Guarantee**”).

14.2 Subsidiary Dispositions

Sable may not sell, assign, transfer, convey, lease, license or otherwise dispose of any interest in the shares in the capital of any Sable Subsidiary (the “**Transferred Subsidiary**”) in any manner whatsoever (each such transaction, a “**Subsidiary Disposition**”), without in each case complying with the following:

- (a) it shall be a condition of each of the Subsidiary Dispositions that the transferee or other counterparty to such transaction (in each case, the “**Subsidiary Transferee**”) first execute and deliver to Osisko an instrument in writing pursuant to which the Subsidiary Transferee (A) agrees to be bound by the terms of this Agreement, the Security and any Intercreditor Agreements in the same manner

and to the same extent as though the Subsidiary Transferee was an original party hereto in the first instance, without in any way derogating from clause (b) hereunder, and (B) consents and agrees to the continuation or re-registration of any restrictions registered pursuant to Section 2.8; and

- (b) any such Subsidiary Disposition shall not relieve or discharge Sable from any of its liabilities or obligations hereunder that might be existing at the time of closing of such Subsidiary Disposition, and Osisko may continue to look to Sable for the performance thereof.
- (c) Osisko agrees that if, as and when the Subsidiary Transferee signs the counterparts contemplated in Section 14.2(a), then Osisko will promptly and in any event within twenty (20) Business Days make the attendant changes to this Agreement, the Security and any Intercreditor Agreements to bifurcate the relevant provisions thereof as between the Subsidiary Transferee as pertains to the Transferred Subsidiary. For example, the provisions of this Agreement that state that Sable and the Sable Subsidiaries, the Sable Group or the Sable Subsidiaries covenant or agree as to certain matters would be modified to extrapolate out the various obligations and liabilities of Sable and the Sable Subsidiaries on the one hand, and the Subsidiary Transferee and the Transferred Subsidiary on the second hand.

14.3 Transferee Guarantee

If the Owner either:

- (a) sells, assigns, transfers, conveys or otherwise disposes of any of the Properties in compliance with the terms and conditions of Section 10.3; or
- (b) ceases to be an Affiliate of Sable and becomes a Transferred Subsidiary,

then, in each case, Sable shall be released from its Guarantee under Section 14.1 hereunder, provided however that [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

ARTICLE 15 NOTICE

15.1 Notice

All notices and other communications under this Agreement will be in writing and may be delivered personally or transmitted by email as follows:

- (a) To Osisko:

Osisko Gold Royalties Ltd
1100, avenue des Canadiens-de-Montréal
Suite 300
Montreal, Québec H3B 2S2

email: [REDACTED: COMMERCIALLY SENSITIVE INFORMATION]
Attention: [REDACTED: COMMERCIALLY SENSITIVE INFORMATION]

(b) To the Sable Group:

Sable Resources Ltd.
130 King Street West
Suite 3670
Toronto, Ontario M5X 1E2

email: [REDACTED: COMMERCIALLY SENSITIVE INFORMATION]
Attention: [REDACTED: COMMERCIALLY SENSITIVE INFORMATION]

or to such addresses as each Party may from time to time specify by notice. Any notice will be deemed to have been given and received:

- (a) if personally delivered, then on the day of personal service to the recipient Party, provided that if such date is a day other than a Business Day such notice will be deemed to have been given and received on the first Business Day following the date of personal service;
- (b) if sent by email transmission and successfully transmitted prior to 5:00 pm on a Business Day (recipient Party time), then on that Business Day, and if transmitted after 5:00 pm on that day then on the first Business Day following the date of transmission.

ARTICLE 16

GENERAL

16.1 Interpretation

Unless the context otherwise requires, in this Agreement:

- (a) the headings to the Articles, Sections, subsections or clauses of this Agreement are inserted for convenience only and are not intended to affect the construction hereof or affects its interpretation;
- (b) this Agreement will be read with such changes in gender or number as the context requires;
- (c) a reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Agreement or that other agreement or document;
- (d) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
- (e) a reference to writing includes an electronic mail transmission and any means of reproducing words in a tangible and permanently visible form;

- (f) if an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day; and
- (g) if any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the remaining provisions will nevertheless be and remain valid and subsisting and the said remaining provisions will be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

16.2 LIBOR

If at any time the Parties determine that the administrator of the LIBOR rate or a Governmental Authority having jurisdiction over a Party has made a public statement identifying a specific date after which LIBOR will no longer be used for determining interest rates for loans, then the Parties will negotiate in good faith to establish an alternate rate of interest to LIBOR that is, at such time, broadly accepted as the prevailing recommended market practice for syndicated loans of this type; provided that, if such alternate rate of interest will be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Upon the Parties agreeing on such a rate, the Parties shall enter into documentation to amend the provisions hereof to refer to such rate and make all other adjustments incidental thereto, provided that such amendment shall require the consent of all Parties.

16.3 Currency

All dollar amounts expressed herein, unless otherwise specified, refer to lawful currency of Canada.

16.4 Entire Agreement

Save and except for the Subscription Agreement, the Investment Agreement and any Royalty Agreements executed pursuant to the terms hereof, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, including, for certainty, the Term Sheet. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement. No waiver of any other provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

16.5 Further Assurances

The Parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement.

16.6 Manner of Payment

All cash payments to be made to any Party may be made by wire transfer to a bank account the details of which are provided by the receiving Party to the sending party or by certified cheque or draft delivered to such Party at its address for notice purposes as provided herein.

16.7 Enurement

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

16.8 Governing Law

This Agreement will be governed by and interpreted in accordance with the laws of Ontario and the laws of Canada generally applicable therein. Each Party irrevocably submits to the jurisdiction of the courts in Toronto, Ontario with respect to any matter arising under or related to this Agreement.

16.9 Time of the Essence

Time is of the essence in the performance of each obligation under this Agreement.

16.10 Counterparts

This Agreement may be executed in any number of counterparts and all such counterparts, taken together, will be deemed to constitute one and the same instrument. In addition, execution of this Agreement by either of the Parties may be evidenced by way of email transmission of such Party's signature (which signature may be by separate counterpart) or a photocopy of such email transmission, and such emailed signature, or photocopy of such emailed signature, shall be deemed to constitute the original signature of such Party to this Agreement.

16.11 Expenses

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]

16.12 Language

The Parties have expressly requested that the present Agreement be drafted in the English language. *Les parties ont expressément exigé que la présente convention soit rédigée en langue anglaise.*

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed as of the date first above given.

OSISKO GOLD ROYALTIES LTD

By: "signed"
Name: Bryan A. Coates
Title: President

By: "signed"

Name: Joseph de la Plante
Title: Vice President, Corporate
Development

SABLE RESOURCES LTD.

By: "signed"

Name: Tom Obradovich
Title: Chief Executive Officer

**EXPLORACIONES TRES CORDILLERAS,
S.A. DE C.V.**

By: "signed"

Name: Ruben Agustin Padilla
Garza
Title: Director

**EXPLORACIONES CATALINAS, S.A. DE
C.V.**

By: "signed"

Name: Ruben Agustin Padilla
Garza
Title: Director

**EXPLORACIONES VIENTOS DEL SUR,
S.A. DE C.V.**

By: "signed"

Name: Ruben Agustin Padilla
Garza
Title: Director

**EXPLORACIONES SABLE, S. DE R.L. DE
C.V.,**

By: "signed"

Name: Ruben Agustin Padilla
Garza
Title: Director

SCHEDULE "A"
APPLICATIONS

MEXICO

Applications of mining concessions of the following lots:

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

SCHEDULE "B"
INITIAL PROPERTIES

MEXICO

Mining concessions of the following lots:

	Mining lots:	Title:
1)	"Manzana 2"	246,784
2)	"Manzana 2 Fracc. 2"	242,643
3)	"Manzana 2 Fraccion III"	246,785
4)	"Manzana 2 Fraccion IV"	246,786
5)	"Manzana 2 Fraccion V"	246,787
6)	"Manzana 2 Fraccion VI"	246,788
7)	"Manzana 2 Fraccion VII"	246,789
8)	"Manzana 2 Fraccion VIII"	246,790
9)	"Manzana 2 Fraccion IX"	246,791
10)	"Manzana 2 Fraccion X"	246,792
11)	"Manzana 2 Fraccion XI"	246,793
12)	"Manzana 2 Fraccion XII"	246,794

SCHEDULE "C"
OPTIONED PROPERTIES

MEXICO

Margarita Silver Project

Underlying mining concessions per agreement between the optionee Exploraciones Sable, S. de R.L. de C.V. and optionors Compañía Minera La Perla, S.A. and Minas Guilloyna, S.A. de C.V.

ARGENTINA

Don Julio Project

Underlying properties per agreement between the optionee Sable Resources Ltd. and optionors Hugo Enrique Bastias and Gabriel Enrique Bastias.

PERU

Scorpius Project

Underlying properties per agreement between the optionee Sable Resources Ltd. and optionor Alpha Mining S.A.C.

Kirio Project

Underlying properties per agreement between the optionee Sable Resources Ltd. and optionor Teck Peru S.A.

SCHEDULE "D"
PERMITTED ENCUMBRANCES

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

SCHEDULE "E"
FORM OF INITIAL ROYALTY AGREEMENT

See attached.

FORM OF ROYALTY AGREEMENT

THIS AGREEMENT dated as of [●].

