

Dated June 28 2024

LITHIUM IONIC BANDEIRA CORP.
(the Grantor)

and

ANRF LI (JSY) LTD
(the Royalty Holder)

and

MGLIT EMPREENDIMENTOS LTDA.
(MineCo)

and

VALITAR PARTICIPAÇÕES S.A.
(LandCo)

ROYALTY AGREEMENT

 **NORTON ROSE FULBRIGHT**

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THIS AGREEMENT (the **Agreement**) made the 28th day of June 2024

BETWEEN:

- (1) **LITHIUM IONIC BANDEIRA CORP.**, an exempted company, incorporated and existing under the laws of the Cayman Islands (registered number 411023), with its registered office at Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands (the **Grantor**);
- (2) **ANRF LI (JSY) Ltd**, a company incorporated in Jersey with registered number 154566 and whose registered office is at 3rd Floor, IFC5 Castle Street, St Helier, Jersey JE2 3BY (the **Royalty Holder**);
- (3) **MGLIT EMPREENDIMENTOS LTDA.**, a *sociedade limitada* organised and existing under the laws of Brazil and whose registered office is at Rua Antônio de Albuquerque, 156, 13th. floor, Savassi, Belo Horizonte, Minas Gerais (**MineCo**); and
- (4) **VALITAR PARTICIPAÇÕES S.A.**, a *sociedade por ações* organized and existing under the laws of Brazil and whose registered office is at Avenida Oscar Niemeyer 1033, Sala 133/134, Vila da Serra, Nova Lima, Minas Gerais (**LandCo**).

WHEREAS:

- (A) In consideration of the Royalty Holder advancing the Royalty Purchase Price to the Grantor to finance the development and construction of the Project, exploration and development costs, and general corporate purposes and working capital requirements of the Mine, the Grantor has agreed to pay the Royalty to the Royalty Holder in respect of the sale or other disposal of Products that are extracted and recovered from the Mining Area.
- (B) The Parties have executed this Agreement to record the terms and conditions of the Royalty.

THE PARTIES AGREE:

Definitions and interpretation

1.1 Definitions

In this Agreement:

Accounting Standards means the accounting standards required to be complied with by the Grantor under IFRS

Adjusted Gross Proceeds means, for a Quarter, Gross Proceeds and Adjustments (whether plus or minus)

Adjusted Production means, for a Quarter, Production and Adjustments (whether plus or minus)

Adjustment means any adjustment that may be made by the Grantor to the Royalty Records and a Statement:

- (a) which arises from a subsequent adjustment to the volume of Products (i) actually sold by MineCo, the Grantor and/or their Affiliates based on the actual Products extracted and recovered, or (ii) in relation to Below Grade Product only, actually paid to MineCo, the Grantor and/or their Affiliates based on the actual Products extracted and recovered, as applicable;
- (b) to correct any accounting or recording errors from previous Quarters; or
- (c) which are agreed by the Parties in writing

Adjustment Notice has the meaning set out in clause 8.3(c)

Affiliate means in relation to any Party, any person which directly or indirectly:

- (a) Controls such Party;
- (b) such Party Controls; or
- (c) is Controlled by a person who also, directly or indirectly, Controls such Party

Applicable Laws means any federal, national, state, provincial, municipal or local statute, rule, regulation, ordinance, code, guideline, policy, agency's ordinance and regulations, or any specific agreement entered into with a competent authority (including commitments with respect to the environment, anti-bribery, anti-corruption or anti-money laundering), having the force of law, in each case, applicable to MineCo or the Project now or hereafter in effect and any judicial or administrative interpretation, pronouncement, order, decree or judgment, relating to any of the foregoing, in each case, applicable to MineCo or the Project

Arm's Length Terms means terms no less favourable to the Grantor or MineCo (as applicable) than those which would be paid and agreed to by a Third Party in an arm's length transaction under similar circumstances

Assignment has the meaning set out in clause 7.5(a)

Audit Notice has the meaning set out in clause 8.3(b)

Authority is any government department, local government council, government or statutory authority or any other party under a Law which has a right to impose a requirement or whose consent is required with respect to any matter or thing arising under, or affected by, this Agreement including the Brazilian Mining Agency

Base Mine Plan has the meaning set out in clause 8.3(a)(i)

Below Grade Product means:

- (a) any Fine Product; or
- (b) any other Product which (i) has a grade of less than 5% Li₂O and (ii) in relation to which the pricing agreed for such Product in the relevant Offtake Agreement is not by reference to the Spodumene min 6% grade Li₂O, spot price, CIF China, US\$/tonne benchmark published by Fastmarkets (or such other comparable quotation agreed to by the Parties, each acting reasonably, if such price quotation ceases to exist, ceases to be published or should no longer be internationally recognized as a representative basis for the settlement of Product)

Benchmark means the Spodumene min 6% grade Li₂O, spot price, CIF China, US\$/tonne as published by Fastmarkets (or such other quotation agreed to by the Parties, each acting reasonably, if such price quotation ceases to exist, ceases to be published or, in the reasonable opinion of the Parties, should no longer be internationally recognized as a representative basis for the settlement of Product)

Brazilian Mining Agency or **ANM** means the Brazilian National Mining Agency (*Agência Nacional de Mineração*) created by Brazilian Federal Law No. 13.575/2017

Budget means the budget for construction of the Project, as submitted to the Royalty Holder pursuant to Schedule 4 (*Conditions Precedent*)

Business Day means a day that is not a Saturday, Sunday or any other day which is a statutory holiday or a bank holiday in Jersey, London, United Kingdom, the Cayman Islands, Toronto, Canada or, only in respect of the obligations of MineCo and LandCo, Minas Gerais, Brazil

Buy-Back Fee means sixty seven million, five hundred thousand US Dollars (US\$67,500,000)