BETWEEN:

OSISKO GOLD ROYALTIES LTD., a corporation incorporated under the laws of Québec, having its head office at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada H3B 2S2

(the “**Holder**”)

AND:

SABLE RESOURCES LTD., a corporation incorporated under the laws of British Columbia, having its head office at 999 West Hastings Street, Suite 900, Vancouver, British Columbia, Canada V6C 2W2

(“**Sable**”)

AND:

[●]

(the “**Owner**”)

(collectively, the “**Parties**” and each of them, a “**Party**”)

THE PARTIES AGREE AS FOLLOWS:

1 DEFINITIONS

1.1 **Definitions.** For the purposes of this Agreement (including the Schedules hereto), the following capitalized words and phrases shall have the following meanings, and grammatical variations of such terms shall have corresponding meanings:

“**Additional Amounts**” has the meaning ascribed to such term in Section 2.10(a).

“**Affiliate**” a person is considered to be an affiliate of another Person if one is the subsidiary of the other or if both are subsidiaries of the same Person.

“**Agreement**” means this agreement, including all schedules thereto, and all instruments supplementing, amending, restating or confirming this Agreement.

“**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 or purporting to have authority over that Person, property, transaction or event.

"Applicable Royalty Percentage" means the applicable royalty percentage provided for under the Royalty Purchase Agreement. For clarity, the royalty percentage under the Initial Royalty Agreement shall be 1% and the royalty percentage under any Optional Royalty Agreement shall be 1%. However, if the Initial Royalty Agreement is amended as opposed to an Optional Royalty Agreement being signed, the royalty percentage shall be 2%.

"Application" has the meaning set forth in the Royalty Purchase Agreement.

"Beneficiated Precious Metals" means doré or concentrates of Precious Metals.

"Business Day" means any day other than a Saturday, Sunday or any day on which banks in (a) Mexico City, United Mexican States; (b) Vancouver, British Columbia, Canada; or (c) Montreal, Québec, Canada are generally not open for business.

"Catalinas" means Exploraciones Catalinas, S.A. de C.V. and any successor thereto.

"COMEX Average Price" means, for any period, the average of the daily COMEX settlement price for a given commodity as quoted in United States dollars by COMEX (a division of CME Group, Inc.) (or any successor thereto) for such period, calculated by dividing the sum of all such quotations during such period by the number of such quotations.

"Complementing" means [REDACTED: COMMERCIAL SENSITIVE INFORMATION].

[REDACTED: COMMERCIAL SENSITIVE INFORMATION].

"Construction" means the activities carried out with respect to the erection of facilities, buildings, machinery and equipment and the preparation of a property for Mining as provided for in the applicable Feasibility Study or Mine Plan.

"control" means possession, directly or indirectly, of the power to direct or cause the direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

"Early Termination Amount" means [REDACTED: COMMERCIAL SENSITIVE INFORMATION].

"Encumbrance" means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:

- (a) any royalty, stream, offtake or similar right, mortgage, assignment of receivable, lien, encumbrance, adverse claim, charge, execution, title defect, exception, reservation, encroachment, servitude, restriction on use, right of pre-emption, right of first refusal, privilege, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), conditional sales contract, title retention agreement, and a subordination to any right or claim of others in respect thereof;

- (b) a claim, interest or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), granted to or reserved or taken by any Person;
- (c) an option or other right to acquire, or to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
- (d) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); and
- (e) any contract to create, or right capable of becoming, any of the foregoing.

“Event of Default” has the meaning ascribed to such term in Article 6.

“Excluded Taxes” means, with respect to the Owner or the Holder: [REDACTED: COMMERCIALY SENSITIVE INFORMATION].

“Feasibility Study” means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable), the results of which study may reasonably serve as the basis for a final decision by a financial institution to proceed with, or finance the development of the deposit for mineral production.

“Future Property Royalty Agreement” has the meaning set forth in the Royalty Purchase Agreement.

“Governmental Authority” means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or any other law, regulation or rule-making entity having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing.

“Guarantee” has the meaning set forth in Section 12.1.

“Holder” means Osisko Gold Royalties Ltd and any successor thereto bound by this Agreement.

“Holder Deadline” has the meaning set out in Section 14.1.

“IFRS” means the International Financial Reporting Standards.

“Indicated Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

“Initial Royalty Agreement” has the meaning set forth in the Royalty Purchase Agreement.

“Initial Royalty Consideration” means the consideration set forth in the Royalty Purchase Agreement, ascribed to the Mining Rights under this Agreement.

[REDACTED: COMMERCIALY SENSITIVE INFORMATION].

“Intervening Event” has the meaning ascribed to such term in Section 13.1.

“Insolvency Law” means any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) and the *Winding-Up and Restructuring Act* (Canada), each as now and hereafter in effect, and any proceeding under applicable corporate law seeking a compromise or arrangement of any debts of the corporation, or a stay of proceedings to enforce any of the claims of the corporation’s creditors, and all other liquidation, administration, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of Canada, of the United Mexican States or of other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

[REDACTED: COMMERCIALY SENSITIVE INFORMATION].

“Loss” means an insurable loss of or damage to Products, whether or not occurring on or off any of the Properties and whether the Products are in the possession of the Owner or otherwise.

“Materials” has the meaning ascribed to such term in Section 4.2.

“Measured Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

“Mine Plan” means at any time the most recent development and production plan (a) as provided to the Holder by Sable or the Owner that has been approved by the applicable board thereof, or (b) as announced by Sable or the Owner for a mineral project in the event that the Owner makes a production decision without the support of a Feasibility Study.

“Optional Royalty Agreement” has the meaning set forth in the Royalty Purchase Agreement.

“Maturity Date” means September 26, 2023.

“Mexican Short Version Agreement” has the meaning set out in Section 15.5.

“Mineral Reserve” means the economically mineable part of a Measured Mineral Resource and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

“Mineral Resource” means a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

“Minerals” means any and all metals, minerals or products of whatever kind and nature in, under or upon the surface or subsurface of the Properties (including, without limitation, ore, metals, precious metals, base metals, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other minerals which are mined, excavated, extracted, recovered or otherwise sold from the Properties).

“Mining” means the mining, extracting, producing, handling and milling or other processing of Products.

“Mining Rights” means any mining concessions rights, exploration permits, mining licenses, forms of mineral tenure or other rights to Minerals or to access and work upon lands, such as ownership and ancillary rights, surface rights, leasing agreements, lands temporal occupation agreements or otherwise, for the purpose of exploring, exploiting or benefiting Minerals, under the terms of Applicable Laws, whether contractual, statutory or otherwise, or any interest therein. Mining Rights includes any amendments, relocations, adjustments, resurvey, additional locations, derived rights or conversions of, or any renewal, amendment or other modification or extensions of any of the foregoing.

“Modifying Factors” are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

“Monthly Production” means the production extracted, mined and removed from the any of the Properties or paid by an insurer as a result of a casualty to such production during a calendar month.

“National Instrument 43-101” means National Instrument 43-101 - Standards of Disclosure for Mineral Projects, as implemented and in effect in any Canadian jurisdiction at the applicable time.

“NSR” means net smelter returns.

“Offer Notice” has the meaning set out in Section 14.1.

“Optional Royalty Agreement” has the meaning set forth in the Royalty Purchase Agreement.

“Optional Royalty Consideration” means the consideration set forth in the Royalty Purchase Agreement, ascribed to the Mining Rights under this Agreement.

“Other Products” means all Products other than Precious Metals and the benefited products thereof.

“Owner” means the following Persons, any successor thereto bound by this Agreement, and any such other Person who may be required to pay from time to time the Royalty from the production of all Products from the Properties as hereinbelow indicated besides their respective name:

Owner	Property underlying the Royalty
-------	---------------------------------

Catalinas/Sable Mexico	• “Manzana 2”, Mineral Title 246784 • “Manzana 2 Fraccion II” Mineral Title 242643 • “Manzana 2 Fraccion III”, Mineral Title 246785 • “Manzana 2 Fraccion IV”, Mineral Title 246786 • “Manzana 2 Fraccion V”, Mineral Title 246787 • “Manzana 2 Fraccion VI”, Mineral Title 246788 • “Manzana 2 Fraccion VII”, Mineral Title 246789 • “Manzana 2 Fraccion VIII”, Mineral Title 246790 • “Manzana 2 Fraccion IX”, Mineral Title 246791 • “Manzana 2 Fraccion X”, Mineral Title 246792 • “Manzana 2 Fraccion XI”, Mineral Title 246793 • “Manzana 2 Fraccion XII”, Mineral Title 246794
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“Permitted Encumbrances” means:

- (a) easements, rights of way, servitude and similar rights in land including, but not limited to, rights of way and servitude for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric power, telephone, telegraph or cable television conduits, poles, wires and cables which are not material;
- (b) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, grant or permit forming part of the Properties, or by any statutory provision, to terminate any such lease, licence, grant or permit or to require annual or other periodic payments as a condition of the continuance of them, as well as all other reservations, limitations, provisions and conditions in any original grant from Governmental Authorities;
- (c) the right of any Governmental Authority to levy taxes on minerals or the revenue therefrom and governmental restrictions on production rates on the operation of a mine on the Properties, as well as all other rights vested in any Governmental Authority to control or regulate the Properties pursuant to Applicable Laws;
- (d) any liens, charges or other encumbrances:
 - (i) for taxes, assessments or governmental charges; and
 - (ii) incurred, created and granted in the ordinary course of business to a public utility or Governmental Authority in connection with operations conducted with respect to the Properties, but only to the extent those liens relate to costs for which payment is not due; and
- (e) the Encumbrances set forth in Schedule “B” hereto.

“Parties” means the Holder, Sable and the Owner collectively and “Party” means any of the Parties individually.

“Permitted Disclosure” has the meaning set out in Section 9.1.

“Permitted Security” has the meaning set out in Section 7.8.

“Permitted Security Holder” has the meaning set out in Section 7.8.

“Person” means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, governmental agency or board or commission or authority and any other form of entity or organization.

“Precious Metals” means gold, silver and platinum group metals.

“Processor” means any third party smelter, refiner or processor other than the Owner or its Affiliates.