Care and Maintenance means reducing operations at the Mine to a level necessary to care for the Property and comply with all contractual, environmental and regulatory obligations thereof

Collateral has the meaning given in clause 6.1(a)

Commingling Disadvantage Compensation means, in relation to any Product the subject of a Commingling Disadvantage, the difference between the net present value of the Royalty in relation to such Product at an eight per cent (8%) discount rate (calculated using published Selected Commodity Analysts consensus annual future commodity prices of the applicable Products (a) by reference to the Mine Plan in effect prior to the update required pursuant to clause 4.6(c) to address such Commingling Disadvantage and (b) by reference to the updated Mine Plan

delivered pursuant to clause 4.6(c) to address such Commingling Disadvantage), illustrative examples of the calculation of which are set out in **Error! Reference source not found.**

[REDACTED – Commercially sensitive information]

[REDACTED – Commercially sensitive information]

Concentrate means Ore in which any metal is a component having commercial value

Confidential Information means all confidential, non-public or proprietary information of a Party regardless of how the information is stored or delivered, which is exchanged between the Parties, in any form, before, on or after the Execution Date in connection with this Agreement, other than information:

- (a) which is in or becomes part of the public domain other than through breach of this Agreement;
- (b) which was available to the recipient on a non-confidential basis prior to disclosure by the discloser;
- (c) which was, is, or becomes available to the recipient on a non-confidential basis from a person who, to the recipient's knowledge (after reasonable investigation), is not under any confidentiality obligation in respect of that information;
- (d) which the recipient can prove by contemporaneous written documentation was already known by it at the time of disclosure to it, unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality;
- (e) which is developed by or for the recipient independently of the information disclosed by the discloser; or
- (f) which the Parties agree in writing is not confidential

Construction Timeline means the timeline for construction of the Project, as submitted to the Royalty Holder pursuant to Schedule 4 (*Conditions Precedent*)

Control means, in relation to a Person, indirectly or directly:

- (a) the holding and/or the ownership of the legal and/or the beneficial interests in and/or the ability or right to vote in respect of more than fifty per cent (50%) of the shares of a company or other entity in shareholders meetings; and/or
- (b) the power or right to control, appoint or remove more than fifty per cent (50%) of the members of the board of directors or the equivalent management body of the company or other entity or the power to direct or cause the direction of the general management and

policies of that Person whether through the ownership of share capital, the possession of voting power, by contract or otherwise,

and **Controlled by** shall be construed accordingly

Debtor Relief Laws means the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), Law No. 11,101/2005, as amended (Brazil), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, arrangement, receivership, insolvency, restructuring, reorganization or similar debtor relief laws in Canada, Brazil, the Cayman Islands or in any other jurisdiction in effect from time to time, and includes any corporate legislation to the extent arranging, compromising or affecting creditors' rights

Default has the meaning set out in clause 8.1

Dispute means a dispute or difference between any of the Parties in relation to the rights or obligations of the Parties under, or otherwise in relation to, this Agreement, including without limitation the calculation and payment of the Royalty

Dispute Notice means a written notice given by one Party to any other Party(ies) that a Dispute has arisen which requires resolution in accordance with this Agreement

Distribution has the meaning set out in clause 3.1(d)

Easement means any mining easement (*servidão minerária*), an in rem right, granted by the ANM pursuant to articles 59 to 62 of the Mining Code over the Real Estate, in favour of the MineCo, and registered with the Real Estate Registry, which shall recognize the public interest on MineCo using and possessing the Real Estate and allow the MineCo to use and possess the Real Estate for the life of Mine

Encumbrance means any security interest, mortgage, hypothecation, pledge, lien, charge, title retention arrangement, security assignment, trust or power, or other form of security or interest having effect as a security for the payment of any monetary obligation or the observance of any other obligation whether existing or agreed to be granted or created

Equator Principles means those principles set out in a paper entitled ""The Equator Principles" - A financial industry benchmark for determining, assessing and managing social and environmental risk in projects" dated July 2020, as amended from time to time

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

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

- (b) if those rates are not quoted, then the average of the buy and sell rates for the currency as quoted by any two major international banks that must be selected by the Grantor in good faith and on a consistent basis; or
- (c) in respect only of payments made from Brazil, the Brazilian Central Bank's PTAX rate reflecting the average commercial purchase and selling exchange rate published by SISBACEN System of the Central Bank of Brazil (PTAX) of the Business Day preceding for the relevant date,

in respect of the day on which the Exchange Rate is to be determined or, if the Exchange Rate is to be determined on a day that is not a Business Day, then on the immediately preceding Business Day

Excluded Taxes means, with respect to the Royalty Holder, (i) any Taxes that are recoverable by the Royalty Holder or its assignees by way of input tax credit, refund or rebate or which may be applied towards the income tax liability of the Royalty Holder; (ii) any Taxes imposed or collected by a jurisdiction by reason of the Royalty Holder or its assignees being incorporated or resident in that jurisdiction, or carrying on business or having a permanent establishment in that jurisdiction, in each case determined by application of the Laws of that jurisdiction (other than where the establishment of any permanent establishment or the carrying on of business arises solely by reason of entering into, benefitting from or enforcing rights under this Agreement); and (iii) any Taxes that would not have been imposed but for the Royalty Holder's failure to comply with clause 3.4(b)

Exclusivity Letter means the exclusivity letter agreement dated May 30, 2024 between Appian Capital Advisory LLP and Parent

Execution Date means the date of this Agreement

Expert means a suitably qualified independent person appointed in accordance with this Agreement

Fine Product means Minerals with a Li₂O content below a grade of one per cent (1%) that have been rejected by the crushing circuit fines screen at the Project

Force Majeure means any event or circumstance (a) beyond the reasonable control of the Grantor or MineCo, notwithstanding the exercise of due diligence, (b) which could not reasonably have been foreseen, and (c) which partly or wholly prevents, hinders or delays, as applicable, (i) due performance by that Party of its obligations under clause 4.7 (*Stockpiling*) or (ii) MineCo's access to the Property (in each case, other than any obligation to pay money), which may include (amongst others) strikes, labour shortages, power shortages, fuel shortages, fires, wars, acts of God, governmental regulations restricting normal operations, pandemics, epidemics, outbreaks, shipping delays

Future Interest means any royalty, streaming or similar arrangement, excluding Offtake Agreements, credit financings and equipment and machinery financings, in each case in relation to:

- (a) the Project; or
- (b) in respect of any Minerals extracted and recovered from the Mining Area or pursuant to the Mining Rights, other than the Royalty granted under this Agreement

Good Mining Practice means, in relation to any decision or undertaking, the exercise of a degree of diligence, skill, care and prudence which would reasonably be expected to be observed by skilled and experienced professionals in the Brazilian or international mining industry (whichever standard is higher) engaged in the same type of undertaking under the same or similar circumstances

Governmental Body means the government of the Federative Republic of Brazil or any other nation, or of any political subdivision thereof, whether state, provincial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, tribunal, central bank or enterprise that is owned, sponsored, or controlled by any government, or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions or pertaining to government (including any applicable stock exchange and supra-national bodies, such as the European Union or the European Central Bank) and in each case having jurisdiction over MineCo, the Grantor, the Project, or the Property, as the context may require

Gross Proceeds means the amount of cash proceeds received, by or on behalf of MineCo or any of its Affiliates in respect of the aggregate of:

- (a) the Payable Metals sold or otherwise disposed of in the relevant Quarter by or on behalf of MineCo or any of its Affiliates, including any provision of bulk samples to a smelter, other purchaser or disposee;
- (b) the volume of Payable Metals in respect of which proceeds were received in the relevant Quarter by or on behalf of MineCo or any of its Affiliates from an insurer in the case of loss of, or damage to, Payable Metals; and
- (c) the volume of Payable Metals in respect of which proceeds were received in the relevant Quarter by or on behalf of MineCo or any of its Affiliates from any deposit, forward payment or any other form of prepayment made in respect of a future sale of Products (including any streaming arrangement), provided that such volume of Payable Metals shall only contribute to the calculation of Gross Proceeds on the date on which the Products associated with such deposit, forward payment or other form of prepayment are actually delivered,

in each case without double counting, provided that:

- (d) such Gross Proceeds shall not be subject to any deductions or other adjustments, other than Penalties, including, but not limited to, mining, milling, processing, transport, insurance, smelting, refining, treatment or marketing costs, or other sales or offtake fees, or other private or state royalties and taxes;
- (e) should MineCo or any of its Affiliates sell or otherwise dispose of Products to any person on non-arms' length terms (including as a result of any transaction involving a deposit, forward payment or any other form of prepayment made in respect of a future sale of Products (including any streaming arrangement) where as a result the price payable for such Product is subject to a discount from the price that could otherwise reasonably have been expected to be achieved from a third party in an arm's length transaction) or if clause 4.9 applies, the price received for such sale or disposal shall be deemed to be the Reference Price

Group Members means the Grantor and MineCo

IFC Performance Standards means the International Finance Corporation performance standards on social and environmental sustainability, 2012 edition (including the technical reference documents known as World Bank Group Environmental, Health and Safety Guidelines), as amended from time to time

IFRS means international accounting standards and interpretations adopted by the International Accounting Standards Board, or any successor entity thereto, as amended from time to time

INCRA means the Brazilian National Institute for Colonization and Agrarian Reform (*Instituto Nacional de Colonização e Reforma Agrária*)

Indebtedness includes any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent

Indemnified Parties has the meaning set out in clause 6.6

Intercreditor Principles means the principles set out in Schedule 5

International Standards means:

- (a) the IFC Performance Standards; and
- (b) the Equator Principles

Landowner Royalty is the royalty payable to the landowner of an area from which Minerals are extracted, as provided for under Brazilian Federal Constitution of 1988, article 176, Paragraph 2, the Mining Code, article 11, item b

Law is all applicable domestic or foreign, supra-national, federal, national, state, provincial, municipal, or local legislation statutes, regulations, judgments, decisions, licences, permits, consents, decrees, notices, directives, policies, orders, by-laws and other legislative measures or decisions, treaties, conventions and other agreements between states, or between states and supranational bodies and rules of common or civil law, in each case, having the force of law and having effect in any jurisdiction and which applies to any matter or thing arising under, or affected by, this Agreement, and **Lawful** shall be construed accordingly

Market Value means, with respect to any particular sale of Products on any particular date of determination, the amount that would have been realized from the sale of such Products on such date in a transaction completed at the Reference Price

Material Adverse Event means any change, event, occurrence, circumstance, fact or effect that, when taken individually or together with all other events, occurrences, changes or effects has, or could reasonably be expected to have, a material adverse effect on:

- (a) the operations, results of operations, business, affairs, properties, assets, liabilities and obligations (contingent or otherwise), capitalization or condition (financial or otherwise) of a Group Member;
- (b) the Mining Operations, including:
 - (i) the ability of:
 - (A) a Group Member to perform its obligations under this Agreement or any Offtake Agreement; or
 - (B) MineCo to operate the Mining Operations substantially in accordance with the Operating Plan in effect at the time of the occurrence of such change, event, occurrence, circumstance, fact or effect; or
 - (ii) the expected Product production from the Mining Rights based on the Operating Plan in effect at the time of the occurrence of such change, event, occurrence, circumstance, fact or effect; or
- (c) the legality, validity, binding effect or enforceability against the Grantor or MineCo of this Agreement;
- (d) the validity, perfection, priority or enforceability of any Security Document or any lien created thereunder; or