“Products” means any and all metals, minerals and products or by-products thereof, including the Materials, of whatever kind and nature in, under or upon the surface or subsurface of the Properties (including, without limitation, ore, metals, precious metals, base metals, uranium, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other minerals which are mined, excavated, extracted, recovered or otherwise sold from the Properties) and that may lawfully be explored for, mined and sold pursuant to the rights granted by the Mining Rights and other instruments of title under which the Properties are held.

“Properties” means, collectively:

- (a) the Mining Rights and other rights and interests described in Schedule “A”; and
- (b) any rights renewing, deriving, replacing or Complementing such Mining Rights or other rights and interests at any time;

and **“Property”** means any one or part of them, as the context may require.

“Property Transferee” has the meaning set out in the Royalty Purchase Agreement.

“Regulatory News Release” has the meaning set out in Section 9.3.

“Right” has the meaning set out in Section 14.1.

“Royalty” means all of the rights and interests of the Holder in the net smelter returns royalty described in this Agreement.

“Royalty Purchase Agreement” means the royalty purchase agreement dated September 26, 2019 entered into between the Parties and others.

“Royalty Net Present Value” means [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

“Sable” means Sable Resources Ltd. and any successor thereto.

“Sable Mexico” means Exploraciones Sable, S. de R.L. de C.V. and any successor thereto.

“Sable Group” means, collectively, Sable and the Sable Subsidiaries.

“Sable Subsidiaries” means, collectively, the direct and indirect subsidiaries of Sable, including, without limitation, (a) Tres Cordilleras; (b) Catalinas; (c) Vientos del Sur; and (d) Sable Mexico, and any successor thereto.

“Security” has the meaning set out in Section 7.1.

“Selected Commodity Analysts” means the respective division, group or entity of each of the following, which is responsible for forecasting Precious Metals and applicable Other Products: Bank of America Merrill Lynch, BMO Capital Markets, CIBC World Markets, Credit Suisse, GMP Securities, Morgan Stanley, RBC Capital Markets, Scotia Capital, TD Securities and UBS Securities, provided that any of the foregoing that has not published forecasts for the applicable Product prior to end of the last calendar quarter shall be excluded with respect to such Product and the foregoing list may be updated by the Parties, acting reasonably, in writing from time to time in order to remove and replace any institution that ceases to publish the relevant information. Where such term is used herein, the reference to consensus prices shall be determined based on the most recent forecast published by such persons.

“subsidiary” means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary.

“Subsidiary Disposition” has the meaning set out in Section 12.2.

“Subsidiary Transferee” has the meaning set out in the Royalty Purchase Agreement.

“Taxes” means all foreign and domestic federal, provincial, state, municipal and other governmental taxes, levies, imposts, deductions, charges, claims, and assessments and withholdings, and all liabilities with respect thereto (including, without limitation, interest and penalties).

“Termination Fee” has the meaning set out in Section 6.8.

“Termination Fee Event” has the meaning set out in Section 6.8.

“Transferee” has the meaning set out in Section 12.2.

“Tres Cordilleras” means Exploraciones Tres Cordilleras, S.A. de C.V. and any successor thereto.

“Vientos del Sur” means Exploraciones Vientos del Sur, S.A. de C.V. and any successor thereto.

1.2 Schedules

The following schedules are attached to and incorporated in this Agreement by this reference:

Schedule “A” - Properties

Schedule “B” - Permitted Encumbrances

2 ROYALTY

2.1 **Grant of Royalty.** Subject to any adjustment and to other terms provided for hereunder, each Owner hereby grants and agrees to pay to the Holder a perpetual NSR royalty, as

determined using the Applicable Royalty Percentage, from the production of all Products from the Properties.

- 2.2 **Real Right in the Properties.** Each Owner hereby acknowledges and agrees that, to the extent permissible under Applicable Law, the Holder holds a perpetual direct real right in the Properties (and in associated minerals and/or Products), provided such interest shall be satisfied in respect of any particular mineral and/or Product by the payment to the Holder of the Royalty in respect thereof.
- 2.3 **Royalty Application.** The Royalty shall apply to 100% of the interests of the Owner in the Properties, underlying agreements pertaining thereto and production derived therefrom - but on a mine by mine basis.
- 2.4 **Royalty Payments in respect of Precious Metals.**
- (a) **In-Kind Credit.** The Holder shall receive payment of the Royalty to the extent relating to Precious Metals as an “in-kind” credit, in the form of Beneficiated Precious Metals, by way of credit in metal or physical allocation to the bullion storage account maintained by the Holder with the Processor.
 - (b) **Bullion Storage Account.** The Holder shall open a bullion storage account at each Processor designated by the Owner as a possible recipient of refined bullion for which the Holder will be credited. The Holder shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts and the Owner shall not be required to bear any additional expense with respect to such “in-kind” payments.
 - (c) **Payments In-Kind (in doré).** Where Precious Metals are shipped by the Owner in the form of doré, in order to settle the payment owed to the Holder pursuant to the Royalty, the Owner shall credit the Holder’s bullion storage account with the Applicable Royalty Percentage of the Beneficiated Precious Metals derived from the Products and credited to the Owner by the Processor as soon as practicable and in any event no later than two (2) Business Days after Beneficiated Precious Metals are credited to the Owner, subject to further adjustment upon receipt of final adjusted numbers from the Processor. For greater certainty, all credits/payments due to the Holder on account of the Royalty and received by the Holder shall be held by the Owner in trust for the Holder until credited/paid to the Holder in accordance with the terms of this Agreement.
 - (d) **Payments In-Kind (other than in doré).** In the case of Precious Metals shipped by the Owner other than in the form of doré, in order to settle the payment owed to the Holder pursuant to the Royalty, the applicable in-kind credit shall be credited to the Holder’s account no later than five (5) days after the last day of each month, subject to further adjustment upon receipt of final adjusted numbers from the Processor. For greater certainty, all credits/payments due to the Holder on account of the Royalty and received by the Holder shall be held by the Owner in trust for the Holder until credited/paid to the Holder in accordance with the terms of this Agreement.
 - (e) **Allowable Deductions.** The Holder shall be responsible for any incremental out-of-pocket costs incurred by the Owner in providing for in-kind settlement of the Royalty and the Owner shall invoice the Holder for its pro rata share (i.e. the Applicable Royalty Percentage) of the following items with respect to such in-kind

Royalty credits, which invoices shall be due and payable by the Holder to the Owner within 15 days of delivery to the Holder:

- (i) the charges and costs for transportation, including, securing, assaying, weighing, sampling, insurance, handling, insurance and umpire and representative fees and costs, including without limitation, metal losses and other Processor deductions, of Beneficiated Precious Metals from the Owner's or any of its Affiliates' final mill or other final processing plant to places where such Beneficiated Precious Metals are smelted, refined and/or sold or otherwise disposed of; and
- (ii) the charges imposed by the Processor for smelting, refining or processing bullion from the Beneficiated Precious Metals produced by the Owner's or any of its Affiliates' final mill or other final processing plant, including all costs of assaying, sampling, custom-smelting and refining, all independent representative and umpire charges and other treatment or other processing charges or applicable penalties, discounts or costs.

If the Holder fails to pay any invoiced amounts of any amounts payable under this Section 2.4(e), then the Owner shall be entitled to reduce the amount of Precious Metals to be credited to the Holder in respect of any subsequent month by an amount that is equivalent in value to the amount of such unpaid invoice. For the purposes of this calculation: (i) the Precious Metals shall be valued using the spot price as at the close of business on the date of the applicable invoice; and (ii) the currency exchange rate (which may be necessary to convert other than US dollars into US dollars) shall be calculated using the applicable Bloomberg rate (if the necessary information is not available on Bloomberg for any reason, such other entity that quotes exchange rates, acceptable to the Parties, acting reasonably) as at the close of business on the date of the applicable invoice.

- (f) **Mandate to Owner for Processing.** For greater certainty, it is hereby acknowledged and agreed by the Parties that, given that the Royalty is a direct real right in the Properties (and in associated minerals and/or Products), the Holder hereby mandates the Owner, and the Owner hereby accepts such mandate, to make all required arrangements to have the Holder's share of Product refined by a Processor, provided that the Owner shall invoice the Holder for its share of allowable deductions, as provided under section 2.4(e).
- (g) **Controlled Custom Toll Facilities.** In the event the refining of bullion from the Beneficiated Precious Metals contained in such production is carried out in custom toll facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliates, then the allowable deductions for such refining shall mean the amount that the Owner would have incurred if such refining were carried out at facilities not owned or controlled by the Owner or any of its Affiliates then offering comparable services at the same location for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Owner with respect to such refining.
- (h) **Title.** Title to refined bullion delivered to the Holder hereunder shall pass to the Holder at the time such bullion is credited to the Holder at the Processor.

2.5 Calculation of the Royalty - Other Products.

- (a) For all Other Products, the Royalty shall be determined by using the following formula:

$$\text{Applicable Royalty Percentage} \times [(A \times B) - (C + D)]$$

where:

A	the gross quantity of the particular Other Product contained in the Monthly Production during the preceding calendar month.
B	the COMEX Average Price for the preceding calendar month of the appropriate Other Product.
C	the charges and costs, if any, for transportation, including, securing, assaying, weighing, sampling, insurance, handling, insurance and umpire and representative fees and costs, including without limitation, metal losses and other Processor deductions, of the Other Products and the beneficiated products thereof from the Owner's or any of its Affiliates final mill or other final processing plant to places where such Other Products are smelted, refined and/or sold or otherwise disposed of.
D	the charges imposed by the Processor for smelting, refining or processing Other Products contained in such production, including all costs of assaying, sampling, custom-smelting and refining, all independent representative and umpire charges and any other treatment or other processing charges or applicable penalties, discounts or costs.

With respect to Other Products which do not require smelting, refining or processing following extraction, the Royalty percentage shall be the Applicable Royalty Percentage, but the Parties shall mutually agree, acting reasonably, on a specific formula that accurately reflects the nature of the production process associated thereto and the Holder's pro rata share of such production process cost.

- (b) **No COMEX Price.** For greater certainty, if COMEX does not publish price quotations for a commodity, or should no longer be internationally recognized as the basis for the settlement of any applicable commodity, then, upon the request of either of them, the Owner and the Holder shall promptly meet to select a comparable commodity quotation for purposes of this Agreement, each to act reasonably.
- (c) **Controlled Custom Toll Facilities.** If smelting, refining, or processing of Other Products are carried out in custom toll facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliates, then charges for such smelting, refining or processing shall mean the amount the Owner would have incurred if such smelting, refining or processing were carried out at facilities not owned or

controlled by the Owner or any of its Affiliates then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Owner with respect to such smelting and refining.

- 2.6 **Insurance Proceeds for Loss.** If the Owner or any of its Affiliates receives insurance proceeds for Loss of Precious Metals or Other Products from the Properties or in connection with business interruption relating to operations pertaining to the Properties, the Owner shall pay to the Holder the Applicable Royalty Percentage of any such insurance proceeds, which are received by the Owner or any of its Affiliates for such loss of production, less the deductions contemplated by Section 2.5 C and D, but only to the extent the costs and fees contemplated thereby have actually been incurred by the Owner or any of its Affiliates. The Owner shall pay such amount in cash within ten (10) days of the Owner receiving such insurance proceeds in cash by wire transfer to an account to be designated by the Holder and notified to the Owner in writing at least three (3) Business Days prior to the payment date. The gross proceeds received by Owner on account of (a) the lost or damaged Precious Metals or Other Products shall be conclusively determined by the final, uncontested insurance settlement documents or (b) loss relating to business interruption.
- 2.7 **Royalty Payments in respect of Other Products.** For Other Products, notice of election to receive payment of the Royalty in kind shall be made in writing by the Holder and delivered to the Owner on or before January 1st of each year. If no election is made, the Royalty for Other Products shall be paid in cash. If the Holder elects to receive payment of the Royalty in-kind, the Royalty shall be paid in accordance with Section 2.4, *mutatis mutandis*. If the Holder elects to receive payment of the Royalty "in cash", unless mutually agreed, payments shall be paid on or before the thirtieth (30th) day of the month following the calendar month in which Products subject to the Royalty were shipped to the Processor by the Owner and payments (including provisional payments) therefor were received from the Processor by the Owner as contemplated by Section 2.9. The price used for calculating the cash amount due for the Royalty on Other Products shall be determined in accordance with Section 2.5. The Owner shall make each Royalty payment to be paid in cash by delivery of a cheque payable to the Holder and delivering such cheque to the Holder or by direct bank deposit to the Holder's account as the Holder shall designate in writing. For greater certainty, all credits/payments due to the Holder on account of the Royalty once received by the Owner shall be held by the Owner in trust for the Holder until credited/paid to the Holder in accordance with the terms of this Agreement.
- 2.8 **Detailed Statement.** All Royalty payments or credits shall be accompanied by detailed statements (including mine pour reports, refinery preliminary reports and refinery final reports as soon as available) explaining the calculation thereof with any available settlement sheets from the Processor, and shall also include the following information: (i) settlement ounces (or other quantities in the case of Other Products); (ii) the prices used for the calculation of the Royalty; (iii) all allowable deductions applied to the Royalty; (iv) any other pertinent information in sufficient detail to explain the calculation of the credit/payment; and (v) such other information as the Holder may reasonably request.
- 2.9 **No Obligation.** Notwithstanding the terms of any other provisions herein, the Owner shall not be obligated to make any Royalty payment before the Owner (i) in the case of payment in-kind, has received possession of or been credited with, or (ii) in the case of payment in cash, received or been credited with payment for the sale or other disposition of, the Products upon which such Royalty payment is calculated, unless such failure to receive

or be credited for payment in-kind or in cash by the Owner or any of its Affiliates is due to intentional delay by the Owner or any of its Affiliates.

2.10 **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]**

2.11 **Payment Currency.** All Royalty payments to be paid in cash shall be paid in U.S. dollars.

2.12 **United States Currency.** All credits or receipts and all major payments or disbursements in a currency other than U.S. dollars shall be converted into U.S. dollars on the day of receipt or disbursement, as the case may be, at the buying rate of exchange for such currency as daily quoted by the U.S. Federal Reserve Board at 12:00 noon (Eastern Time), and all other disbursements in a currency other than U.S. dollars shall be converted into U.S. dollars at the average rate of the month of disbursement as determined using the buying daily rate of exchange for such currency as quoted by the U.S. Federal Reserve Board at 12:00 noon (Eastern Time).

2.13 **Default and Interest.** If any credit/payment required to be made by a Party hereunder is not made when due, then all uncredited/unpaid amounts shall bear interest at a rate equal to **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]**, compounded monthly on the last day of each month until such credit/payment and accrued interest is paid in full. For the purposes hereof, the term "**Prime Rate**" means the per annum rate quoted or announced from time to time by the principal office of the National Bank of Canada in Montreal as its reference rate of interest for Canadian dollar loans made in Canada. The rate of interest payable on such late credits/payments will change simultaneously with changes in the Prime Rate from time to time.

3 PERPETUITY

The Royalty shall be perpetual as shall be permitted by Applicable Law. If a court of competent jurisdiction determines that any provision hereof violates a legal rule against perpetuities, then such provision shall automatically be revised and reformed as necessary in order for the Royalty to terminate on the end of the maximum time permitted under Applicable Law for the Royalty to be valid.

4 OPERATIONS

4.1 **Operations.** The Owner shall, from the date hereof:

- (a) not allow the Properties to become subject to any Encumbrance (other than Permitted Encumbrances);
- (b) perform its activities in a sound and professional manner and in accordance with the Applicable Laws and best industry practices on the Properties and use commercially reasonable efforts to preserve, protect and safeguard the Properties; and
- (c) make all necessary tax, governmental and other filings necessary in respect to the Properties in a timely fashion.

4.2 **Stockpiling.** The Owner shall be entitled to temporarily stockpile, store or place ores or mined rock containing Products produced from any of the Properties in any locations owned, leased or otherwise controlled by the Owner or its Affiliates or any Processor of

such Products on or off the Properties, provided the same are appropriately secured from loss, theft, tampering and contamination. If the Owner stores inventory of Products, then the Royalty with respect to such inventory shall be paid by the Owner to the Holder within six months after such storage date (provided that in the case of Beneficiated Precious Metals, the Royalty shall be paid by the Owner to the Holder within 45 days after such storage date).

- 4.3 **Tailings.** All tailings, residues, waste rock, spoiled leach materials, bulk samples, and other materials (collectively the “**Materials**”) resulting from the Owner’s operations and activities on any of the Properties shall be the sole property of the Owner, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Precious Metals or Other Products. Notwithstanding the foregoing, the Owner shall have the right to dispose of Materials from any of the Properties on or off of the Properties and to commingle the same (as provided herein) with materials from other properties. In the event Materials from any of the Properties are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined on a pro rata basis as determined by using the best engineering and technical practices then available.
- 4.4 **Commingling.** With the approval of the Holder not to be unreasonably withheld, the Owner shall have the right to commingle Precious Metals and Other Products from any of the Properties with products from other properties. Before any Precious Metals or Other Products produced from any of the Properties is commingled with products from other properties, the Owner shall ensure that Precious Metals or Other Products produced from any of the Properties shall be measured and sampled in accordance with sound mining and metallurgical practices for assaying, weighing and for moisture, metal, commercial minerals and other appropriate content, applied on a consistent basis. Representative samples of the Precious Metals or Other Products shall be retained by the Owner and assays (including moisture and penalty substances) and other appropriate analyses of these samples shall be made before commingling to determine gross metal content of Precious Metals or gross metal or mineral content of Other Products. The Owner shall retain such samples and analyses for a reasonable amount of time, but not less than [REDACTED: COMMERCIALLY SENSITIVE INFORMATION], after receipt by the Holder of the Royalty paid with respect to such commingled Products from the Properties.
- 4.5 **Sampling, Assaying, Evaluating and Testing.** The Owner shall have the right to mine and remove small amounts of ores, minerals and mineral resources constituting Products as is reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the minerals’ potential of any of the Properties and the Holder shall not be entitled to a Royalty payment/credit in respect of any of such Minerals.
- 4.6 **Bulk Sample.** For certainty, the Royalty shall be payable on all bulk samples and production where the Owner receives any proceeds from any Processor or other purchaser.
- 4.7 **Governmental Taxes.** The Owner shall use commercially reasonable efforts to pay all governmental taxes, duties or other payments, make any minimum investments required by law, perform all acts and comply with all obligations under Applicable Law required to maintain the Properties in good standing.
- 4.8 **Expropriation.** In the event that any of the Properties, or any part thereof, is affected by an expropriation or notice or advice from any Governmental Authority of an intention to

expropriate or a sale in lieu of expropriation, or any intention from any Governmental Authority to revoke, limit, suspend or refuse to renew any Mining Right, the Owner shall notify the Holder in writing within five (5) Business Days after the Owner becomes aware of any such expropriation, notice or advice from any Governmental Authority. Unless the Owner, after having informed the Holder of its intention to do so, contests forthwith upon receipt of such notice and in order to protect its own and Holder's interests in the Properties, the Holder shall have the right (on advance notice to the Owner and if required by the Owner, in conjunction with the Owner) to make representations before any Governmental Authority in order to protect the Holder's interest in the Properties.