- (e) the ability of the Royalty Holder to enforce its rights and remedies under this Agreement or any Security Document;

provided that in no circumstances will any change in market conditions or in any prices for Products or solely as a result of any decision by MineCo to suspend, cease or adjust the rate of any exploration, development or mining in accordance with clause 4.1(a)(i) or suspend or cease Mining Operations at the Mine or put the Mine on Care and Maintenance in accordance with clause 4.1(a)(ii), constitute or cause a Material Adverse Event or be taken into account when determining whether or not a Material Adverse Event has occurred

Material Breach has the meaning set out in clause 5.4(c)

Material Contract has the meaning set out in clause 9.1(a)(xix)

Mine means the lithium mine known as the "Bandeira Project" located on the Mining Area and all associated facilities located within the Mining Area and/or the Real Estate

Mine Plan means, at any time, the most recent annual written plan (or, if applicable, any ad hoc update to such plan in accordance with clause 4.6(f)) summarising a forecast of the development, operation and maintenance of the Mine during the life of the mine, covering a detailed mine plan and schedule for ore tons and grade (including National Instrument 43-101 compliant reserves and mineral resources in the measured, indicated and inferred category with reasonable prospects of economic extraction over the life of the Mine), as delivered to the Royalty Holder in accordance with clause 5.2 or 4.6(f) (as applicable)

Minerals means any and all mineral elements and compounds, metals and mineral rights of whatever kind and nature in, under or upon the surface or sub-surface of the Mining Area including, without limitation, metals, precious metals, base metals, industrial minerals, gems, diamonds, commercially valuable rock, aggregate, clays and diatomaceous earth which are mined, extracted or otherwise recovered from the Mining Area; provided that "Minerals" shall not mean or include any mineral elements and compounds, metals and mineral rights of whatever kind and nature that are not mined, extracted or otherwise removed from the Mining Area

Mining Area means the geographic areas as illustrated in the map integrating Schedule 1, which are entirely and exclusively represented by the current "Mining Rights" polygons, (a) **[REDACTED – Commercially sensitive information]** (b) as such area may be adjusted as a result of the Brazilian Mining Agency to reduce the Mining Rights' polygons, in the process of reviewing and approving final exploration reports or at any other circumstance, provided that, if the reduced portion is ever reacquired or reclaimed by MineCo, LandCo or any of their Affiliates, such reacquired or reclaimed portion shall be part of the Mining Area, and (c) as well as any renewal, conversion, amalgamation, replacement or substitution thereof

Mining Code means the Brazilian mining law code promulgated by Decree-law No. 227, dated 28 February 1967, as subsequently amended, supplemented or replaced

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

- (a) the acquisition, registration and maintenance of the Mining Rights;
- (b) developing, designing, constructing and equipping all mining facilities in the Mining Area;
- (c) extracting, mining, producing, improving, smelting, treating, refining, transporting and handling of Products and Tailings and disposing of Tailings and despatching Products won under authority of the Mining Rights;
- (d) the construction and re-location of any roads, railway lines, telephone lines, waterways or other natural or man-made utilities required in order to facilitate any activity in the Mining Area conducted by, on behalf of or on the instruction of the Grantor, MineCo, LandCo or any of their Affiliates; and
- (e) the restoration of the Mining Area and all other work done after the completion of mining activities to comply with environmental, mine closure and like requirements

Mining Rights means:

- (a) Any and all mining rights granted to MineCo by the Brazilian Mining Agency under administrative proceedings numbers 832.439/2009, 831.117/2016, and 831.116/2016 (including but not limited to exploration permits (*autorização de pesquisa*), application for mining concessions (*requerimento de lavra*) and mining concessions (*concessão de lavra*), as well as any interim rights granted in connection thereof (i.e. *guia de utilização*)) and any other mining rights and/or valid governmental approval, authorisation, claim, concession, lease, licence, tenement, mineral right, permit, surface right, subsurface right, pending application, or other right to conduct exploration, development and/or mining of the Product under or deriving from the documents issued in respect of the Mining Area; and
- (b) any other rights (whether present or future) to conduct exploration, development and/or mining in respect of the Mining Area issued in respect of any extension, renewal, variation, conversion, amalgamation, replacement or substitution of those set out in paragraph (a),

and **Mining Right** shall be construed accordingly

National Instrument 43-101 means National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators

Notice has the meaning set out in clause 13.1

Offtake Agreement means any Products offtake agreement (or agreement under which MineCo or any of its Affiliates sells, disposes of, or grants rights in respect of Products) between MineCo or any of its Affiliates as seller and any Person (including any Affiliate of MineCo) as purchaser in respect of Product

Offtaker means any person that enters into an Offtake Agreement with MineCo or any of its Affiliates

Operating Plan means the mine development plan (*plano de aproveitamento econômico*) approved by the National Mining Agency, as it may be amended or modified from time to time

Ore means any Mineral or mixture of minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level, relating exclusively to the Mining Area

Parent means Lithium Ionic Corp., a corporation duly organised and existing under the Laws of Ontario, with its registered offices at 36 Lombard Street, 4th Floor, Toronto ON M5C 2X3

Party means a Party to this Agreement and includes that Party's executors, administrators, liquidators, substitutes, successors and permitted assigns

Payable Metals means payable metals in any Product in any form or compound

Penalties means any penalties and other similar charges and deductions imposed by an Offtaker in accordance with the terms of the relevant Offtake Agreement in relation to the inclusion of Fe₂O₃, SiO₂, Al₂O₃, mica and/or any other deleterious elements, in each case above a certain threshold as specified in such Offtake Agreement

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

Permitted Encumbrances means any:

- (a) Encumbrance granted in favour of any Project Finance Lenders provided that such Encumbrance is subject to an intercreditor agreement entered into in accordance with clause 6.4;
- (b) Encumbrance granted in favour of any providers of any equipment or machinery financing, provided that such Encumbrance is over the equipment or machinery being financed only;
- (c) Encumbrance granted in favour of any streaming or royalty finance provider over the Collateral, provided that such Encumbrance is subject to an intercreditor agreement entered into in accordance with clause 6.4;

- (d) Encumbrances for Taxes not yet due and payable (or which are subject to contest);
- (e) Encumbrances imposed by Law or Governmental Authority; and
- (f) easements, rights of way and other Encumbrances on title to the Mining Rights, the Mining Area or the Real Estate that do not materially adversely affect the use of property encumbered thereby for its intended purposes and could not reasonably be expected to adversely effect the ability of the Grantor or MineCo to perform its obligations under this Agreement

Person means any individual, firm, company or other body corporate, an unincorporated association or a person's executors or administrators

PPE Loan Agreement means the pre-export payment loan agreement between the Grantor (as lender) and MineCo (as borrower) entered into on or about the date hereof

Product means any metals, minerals, mineral by-products, Ores, Concentrates, precipitates, doré, cathodes, Waste Materials, leach solutions, that are extracted and recovered from the Mining Area which is capable of being sold or otherwise disposed of, including but not limited to lithium carbonates, Ores, Concentrates, precipitates, doré, cathodes, leach solutions, metals, minerals and mineral by-products but excluding any Waste Materials that are donated for no compensation by the Grantor or MineCo as aggregate to local communities or municipalities

Production means the amount of:

- (a) the Payable Metals sold or otherwise disposed of in the relevant Quarter by or on behalf of MineCo or any of its Affiliates, including by provision of bulk samples to a smelter, other purchaser or disposee;
- (b) the volume of Payable Metals in respect of which proceeds were received in the relevant Quarter by or on behalf of MineCo or any of its Affiliates from an insurer in the case of loss of, or damage to, Payable Metals; and
- (c) the volume of Payable Metals in respect of which proceeds were received in the relevant Quarter by or on behalf of MineCo or any of its Affiliates from any deposit, forward payment or any other form of prepayment made in respect of a future sale of Products (including any streaming arrangement), provided that such volume of Payable Metals shall only contribute to the calculation of Production on the date on which the Products associated with such deposit, forward payment or other form of prepayment are actually delivered,

in each case without double-counting

Project means the development of the Mine to commencement of commercial production, including development, construction and operation of the mine, processing facilities, and associated infrastructure at the Mine

Project Finance Lenders means any bank, financial institution, private credit provider or other financier that provides secured debt project financing in a principal amount of US\$50,000,000 or more to a Group Member or any of their Affiliates for the purposes of the development and construction of the Project through to commencement of production of Product

Property means the Mining Rights and Mining Area

Proposed Termination Amount has the meaning set out in clause 8.3

Public Official means (a) any officer, employee, director, principal, consultant, agent or representative whether appointed or elected, of any government (whether central, federal state or provincial), ministry, body, department, agency, instrumentality or part of any of them, or any public international organisation, or any state or government owned or controlled entity, agency, enterprise, joint venture, or partnership; or (b) any person acting in an official capacity for or on behalf of: (i) any government, ministry, body, department, agency, instrumentality or part of any of them; (ii) any public international organisation; or (iii) any political party or political party official or candidate for office

Qualified Transferee means a Transferee which:

- (a) in the Royalty Holder's reasonable opinion: (i) has sufficient financial resources to perform the obligations of the Grantor or MineCo, as applicable, under this Agreement; and (ii) to the extent that such eligible purchaser acquires, directly or indirectly, an interest in substantially all of the Project or the Property, has sufficient technical skills (either directly or through the use of contractors) to operate the Project in accordance with Good Mining Practice, *provided that* the Transferee shall be deemed to have satisfied the requirements in sub-paragraphs (i) and (ii) if, in the Royalty Holder's reasonable opinion, such Transferee is of a similar size and has similar expertise to the Parent; and
- (b) is not a Restricted Person

Quarter means a period of three (3) consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, other than the first Quarter which commences on the Execution Date and expires on the date immediately preceding the next to occur of 1 January, 1 April, 1 July or 1 October

Real Estate means (a) the real estate referenced in the map and in the corresponding table integrating Schedule 1, over which LandCo holds title of ownership and/or possession, (b) any other real estate within the Mining Area which ownership and/or possession LandCo acquires at

any time and (c) any other rights of ownership, possession and/or exclusive or non-precarious access (pursuant to a formal arrangement) acquired by MineCo, LandCo or any of their Affiliates within the Mining Area, in each case as well as any renewal, conversion, amalgamation, dismemberment, replacement or substitution thereof

[REDACTED – Commercially sensitive information]

Reference Price means:

- (a) in relation to any Below Grade Product:
 - (i) to the extent any Gross Proceeds for the sale of Below Grade Product of the same percentage grade Li₂O have been received by MineCo or any of its Affiliates at any time prior to the date on which the Reference Price is required to be calculated, the most recently received Gross Proceeds for such percentage grade Li₂O of Below Grade Product per tonne multiplied by the Reference Price Factor; or
 - (ii) otherwise, as determined by Fastmarkets (or such other comparable independent market analyst acceptable to the Parties, acting reasonably) as appointed jointly by the Royalty Holder and the Grantor (at the cost of the Grantor) for the purposes of providing a market price and applicable Penalties for non-Chinese product of the same percentage grade Li₂O and otherwise of the same composition as such Below Grade Product; and
- (b) in relation to any other Product, the Benchmark as adjusted on a linear basis to reflect the actual percentage grade Li₂O of the Product less any applicable Penalties (the quantity of any applicable Penalties to be determined by Fastmarkets (or such other comparable independent market analyst acceptable to the Parties, acting reasonably) as appointed jointly by the Royalty Holder and the Grantor (at the cost of the Grantor) for the purposes of confirming the Penalties which would be applicable in the market for non-Chinese product of the same percentage grade Li₂O and otherwise of the same composition as such Product