- 4.9 **Abandonment.** At any time and from time to time, the Owner may elect to abandon all or any part or parts of any of the Properties by giving notice to the Holder of such election not less than 60 days prior to the proposed date of abandonment. The notice shall identify the portion of the Properties which is proposed to be abandoned. Upon expiry of such 60-day period, the Owner's obligations hereunder in respect of such abandoned interest shall terminate and thereafter the term "Properties" will apply to those interests comprising the Properties which have not been abandoned by the Owner. In such event, (a) the portion of the Initial Royalty Consideration and, as the case may be, of the Optional Royalty Consideration attributed by the Parties to such abandoned Properties pursuant to Sections 2.5 or 2.6 of the Royalty Purchase Agreement shall *ipso facto* be spread proportionally among the remaining Properties; and (b) if requested by the Holder, the Owner shall execute documents transferring to the Holder or a Mexican mining company, with legal capacities to hold mining concessions under Mexican law, elected by the Holder, either title to any of the mining concessions of the Properties which the Owner is abandoning or those new concessions deriving from mining concessions of the Properties, that would cover the part or parts of the Properties, that the Owner is abandoning, for and in consideration of the sum [REDACTED: COMMERCIALY SENSITIVE INFORMATION] however such documents shall not contain representations, warranties or indemnities from the Owner or Sable. The Owner shall execute all reasonable documents provided by the Holder, to apply and process the replacement of a mining concession of the Properties, for one or more concessions which would cover the part or parts of the Properties which the Owner is abandoning and transfer such derived concessions to the company appointed by the Holder.
- 4.10 **Reacquired Interest.** In the event the Owner or any Affiliated Party or any successor or assignee of it surrenders, allows to lapse or otherwise terminates its interest in any portion or all of the Properties and within a period of [REDACTED: COMMERCIALY SENSITIVE INFORMATION] from the date of such surrender, lapse or other termination, reacquires a direct or indirect interest in respect of the mining concessions and/or land covered by the former property, then the Royalty shall apply to such interest so reacquired. The Owner shall give written notice to the Holder within ten (10) days of any acquisition or reacquisition thereof.
- 4.11 **Mineral Resource or Mineral Reserve Estimates.** Each time the Owner establishes a mineral resource or a mineral reserve estimate on any of the Properties or establishes a new mineral resource or a new mineral reserve estimate which is a material change to the prior mineral resource or mineral reserve estimate, the Owner shall provide the Holder with such estimate as soon as practicable.
- 4.12 **Technical Reports.** If the Owner or its Affiliate prepares a technical report under National Instrument 43-101 (or similar report) in respect of any of the Properties, upon the reasonable request of the Holder, the Owner shall use commercially reasonable efforts to

cause the author(s) of such report to provide, at the sole cost and expense of the Holder, (i) a copy of such report to be addressed to the Holder or any of its Affiliates, (ii) the relevant certificates and consents of the author(s) required in connection with the filing of and reference to such report to be provided to the Holder or any of its Affiliates, and (iii) such other consents in connection with the use of or reliance upon such report by the Holder or any of its Affiliates from time to time in its public disclosure as may be required by the Holder.

Notwithstanding the foregoing, if the Holder or any of its Affiliates is required by applicable laws to prepare a technical report under National Instrument 43-101 (or similar report) in respect of any of the Properties and chooses to prepare its own technical report (or similar report), the Owner shall cooperate with and allow the Holder and its authorized representatives to access technical information pertaining to the Properties and complete site visits at the Properties so as to enable the Holder or its Affiliates, as the case may be, to prepare the technical report (or similar report) in accordance with National Instrument 43-101 (or any other applicable Canadian and/or US securities laws and/or stock exchange rules and policies governing the disclosure obligations of the Holder or any of its Affiliates) at the sole cost and expense of the Holder.

- 4.13 **Insurance.** The Owner will obtain and maintain insurance against (a) Loss of Products prior to their sale and (b) business interruption, in such amounts and with such coverage as is customary in the industry (including, without limitation, fidelity insurance to protect against theft and business interruption coverage) with the Holder as a named insured.

5 INDEMNIFICATION BY OWNER

The Owner shall be responsible for all costs, fines, damages, judgments, penalties or responsibilities (environmental and otherwise) in connection with the Properties, their ownership and use of the Properties and for any and all work performed in and on the Properties.

The Owner will indemnify and save harmless the Holder from any loss, cost or liability (including any legal fees) arising from a claim against the Holder in respect of, without limitation: (a) any failure by the Owner to timely and fully perform all reclamation, restoration, waste disposal or other closure obligations required by law or regulation, the terms and conditions of applicable licenses or by Governmental Authorities or otherwise to prevent liability in respect of all activities on the Properties; (b) any failure or omission by the Owner which results in a violation of or liability under any present or future applicable federal, provincial, territorial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, policies or guidelines in respect of all activities on the Properties; and (c) any claims by third parties against the Holder in respect of property damage or injury or death to persons arising out of the activities on or with respect to the Properties (but only to the extent that the negligence of the Holder or its authorized representatives did not cause or contribute to such property damage or injury or death).

6 DEFAULT

The occurrence of any one or more of the following events or circumstances shall constitute an event of default hereunder (an “**Event of Default**”):

- 6.1 **Payment.** Should the Owner fail to make to the Holder any royalty payment hereunder when due, or fail to make payment when due to the Holder of any other amount that may become due by the Owner hereunder, within five (5) days of the Owner's receipt of a letter from the Holder demanding same.
- 6.2 **Covenants.** Should the Owner or Sable fail to observe or perform any covenant, condition or agreement contained herein (other than any failure under Section 6.1 hereinabove) and not have commenced to remedy such failure within ten (10) days of the Owner's receipt of a letter from the Holder demanding same.
- 6.3 **Insolvency.** The Owner or Sable:
- (a) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally or declares any general moratorium on its indebtedness or proposes a compromise or arrangement between it and any class of its creditors;
 - (b) commits an act of bankruptcy under any Insolvency Law or makes an assignment of its property for the general benefit of its creditors under any Insolvency Law, or makes a proposal (or files a notice of its intention to do so) under any Insolvency Law;
 - (c) institutes any proceeding seeking to adjudicate it as insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief under any Insolvency Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors, or files an answer admitting the material allegations of a petition filed against it in any such proceeding;
 - (d) applies for the appointment of, or the taking of possession by, a receiver or other similar official for it or any substantial part of its property under any Insolvency Law; or
 - (e) takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defense thereof.
- 6.4 **Proceedings Under Insolvency Law.** Any petition is filed, application made or other proceeding instituted against or in respect of the Owner or Sable under any Insolvency Law or otherwise:
- (a) which adjudicates the Owner or Sable as insolvent;
 - (b) in which a receiving order is made against the Owner or Sable under any Insolvency Law;
 - (c) in which a liquidation, dissolution, winding-up, reorganization, compromise,

arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of any of the Owner or Sable or its respective debts or any other relief under any Insolvency Law now or hereafter in effect has been commenced; or

- (d) in which the entry of an order for relief or the appointment of or the taking of possession by, a receiver or other similar official for the Owner or Sable or any substantial part of its respective property is made, and such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of forty-five (45) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against the Owner or Sable thereunder in the interim, such grace period shall cease to apply, and provided further that if the Owner or Sable files an answer admitting the material allegation of a petition filed against it in any such proceeding, such grace period shall cease to apply.

6.5 **Seizure of Assets.** Any of the Properties is seized (including by way of execution, attachment, garnishment, levy or distraint), or any one or more encumbrances thereon securing indebtedness is enforced, or such property has become subject to any charging order or equitable execution of a Governmental Authority, or any one or more writs of execution or distress warrants exists in respect of the Owner or any of the Properties with an outstanding principal amount in excess of [REDACTED: COMMERCIAL SENSITIVE INFORMATION], or any sheriff or other person becomes lawfully entitled by operation of law or otherwise to seize or distraint upon such property and in any case such seizure, enforcement, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, continues in effect and is not released or discharged within thirty (30) days or such longer period during which entitlement to the use of such Property continues with the Owner, and the Owner is contesting the same in good faith and by appropriate proceedings, provided that if the Property is removed from the use of the Owner, or is in danger of being sold, in the interim, such grace period shall cease to apply.

6.6 **Sale of Property.** Any of the Properties is sold, transferred or otherwise disposed of by the Owner without complying with the provisions of Section 10.

6.7 **Indebtedness.** The Owner or Sable fails to pay when due any amounts owing under any one or more agreements or documents relating to indebtedness towards creditor(s) having from time to time security or is otherwise in default under or pursuant to the terms of agreements or documents concerning such indebtedness and, if there is any cure period applicable to such default, such cure period lapses without the default being cured and such creditor(s) have taken action or commenced proceedings to enforce its rights and remedies.

6.8 **Remedies Upon Event of Default.**

- (a) If an Event of Default occurs, the Holder shall have the right, upon written notice to Sable, at its option and in addition to and not in substitution for any other remedy which is available at law or equity, to take any or all of the following actions:
 - (i) to bring an action for specific performance or injunctive relief against Sable or the Owner; and
 - (ii) demand all amounts and deliveries owed by the Sable Group to the Holder, including any amounts then owing under this Agreement; and

- (iii) exercise any and all of its recourse under the Security (but for clarity, not any security granted by a Property Transferee or a Subsidiary Transferee pursuant to the provisions of the Royalty Purchase Agreement);

or

- (iv) terminate this Agreement and the Connected Agreements and, without limiting Section 6.8(a)(ii), demand all damages and losses suffered or incurred as a result the occurrence of such Event of Default, including, in the case of a Termination Fee Event, the immediate payment in cash of the greater of:

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]

(the “Termination Fee”).