Reference Price Factor means the percentage change between the Benchmark on (a) the date on which the most recently received Gross Proceeds were received by MineCo or any of its Affiliates and (b) the date on which the Reference Price is required to be calculated

Related Entity means an Affiliate of a Party, the subsidiary, related or associated companies of the Party and its Affiliates, a joint venture between a Third Party and a Party or its Related Entity, and each of the respective directors of such companies, and their spouses and family members, and the trustees and beneficiaries of each of such directors, spouses and family members

Representative of a Party includes an employee, agent, officer, director, auditor, advisor, partner, consultant, joint venturer or sub-contractor of that Party

Restricted Person means:

- (a) any Person: (i) identified on any Sanctions-related list of designated Persons, including, without limitation, the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the U.S. Department of Treasury, the Consolidated United Nations Security Council Sanctions List, the consolidated list of persons, groups and entities subject to EU financial sanctions maintained by the European Union and the Consolidated List of Financial Sanctions Targets in the UK maintained by His Majesty's Treasury of the United Kingdom; (ii) located, organized or resident in, or the government or any agency or instrumentality of the government of, any Sanctioned Jurisdiction; (iii) owned or controlled by, or engaged in any dealings or transactions with or for the benefit of, one or more Persons described in the foregoing clause (i) or (ii); or (iv) otherwise the subject or target of any Sanctions; and/or
- (b) any Person that is subject to proceedings in connection with any claim by any Authority or any Person regarding any offence or alleged offence under any Applicable Laws relating to anti-bribery, anti-corruption or anti-money laundering

[REDACTED – Commercially sensitive information]

[REDACTED – Commercially sensitive information]

Royalty means the royalty payable by the Grantor to the Royalty Holder calculated by:

- (a) in the case of Below Grade Product, multiplying the Royalty Rate by the Adjusted Gross Proceeds; and
- (b) otherwise, multiplying the Royalty Rate by the Adjusted Production multiplied by the Reference Price

Royalty Payment Date shall have the meaning given to that term in clause 3.2 (*Calculation and payment of Royalty*)

Royalty Purchase Price means an amount equal to twenty million US Dollars (US\$20,000,000)

Royalty Rate means two and one-quarter per cent (2.25%), as may be reduced in accordance with clause 2.3;

Royalty Records means the books, accounts and records maintained by or on behalf of the Grantor showing reasonable detail in relation to:

- (a) the quantity of Products produced in each Quarter;
- (b) the quantity of Products sold in each Quarter;
- (c) the calculation of each component of the Royalty for each Quarter;
- (d) the payment of the Royalty in each Quarter;
- (e) where there is any commingling of Minerals in a Quarter with materials extracted from areas outside the Mining Area, the measures, moistures and assays of the minerals and substances in the Minerals extracted and recovered from the Mining Area prior to the commingling; and
- (f) all other information required for the preparation of any Statement

Sanctioned Jurisdiction means, at any time, a country, territory or geographical region which is itself the subject or target of any country-wide or territory-wide Sanctions (currently including, without limitation, Cuba, Iran, North Korea, Syria and the Donetsk, Luhansk, Crimea, Zaporozhye or Kherson regions of Ukraine)

Sanctions means any laws, rules, regulations and requirements relating to economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any U.S. Governmental Body (including, but not limited to, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the U.S. Department of State), the United Nations Security Council, the European Union and each of its member states, His Majesty's Treasury of the United Kingdom, any Governmental Body of Brazil, or any other Governmental Body that has jurisdiction over any Party to the transactions contemplated hereby or such Party's Affiliate

Security Document means, collectively, (a) the documents listed in Schedule 2 (*Security Documents*), (b) each other document securing obligations under this Agreement, (c) each supplement to, and each amendment, consent or waiver granted in respect of or pursuant to, any of the documents referred to in clauses (a) or (b) (whether or not such supplement, amendment, consent or waiver specifies therein that such supplement, amendment, consent or waiver is a Security Document), and (d) any UCC financing statements, continuation statements and other filings, recordings or registrations required to be filed or made in respect of any such document

Security Providers means the Grantor, MineCo and certain Affiliates thereof

Selected Commodity Analysts means the respective division, group or entity of each of the following, which is responsible for forecasting for Spodumene concentrate and other applicable metals: [REDACTED – Commercially sensitive information], provided that any of the foregoing that has not published forecasts for the applicable metal(s) prior to end of the last calendar quarter shall be excluded with respect to such metal(s) 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

[REDACTED – Commercially sensitive information]

[REDACTED – Commercially sensitive information]

[REDACTED – Commercially sensitive information]

SOFR means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate)

SOFR Administrator's Website means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source

Statement means, for a Quarter, a statement setting out in reasonable detail:

- (a) the quantities and grades of Product and Payable Metals produced from the Mining Area and sold during that Quarter (specifying the Product and Payable Metals type as Concentrate, cathode premium, off-spec or other);
- (b) the individual elements which make up the Royalty calculation, being the Gross Proceeds, Production, Adjustments (if any), Penalties (if any) and the average Reference Price for each applicable Product for that Quarter;
- (c) in relation to any Below Grade Product, the component parts of the pricing under the relevant Offtake Agreement, including any benchmark or fixed price element, any deductions, discounts, processing, transport, insurance, smelting, refining, treatment or marketing costs, or other sales or offtake fees;
- (d) the Royalty payable for that Quarter, also specifying sufficient information to demonstrate how the Royalty was calculated; and
- (e) any other material information which is relevant in verifying the accuracy of the calculation of the Royalty payment

Surviving Provisions means clauses 1, 8.2(b)(ii), 10, 11, 12, 13, 14.1 to 14.12 (inclusive), 15 and 16.1

Tailings means any waste dumps including any tailings, residues, waste rock, spoiled leach materials and other materials resulting from Mining Operations and activities conducted on or adjacent to the Mining Area, provided such activities are strictly related to the Mining Operations whether such operations and activities took place before or after the Execution Date

Taxes means all taxes, statutory royalties, contributions, duties, levies, imposts, tariffs, fees, assessments, reassessments, withholdings, deductions, dues and other charges in the nature of tax or similar charges (including *CFEM – Compensação Financeira pela Exploração Mineral and TRFM – Taxa de Controle, Monitoramento e Fiscalização das Atividades de Pesquisa, Lavra, Exploração e Aproveitamento de Recursos Minerários*), whether disputed or not, imposed or collected by an Authority, and instalments in respect thereof, including such amounts imposed or collected on the basis of: income; capital, real or personal property; payments, deliveries or transfers of property of any kind to residents or non-residents; purchases, consumption, sales, use, import, or export of goods and services; mining; distributions; and equity; together with any penalties, fines, additions to tax and interest thereon, and **Tax** shall have a corresponding meaning

[REDACTED – Commercially sensitive information]

Termination Notice has the meaning set out in clause 8.2(a)

Term SOFR means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate), provided that if Term SOFR shall ever be less than zero, then Term SOFR shall be deemed to be zero

Third Party means a person that is not a Party, or an Affiliate or Related Entity of that Party, to this Agreement

Transfer has the meaning set out in clause 7.1

Transferee has the meaning set out in clause 7.1

US Dollar Equivalent means, where sum to which this Agreement relates is not stated in US Dollars, the amount determined by converting the amount in foreign currency into US Dollars at the Exchange Rate existing when the relevant revenue was earned or receivable, or the relevant expenditure was incurred, by the Grantor

[REDACTED – Commercially sensitive information]

Waste Materials has the meaning set out in clause 4.8.

1.2 Interpretation

In this Agreement:

- (a) any references to "MineCo", the "Grantor", "LandCo", the "Royalty Holder" or the "Security Providers" shall be construed so as to include its or their (and any subsequent) successors and any transferees or assignees of their respective interests;
- (b) the singular includes the plural and vice versa;
- (c) the headings in this Agreement are for convenience only and do not affect the interpretation of this Agreement;
- (d) a reference to a "clause" or "Schedule" shall be a reference to a clause, exhibit or schedule (as the case may be) of or to this Agreement;
- (e) a reference to an agreement, instrument or other document includes such agreement, instrument or other document as amended, novated, supplemented or replaced from time to time;
- (f) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
- (g) a reference to a day, month or year is relevantly to a calendar day, calendar month or calendar year;
- (h) a reference to a time of day is a reference to that time in Toronto, Ontario;
- (i) a reference to "\$", "US\$", "USD", "US Dollars", "United States dollars" or "dollars" is to the lawful currency of the United States of America;
- (j) the expressions "including", "includes" and "include" have the meaning as if followed by "without limitation";
- (k) where provision is made for an agreement or the giving of notice, approval or consent by any Person, unless otherwise specified, such agreement, notice, approval or consent shall be in writing;
- (l) writing includes any mode of reproducing words in a legible and non-transitory form;

- (m) no rule of construction is to apply to the disadvantage of a Party on the basis that such Party drafted the whole or any part of this Agreement; and
- (n) a reference to "MineCo" includes any Person who from time to time assumes or performs all or any of MineCo's functions or activities in relation to all or any of the Mine, the Mining Rights and / or the Mining Area.

Royalty Purchase Price and Buy-Back Option

2.1 Payment

The Royalty Holder shall pay the Royalty Purchase Price to the Grantor (or as directed by the Grantor) not later than six (6) Business Days after the Royalty Holder has received or waived the receipt of the conditions described in Schedule 4 (*Conditions Precedent*) in a manner, form and substance satisfactory to the Royalty Holder (such date, the **Closing Date**).

2.2 Use of proceeds

- (a) MineCo and the Grantor undertakes to ensure that the proceeds of the Royalty Purchase Price are used for the purposes set out in Schedule 3 (*Use of Proceeds*) and shall maintain records of such usage.
- (b) At any time after the Closing Date, the Royalty Holder shall have a right, upon not less than 10 Business Days written notice to MineCo and the Grantor, to inspect and audit, or appoint a suitably qualified independent accounting firm to inspect and audit, the records of the Grantor, the MineCo and the Parent at reasonable times of business, and report on, the Grantor and MineCo's compliance with clause 2.2(a).
- (c) MineCo and the Grantor shall each give, and shall procure that the Parent gives, the Royalty Holder or the auditor appointed by the Royalty Holder in accordance with clause 2.2(b) (as applicable) full and free access to the records of MineCo, the Grantor and the Parent (as applicable) at its offices, or elsewhere as agreed, for the purposes of undertaking an audit on how the proceeds of the Royalty Purchase Price have been used.
- (d) If any audit conducted in accordance with clause 2.2(b) above reveals that MineCo and/or the Grantor are not in compliance with clause 2.2(a) in any respect, the Grantor shall immediately on demand pay the costs of the audit to the Royalty Holder. In all other circumstances the Royalty Holder shall bear the costs of such audit.