For the purpose of this Section, “**Termination Fee Event**” means the termination of this Agreement and the Connected Agreements by the Holder pursuant to subsection 6.8(a)(iii) hereof as a result of an Event of Default other than a default in covenants under Article 4 (Operations), Article 8 (Reporting, Records and Audit), Article 9 (Confidentiality) or Section 6.5 (Seizure of Assets) herein.

- (b) In the case of a termination of this Agreement and the Connected Agreements by the Holder pursuant to subsection 6.8(a)(iv) hereof as a result of an Event of Default under Section 6.5 (Seizure of Assets), the Holder shall have, in addition to its rights under Section 6.8(a) herein, the right to demand the immediate payment in cash of an amount equal to [REDACTED: COMMERCIALLY SENSITIVE INFORMATION]:

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

- (c) For greater certainty, the Holder agrees that any specific action that might be taken by it under subsection 6.8(a) or 6.8(b) shall never be duplicative with any remedy otherwise available to the Holder or its successors and assigns (or Osisko Gold Royalties Ltd if Osisko Gold Royalties Ltd is not then the Holder) upon events of default pursuant to the terms of the Royalty Purchase Agreement.
- (d) For greater certainty, inasmuch as the calculations made by the Holder at any relevant date to determine the Royalty Present Value, the Holder will have the right, at its sole discretion, to use the then most current life of mine model assumptions contained in either (i) the most recent Feasibility Study or (ii) the most recent Mine Plan.
- (e) For greater certainty, the obligations of the Sable Group hereunder shall continue in full force and effect notwithstanding the exercise or not by the Holder of any of its rights under this Section 6.8.
- (f) The Sable Group hereby acknowledges and agrees that: (i) the Holder will be damaged by an Event of Default, (ii) it would be impracticable or extremely difficult to determine the actual damages to the Holder resulting from an Event of Default, (iii) [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

- (g) The obligations of the Sable Group under this Agreement will not be discharged, prejudiced or affected by (i) the occurrence of an insolvency event affecting any of Sable or the Owner or (ii) an arrangement or compromise with any of Sable or the Owner. The Holder will not be required to commence or exhaust its remedies or exercise its rights against any of Sable or the Owner before exercising its rights or remedies against the other of Sable or the Owner.

7 SECURITY; FURTHER ASSURANCES

7.1 Security. [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

7.2 Default. The Security shall provide that (a) the Owner will be in default in the event of an occurrence of an Event of Default hereunder which has not been cured within ten (10) Business Days from receipt of a written notice from the Holder specifying the nature of the default (except for a default under Section 6.1 hereof, in which case the cure period is reduced to five (5) days) and (b) upon the occurrence and continuance of an Event of Default, the Holder may exercise all recourses available to it under Applicable Law and as contemplated in Section 6.8(a)(iii), may also, in its discretion, realize on the Security in accordance with its terms, including the use and management of the Properties with full dealing authority.

7.3 Acquisition of Properties. It is understood and agreed that the Security shall remain in place notwithstanding the acquisition of any of the Properties by any Person, but shall be amended as contemplated by the provisions of Section 10.3.

7.4 Further Assurances. The Owner covenants and agrees that it shall co-operate with such registration and subject to the provisions of Section 2.8 of the Royalty Purchase Agreement provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration in order to ensure that any successor or assignee or other acquiror of the Properties, or any interest therein, shall have public notice of the terms of this Agreement and in order to assist the Holder in its efforts to register a restriction on title to the Properties restricting the sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition of the Properties, in whole or in part, without compliance with the terms of this Agreement.

7.5 Costs and Fees. All costs and expenses incurred by the Parties associated with the transactions contemplated herein, including costs and expenses related to the documentation or for the perfection of the Security or any modification of the Security that may be required from time to time, will be for the account of the applicable Party incurring such costs and expenses.

7.6 Amount of Security. The Parties agree that the amount of such hypothec, collateral charge or mortgage will, from time to time, be determined by taking into consideration the mineral resources and reserves data available on the Properties (as demonstrated by the most recent report prepared in accordance with National Instrument 43-101 in respect of the Properties available at the relevant time), the estimates of anticipated production and prevailing commodity prices, [REDACTED: COMMERCIALLY SENSITIVE INFORMATION]. The foregoing is also subject to the provisions of Section 2.8(b) of the Royalty Purchase Agreement.

7.7 Additional Mining Rights. The Owner shall promptly notify the Holder in writing of any additional Mining Rights, contractual rights over mining concession to explore or exploit mining lots, or any new Mining Rights derived from the current Mining Rights which from

part of the Properties or any extension, replacements, substitutions or modifications of contractual rights included in the Properties from time to time, including as a result of conversion of Mining Rights included in the Properties, in order to allow the Holder to proceed with amendments or additional registrations of this Agreement as may be necessary or advisable to ensure that the right of the Holder and the terms of this Agreement are properly registered against such additional Mining Rights, but subject at all times to the provisions of Section 2.8(b) of the Royalty Purchase Agreement.

7.8 **Permitted Security.** [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

7.9 **Subordination.** [REDACTED: COMMERCIALLY SENSITIVE INFORMATION].

8 REPORTING, RECORDS AND AUDITS

8.1 **Reporting.** The Owner recognizes the Holder needs to have a complete understanding of the Properties. Regular information to be provided by the Owner to the Holder shall include, but not be limited to:

- (a) sufficient documentation to determine the Royalty, including refining invoices, weights, assays and settlement sheets;
- (b) monthly, quarterly and annual customary operational, exploration and financial reports to be provided within ten (10) Business Days of completion;
- (c) within ten (10) Business Days of approval, operational budgets, annual production forecast (to be provided no later than the beginning of each fiscal year) and life of mine operating plan (and notice of any material change to the life of mine operating plan promptly following such change);
- (d) annual reserve and resource reports;
- (e) any other material engineering or economic studies (as and when prepared);
- (f) studies and reports provided to providers of third party financing, as applicable;
- (g) on an annual basis, list of the Mining Rights underlying the Properties; and
- (h) notice of any other material event, including any Event of Default, Intervening Event, actual or threatened legal action, actual or threatened withdrawal of any permit or third party approval, or change in law materially impacting the Properties.

8.2 Records and Audits

The Owner agrees to keep accurate records showing the amount of recovered Products produced by it from the Properties. All Products produced from the Properties shall be kept separate and distinct from minerals and/or mineral products produced by the Owner from properties other than the Properties.

The Holder shall have the right, upon reasonable advance written notice to the Owner, on an annual basis, to inspect and perform audits of all books, records, technical data, information and materials relevant to the production and stockpiling of Products and the

calculation and payment of the Royalty; provided that such inspections shall not unreasonably interfere with the Owner's activities with respect to the Properties.

All books and records used by the Owner to calculate royalties due hereunder shall be kept in accordance with IFRS. If any such audit or inspection reveals the Royalty payments for any calendar year are underpaid by more than **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]**, the Owner shall reimburse the Holder for its reasonable costs incurred in such audit or inspection.

Subject at all times to applicable work place rules and the supervision of the Owner, the Holder shall be entitled to enter the mine workings and structures on the Properties at reasonable times upon reasonable advance notice for inspection thereof, but the Holder shall so enter at its own risk and shall indemnify and hold the Owner and its Affiliates harmless against and from any and all loss, costs, damage, liability and expense (including but not limited to reasonable attorneys' fees and costs) by reason of injury or loss of life to the Holder or its agents or representatives or damage to or destruction of any property of the Holder or its agents or representatives while on the Properties on or in such mine workings and structures, unless such injury, loss of life, damage, or destruction is a result, in whole or in part, of the negligence of the Owner.

8.3 Questions relating to Royalty Payments

The Holder shall have **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]** from the time of receipt of each Royalty payment to question the accuracy thereof in writing, failing which such Royalty payment shall be deemed to be correct and unimpeachable thereafter, absent manifest error.

If the Holder questions any Royalty payment or Royalty Statement made or delivered hereunder, the Holder shall notify the Owner and Sable within **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]** after receipt of the Royalty payment. The notice will specify the items and/or amounts in question. The Owner and Sable shall forthwith provide background information and documentation relating to the questioned amounts and work in good faith to resolve the Holder's questions.

If the Parties are unable to resolve any questions within 60 days of the original statement, then the matter will be referred to independent external auditors chosen by the Parties, whose assessment will be final and determinative of the amount of Royalty payments to be credited or paid to the Holder.

If such auditors' inspection reveals that the amount of Royalty Payments hereunder was lesser by more than **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]** than the Royalty Payments that were actually payable, the Owner and/or Sable shall reimburse the Holder for its reasonable costs incurred in such auditors' inspection; otherwise the said reasonable costs shall be for the account of the Holder.

9 CONFIDENTIALITY

9.1 Confidential Information

Except as specifically otherwise provided for herein, the Parties will keep confidential all data disclosed to each other and will refrain from using it other than for the transaction contemplated hereunder or publicly disclosing it unless:

- (a) required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction, or
- (b) with the consent of the other Party, such consent not to be unreasonably withheld

(each such disclosure of data made pursuant to subparagraph (i) or (ii) hereof being referred to as a **"Permitted Disclosure"**).

Prior to any Permitted Disclosure, the applicable Party shall give the other Party prompt written notice and, in making such Permitted Disclosure, the disclosing Party shall disclose only that portion of data required to be disclosed and shall take all reasonable steps to preserve the confidentiality of the remaining portion thereof. For the purposes of this Section the members of the Sable Group are one Party and Osisko is a second Party.

The Holder acknowledges that this Agreement may be made public and filed on the System for Electronic Document Analysis and Retrieval (SEDAR) profile of Sable and the Holder consents to such public filings, provided that Osisko shall be permitted a reasonable amount of time prior to any such filing in order to, if warranted, make suggestions as to redacted portions of this Agreement in accordance with Applicable Law, and Sable shall act reasonably in considering whether to accept such changes as to redactions.