2.3 Buy-Back Option

At any time prior to the date which falls five years after the Closing Date, the Grantor shall have the right, in its sole discretion, on at least thirty (30) days' prior written notice to the Royalty Holder, to reduce the Royalty Rate by one hundred per cent (100%) to zero on payment by the Grantor

(or a nominee of the Grantor) to the Royalty Holder (or a nominee of the Royalty Holder) of (and receipt by the Royalty Holder or nominee (as applicable) of) the Buy-Back Fee to such account as the Royalty Holder shall notify the Grantor from time to time. For the avoidance of doubt, upon the exercise of the Buy Back Option by the Grantor and the receipt of the Buy-Back Fee by the Royalty Holder or its nominee in full, this Agreement shall be considered as terminated pursuant to clause 3.9.

2.4 **[REDACTED – Commercially sensitive information]**

2.5 **[REDACTED – Commercially sensitive information]**

Royalty

3.1 Royalty obligation

- (a) Subject to payment of the Royalty Purchase Price by the Royalty Holder to the Grantor, the Grantor agrees to grant and convey the Royalty to the Royalty Holder. Within five (5) Business Days after the first sale or disposal by the MineCo or its Affiliates of Product pursuant to clause 4.2(a), the MineCo shall give notice to the Royalty Holder of such sale or disposal.
- (b) The Royalty shall bind the Grantor and its successors and assigns, and the Grantor shall procure that all such successors and assigns, including any successors and assignees of the Mining Rights, shall execute such documents as may be required by the Royalty Holder, acting reasonably, to ensure that the Royalty shall so bind all such successors and assigns.
- (c) The Grantor agrees to pay the Royalty to the Royalty Holder in US Dollars in respect of each Quarter in accordance with the terms of this Agreement.
- (d) Neither the Grantor nor MineCo shall:
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any dividend or share premium reserve;
 - (iii) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so;
 - (iv) make any other payment by way of return on its share capital; or
 - (v) make any payment in respect of its liabilities to that person in respect of any Indebtedness to any of its Affiliates,

(each, a **Distribution**),

at any time when any payment of the Royalty, the Termination Amount or a Make Whole Payment payable in accordance with clause 3.4(a) is due and outstanding, other than where such Distribution is made for the sole purpose of funding any such payment of the Royalty, the Termination Amount or a Make Whole Payment.

- (e) Subject to clause 6.4(b), each Group Member shall not agree to or permit any amendment to or modification, variation or waiver of, any provision of any agreement evidencing any Indebtedness of any Group Member, that would result in Royalty payments not (i) constituting operating expenses or (ii) being paid ahead of any amounts at that time due and payable to any creditor (including any Project Finance Lender) under any such agreement evidencing Indebtedness of any Group Member.
- (f) Notwithstanding that the Royalty shall be granted by the Grantor on the Closing Date, and without prejudice to any other obligation, MineCo will be jointly and severally liable for payment of the Royalty and any other amount due from the Grantor to the Royalty Holder effective as of the Closing Date.

3.2 **Calculation and payment of Royalty**

Subject to payment of the Royalty Purchase Price by the Royalty Holder to the Grantor and provided that the first sale or disposal by MineCo or its Affiliates of Product pursuant to clause 4.2(a) has occurred, within thirty (30) days after the end of each Quarter (a **Royalty Payment Date**), the Grantor shall:

- (a) calculate the Royalty payable for that Quarter, if any;
- (b) deliver a Statement in respect of that Quarter to the Royalty Holder; and
- (c) pay the Royalty due by it for that Quarter to the Royalty Holder in immediately available funds without demand, reduction or set-off (except any deduction or withholding required by Law) by direct deposit to the bank account nominated by the Royalty Holder, which the Royalty Holder may, by notice to the Grantor, change from time to time.

3.3 **Royalty based on volumes sold**

- (a) The Parties acknowledge that:
 - (i) the Grantor may make adjustments to the Royalty Records following determination of an Adjustment; and
 - (ii) the amounts set out in each Statement shall be based on the aggregate amount of Payable Metals which constitutes (A) in the case of Below Grade Products, "Gross

Proceeds" and (B) otherwise, "Production", in each case in respect of the relevant Quarter (such that any Adjustment shall be reflected in the Statement for the Quarter in which any adjustment to the Production or Gross Proceeds (as applicable) relating to such Adjustment occurs).

3.4 Deduction from Royalty and other payments

- (a) All payments, deliveries and transfers of property of any kind made under this Agreement or document to be delivered hereunder by or on behalf of the Grantor or MineCo shall be made free and clear and without any present or future deduction, withholding, charge, collection, levy or imposition for or on account of any Taxes, and without setoff or counterclaim, except as required by Applicable Laws. If any Taxes (other than Excluded Taxes), are required by Applicable Laws to be deducted, withheld, charged, levied, collected or imposed on or with respect to any such payment, delivery or transfer made by or on behalf of the Grantor or MineCo, the Grantor or the MineCo (as applicable) shall pay to the Royalty Holder, in addition to such payment, delivery or transfer, such additional payment, delivery or transfer as is necessary to ensure that the net amount received by the Royalty Holder (net of any such Taxes, including any Taxes (other than Excluded Taxes) required to be deducted, withheld, charged, levied, collected or imposed on any such additional amounts) equals the full amount that the Royalty Holder would have received had no such deduction, withholding, charge, levy, collection or imposition of Taxes (other than Excluded Taxes) been required (**Make Whole Payment**).
- (b) The Royalty Holder shall deliver to the Grantor or MineCo (as applicable), at the time or times reasonably requested by the Grantor or MineCo (as applicable), such properly completed and executed documentation reasonably requested by the Grantor or MineCo (as applicable) as shall permit, to the extent possible, payments to be made under this Agreement to be made without withholding or at a reduced rate of withholding (provided that at no time shall the Royalty Holder be obliged to transfer this Agreement to any other person or to redomicile in any jurisdiction) (or to permit the Grantor or MineCo (as applicable) to determine whether payments to be made