The consent required by this Section shall not apply to a disclosure:

- (a) to an affiliate, advisor, auditor, consultant, contractor or subcontractor that has a bona fide need to be informed;
- (b) to any third Person to whom the disclosing Party contemplates a transfer of its interest in or to this Agreement and to whom the disclosing Party is permitted to make a transfer hereunder;
- (c) which, through no fault of a Party, has become publicly disclosed or part of the public domain;
- (d) to a governmental agency or to the public (including public filing on SEDAR at www.SEDAR.com) which the disclosing Party believes in good faith is required or desirable by pertinent law or regulation or the rules of any stock exchange;
- (e) if required in connection with legal proceedings or arbitration relating to this Agreement or for the purpose of advising a Party in relation to legal proceedings or arbitration; or

- (f) to a banker or other financial institution considering the provision of or, which has provided financial accommodation to, a Party or an affiliate or to a trustee, representative or agent or such a banker or financial institution,

provided that, in the case of disclosure pursuant to Sections 9.1(b) or 9.1(f), a confidentiality undertaking must be executed that must be in a prior agreed form satisfactory to the non-disclosing Party, acting reasonably, which form may be redacted to protect the identity of such third Person, banker or other financial institution. Such confidentiality undertaking must (i) contain a third party beneficiary clause or otherwise provide that it is in favour of the non-disclosing Party hereunder, and (ii) must permit disclosure of its terms by the disclosing Party to such non-disclosing Party. The disclosing Party must (i) advise the non-disclosing Party if it executes a confidentiality undertaking and provide notice when the disclosure commences and when the disclosure ceases under such confidentiality undertaking (without being required to provide names of the third Person, banker or other financial institution), and (ii) must strictly enforce any confidentiality undertaking and advise the non-disclosing Party of any breach thereof. If there is a breach of a confidentiality undertaking, the disclosing Party is obligated to provide a copy of the confidentiality undertaking to the non-disclosing Party.

9.2 Information in Public Domain

The provisions of this Article 9 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.

9.3 Press Release

The Parties will consult with each other prior to issuing any press release or other public statement regarding this Agreement. In addition, each Party will, to the extent practicable, obtain prior consent from the other Party before issuing any press release or public statement, except if such disclosure is required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction (a “**Regulatory News Release**”) and the other Party unreasonably withholds consent to such press release or other public statement or does not provide such consent in a timely manner. Notwithstanding the above, when practicable, where a Party requests consent from the other Party of any press release or public statement and the other Party has not responded to such request within forty eight (48) hours, then the Party proposing the press release or public statement will be entitled to proceed with its disclosure as if it had received consent from the other Party, which forty eight (48) hours period shall be reduced to twelve (12) hours in the case of a Regulatory News Release. For the purposes of this Section the members of the Sable Group are one Party and Osisko is a second Party.

9.4 Request to Disclose

Where a request is made for permission under this Article 9 to disclose confidential information, a reply thereto will be made as soon as possible and in any event within twenty-four (24) hours after receipt of such request, failing which the Party requesting will be entitled to disclose such information in the limited circumstances specified in such request as if such consent had been given.

10 SUCCESSORS AND ASSIGNS

- 10.1 **Binding Effect.** This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties hereto and, where the context so permits, their respective successors and permitted assigns.
- 10.2 **Assignment of Royalty.** The Holder may assign, transfer, pledge, hypothecate or otherwise convey this Agreement or all or any of its rights in the Royalty without the prior written consent of the Owner provided that it shall be a condition of such sale, assignment, transfer, pledge, hypothecation or other conveyance that the transferee or other counterparty to such transaction first execute and deliver to Sable and the Owner an instrument in writing pursuant to which such transferee or other counterparty agrees to be bound by the terms of this Agreement, the Security, any Intercreditor Agreement and the Royalty Purchase Agreement and by all of the liabilities and obligations of the transferor hereunder and thereunder in the same manner and to the same extent as though the transferee was an original party hereto in the first instance. any such sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition which does not comply with the terms of this Agreement shall be null and void and of no force or effect.
- 10.3 **Assignment of Property.** The Owner may not sell, assign, transfer, convey, lease, license, charge, pledge, hypothecate or otherwise dispose of any of the Properties or any interest in the Properties in any manner whatsoever, and may not assign, transfer or otherwise convey this Agreement or any interest therein, without in each case complying with the following:
- (a) it shall be a condition of such sale, assignment, transfer, conveyance, lease, license or other disposition that the Property Transferee first execute and deliver to the Holder an instrument in writing pursuant to which such transferee or other counterparty (A) agrees to be bound by the terms of this Agreement, the Security, any Intercreditor Agreements and the Royalty Purchase Agreement and by all of the liabilities and obligations of the transferor hereunder and thereunder in the same manner and to the same extent as though the transferee was an original party hereto in the first instance, without in any way derogating from clause (c) below, (B) undertakes obligations towards the Holder similar to those consented in connection with the Security contemplated under Section 7.1, and (C) consents and agrees to the continuation or reregistration of any restrictions pursuant to the Security contemplated under Section 7.1;
 - (b) it shall be a condition of any such charge, pledge or hypothec that the chargee, pledgee or holder of hypothec first execute and deliver to the Holder an instrument in writing pursuant to which such chargee, pledgee or holder of hypothec (A) agrees that, in the event that it exercises any of its rights under the charge, pledge or hypothec which allow it to take possession or acquire, or cause the sale or other disposition of any of the Properties or any part thereof, or which result in the then Owner no longer being the owner of such Property, such chargee, pledgee, holder, or any acquiror of such Property or successor to the Owner as a result of such exercise of rights, shall be bound by the terms hereof and by all of the liabilities and obligations of the Owner hereunder in the same manner and to the same extent as though it was an original party hereto in the first instance, without in any way derogating from clause (c) below, and (B) consents and agrees, and will cause any such acquiror of such Property or successor to the Owner as a result of the

exercise of its rights to consent and agree, to the continuation or re-registration of any restrictions or Security registered against such Property pursuant to Section 7.1. The foregoing is subject to the provisions of Section 7.8 and Section 7.9; and

- (c) any such sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition shall not relieve or discharge the Owner from any of its liabilities or obligations hereunder existing on the date of such sale, assignment, transfer, conveyance, lease or other disposition, and the Holder may continue to look to the Owner for the performance thereof, being understood that for any obligations or liabilities arising as of the date of the execution of the agreements provided for in Section (b) and (c), the Owner will have no further obligations or liabilities for the payment of the Royalty;
- (d) any such sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition which does not comply with the terms of this Agreement shall be null and void and of no force or effect; and
- (e) the Holder agrees that if, as and when the Property Transferee of Sable or the Owner signs the counterparts contemplated in Section 10.3(a), then the Holder will promptly and in any event within twenty (20) Business Days make the attendant changes to this Agreement, the Security, any Intercreditor Agreements and the Royalty Purchase Agreement to bifurcate the relevant provisions thereof as between the Property Transferee as pertains to the transferred Properties and the Owner as pertains to the properties that remain subject to this Agreement that are not transferred Properties. For example, the provisions of the Royalty Purchase Agreement that state that Sable and the Sable Subsidiaries, the Sable Group or the Sable Subsidiaries covenant or agree as to certain matters would be modified to extrapolate out the various obligations and liabilities of Sable and the Sable Subsidiaries on the one hand, and the Property Transferee on the second hand.

11 COOPERATION AND DISPUTE RESOLUTION

- 11.1 **Consultation and Negotiation.** In the event of any dispute, claim, question or disagreement, other than an Event of Default (each a “**Dispute**”) arising out of or relating to this Agreement, the Parties shall use all reasonable endeavours to settle such Dispute. To this effect, they shall consult and negotiate with each other in good faith and attempt to reach a just and equitable solution to the Dispute within a period of 60 days from the matter in dispute being raised by a Party. For the purposes of this Section the members of the Sable Group are one Party and Osisko is a second Party.
- 11.2 **Single Arbitrator.** If the Parties cannot resolve the Dispute within the 60-day period, a Party may refer the Dispute to arbitration pursuant to the *Arbitration Act* (Ontario) 1991, S.O. 1991, c. 17 (the “**Arbitration Act**”). The arbitration shall be held in the City of Toronto, Canada and determined by a single arbitrator. The arbitrator shall be qualified by experience and skill in the area(s) covered by the Dispute and, unless both Parties agree in writing following full disclosure of any facts giving rise to a possible conflict, free from legal or business conflicts of interest in relation to the Parties.
- 11.3 **Application to Court.** If the Parties do not agree upon the selection of the arbitrator within 15 days following the expiration of the 60-day period referred to above, either Party may apply to a judge of the Ontario Court of Justice of Ontario for the appointment of the

arbitrator. Unless the Parties agree to share the costs of the arbitration, the arbitrator shall determine what portion of the costs and expenses incurred in such proceeding shall be borne by each Party participating in the arbitration. The award of the arbitrator shall be final and binding on each of the Parties and shall not be subject to any appeal on any ground, including an error of law. The arbitration shall be governed by the laws of Ontario and the laws of Canada applicable therein, and judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The Parties covenant that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.

- 11.4 **Injunctions, etc.** The provisions of this Agreement providing for the resolution of Disputes shall not operate to prevent recourse to the court by any Party as permitted by the Arbitration Act, as applicable, with respect to injunctions, receiving orders and orders regarding the detention, preservation and inspection of property, including without limitation, of the Properties or any part(s) thereof, or whenever enforcement of an arbitration award reasonably requires access to any remedy which an arbitrator has no power to award or enforce.

12 GUARANTEE

- 12.1 **Guarantee.** Subject to Section 12.3, Sable hereby guarantees the due punctual and full payment and performance of all obligations, covenants, commitments, debts, agreements, indemnities, representations, warranties, and undertakings of any kind whatsoever of the Owner arising out of this Agreement (the “**Guarantee**”).

- 12.2 **Subsidiary Dispositions.** Sable may not sell, assign, transfer, convey, lease, license or otherwise dispose of any interest in the shares in the capital of the Owner in any manner whatsoever (each such transaction, a “**Subsidiary Disposition**”), without in each case complying with the following:

- (a) it shall be a condition of such Subsidiary Disposition that the Subsidiary Transferee first execute and deliver to Osisko an instrument in writing pursuant to which the Subsidiary Transferee (A) agrees to be bound by the terms of this Agreement, the Security, any Intercreditor Agreement and the Royalty Purchase Agreement in the same manner and to the same extent as though the Subsidiary Transferee was an original party hereto and thereto in the first instance, without in any way derogating from clause (b) hereunder, and (B) consents and agrees to the continuation or re-registration of any restrictions registered pursuant to Article 7;
- (b) any such Subsidiary Disposition shall not relieve or discharge Sable from any of its liabilities or obligations hereunder that might be existing at the time of closing of such Subsidiary Disposition, and the Holder may continue to look to Sable for the performance thereof; and
- (c) the Holder agrees that if, as and when the Subsidiary Transferee signs the counterparts contemplated in Section 12.2(a), then the Holder will promptly and in any event within twenty (20) Business Days make the attendant changes to this Agreement, the Security, any Intercreditor Agreements and the Royalty Purchase Agreement to bifurcate the relevant provisions thereof as between the Subsidiary Transferee as pertains to the Transferred Subsidiary. For example, the provisions

of the Royalty Purchase Agreement that state that Sable and the Sable Subsidiaries, the Sable Group or the Sable Subsidiaries covenant or agree as to certain matters would be modified to extrapolate out the various obligations and liabilities of Sable and the Sable Subsidiaries on the one hand, and the Subsidiary Transferee and the Transferred Subsidiary on the second hand.

12.3 Transferee Guarantee. If the Owner either:

- (a) sells, assigns, transfers, conveys or otherwise disposes of any of the Properties in compliance with the terms and conditions of Section 10.3; or
- (b) ceases to be an Affiliate of Sable,

then, in each case, Sable shall be released from its Guarantee under Section 12.1 hereunder **[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]**.

13 FORCE MAJEURE

13.1 Events

Notwithstanding any other provisions contained herein, a Party will not be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control (except those caused by its own lack of funds) including, but not limited to: acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances; laws, rules and regulations or orders of any duly constituted court or governmental authority; war; or protests, demonstrations or other events causing work stoppages by environmental lobbyists, non-governmental organizations, aboriginal groups or local community groups (in this Article, each an **"Intervening Event"**). For the purposes of this Article, the members of the Sable Group are one Party and Osisko is a second Party.

13.2 Effect of Intervening Events

All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event described in Section 13.1.

13.3 Obligation to Remove Intervening Events

A Party relying on the provisions of this Article 13 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as practical, but nothing herein will require such Party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted court or governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

13.4 Giving Notice

A Party relying on the provisions of this Article 13 will give notice to the other Party forthwith upon the occurrence of the Intervening Event and forthwith after the end of the period of delay when such Intervening Event has been eliminated or rectified.

14 PARTICIPATION RIGHTS ON ROYALTIES, STREAM RIGHTS AND SIMILAR INTERESTS

14.1 Participation Right on Royalties, Streams and Similar Interests

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]

14.2 Exceptions

Nothing in Section 14.1 restricts in any manner:

- (a) the disposition by a Party of an interest in the Right or this Agreement to an Affiliate;
or
- (b) an amalgamation, merger or other form of corporate reorganization which is a *bona fide* business transaction that has the effect in law of the amalgamated or surviving corporation possessing, directly or indirectly, substantially all the properties, rights and interests and being subject to substantially all the debts, liabilities and obligations of the transferring party.

14.3 Security

In the event that security is required by the Holder with respect to the acquisition of a specific Right, such specific Right will be secured by a first ranking security, and Article 7 shall apply *mutatis mutandis*.

15 GENERAL

15.1 Interpretation

Unless the context otherwise requires, in this Agreement:

- (a) The headings to the Articles, Sections, subsections or clauses of this Agreement are inserted for convenience only and are not intended to affect the construction or interpretation hereof. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless otherwise specified, any reference herein to a Section or Schedule refer to the specified Section of or Schedule to this Agreement.
- (b) Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa.
- (c) The words “include”, “includes” and “including” mean “include”, “includes” or “including”, in each case, “without limitation”.
- (d) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Agreement or that other agreement or document.

- (e) If there is any conflict or inconsistency between the provisions contained in the body of this Agreement and those of any Schedule hereto and security documents entered into further to this Agreement, the provisions contained in the body of this Agreement shall prevail.
- (f) A reference to writing includes a facsimile or electronic mail transmission and any means of reproducing words in a tangible and permanently visible form.
- (g) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day. If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day.
- (h) If any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the remaining provisions will nevertheless be and remain valid and subsisting and the said remaining provisions will be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

15.2 LIBOR

If at any time the Parties determine that the administrator of the LIBOR rate or a Governmental Authority having jurisdiction over a Party has made a public statement identifying a specific date after which LIBOR will no longer be used for determining interest rates for loans, then the Parties will negotiate in good faith to establish an alternate rate of interest to LIBOR that is, at such time, broadly accepted as the prevailing recommended market practice for syndicated loans of this type; provided that, if such alternate rate of interest will be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Upon the Parties agreeing on such a rate, the Parties shall enter into documentation to amend the provisions hereof to refer to such rate and make all other adjustments incidental thereto, provided that such amendment shall require the consent of all Parties.

15.3 Currency

All dollar amounts expressed herein, unless otherwise specified, refer to lawful currency of the United States of America.

15.4 Entire Agreement

This Agreement including the Schedules together with the agreements and documents to be delivered pursuant hereto are the full expression of the Parties' intentions and rights and the entire agreement between them and supersede, save and except the Royalty Purchase Agreement and the investment agreement dated August 28, 2019, all prior agreements, understandings, negotiations and discussions whether oral or written of the Parties. No amendment, waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any other provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

15.5 Further Assurances

The Parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement.

More particularly, with respect to Properties located in the Mexican United States, the Parties agree to execute as soon as possible following the execution of this Agreement a notarized short version of this Agreement in the Spanish language including all of the material terms and conditions of this Agreement (the “**Mexican Short Version Agreement**”) with the only purpose of achieving registration of the Royalty with the *Registro Público de Minería* (Mexican Public Mining Registry) in order to make public the existence of the Royalty and the fact that the Holder of the Royalty has a legal interest in and to the Properties before any Mexican Governmental Authority. Without limiting the generality of the foregoing, the Parties specifically agree that the Mexican Short Form Agreement shall not include any dispute resolution clause and that it will be governed by and interpreted in accordance with the laws of the Mexican United States and that each Party thereunder shall irrevocably submit to the jurisdiction of the courts in the Mexican United States with respect to any matter arising thereunder or related thereto. In case of discrepancy or conflict between terms of the Mexican Short Version Agreement and those corresponding terms of this Agreement, the terms of this Agreement shall prevail and supersede the terms of the Mexican Short Version Agreement.

15.6 Manner of Payment

All cash payments to be made to any Party may be made by wire transfer to a bank account the details of which are provided by the receiving Party to the sending party or by certified cheque or draft delivered to such Party at its address for notice purposes as provided herein.

15.7 Governing Law

This Agreement will be governed by and interpreted in accordance with the laws of Ontario and the laws of Canada generally applicable therein. Each Party irrevocably submits to the jurisdiction of the courts in Toronto, Ontario, Canada with respect to any matter arising under or related to this Agreement.

15.8 Time of the Essence

Time is of the essence in the performance of each obligation under this Agreement.

15.9 Counterparts

This Agreement may be executed in any number of counterparts and all such counterparts, taken together, will be deemed to constitute one and the same instrument. In addition, execution of this Agreement by either of the Parties may be evidenced by way of email transmission of such Party's signature (which signature may be by separate counterpart) or a photocopy of such email transmission, and such emailed signature, or photocopy of such emailed signature, shall be deemed to constitute the original signature of such Party to this Agreement.

15.10 Language

The parties have expressly requested that this Agreement be drafted in the English language.
Les parties ont expressément exigé que la présente convention soit rédigée en langue anglaise.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF this Agreement has been executed as of the date first above given.

OSISKO GOLD ROYALTIES LTD

By: _____
Name: Bryan A. Coates
Title: President

By: _____
Name: Joseph de la Plante
Title: Vice President, Corporate
Development

SABLE RESOURCES LTD.

By: _____
Name: Tom Obradovich
Title: Chief Executive Officer

[•]

By: _____
Name: [•]
Title: [•]

SCHEDULE "A"
PROPERTIES

MEXICO

Mining concessions of the following lots:

	Mining lots:	Title:
1)	"Manzana 2"	246,784
2)	"Manzana 2 Fracc. 2"	242,643
3)	"Manzana 2 Fraccion III"	246,785
4)	"Manzana 2 Fraccion IV"	246,786
5)	"Manzana 2 Fraccion V"	246,787
6)	"Manzana 2 Fraccion VI"	246,788
7)	"Manzana 2 Fraccion VII"	246,789
8)	"Manzana 2 Fraccion VIII"	246,790
9)	"Manzana 2 Fraccion IX"	246,791
10)	"Manzana 2 Fraccion X"	246,792
11)	"Manzana 2 Fraccion XI"	246,793
12)	"Manzana 2 Fraccion XII"	246,794

SCHEDULE "B"
PERMITTED ENCUMBRANCES

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION].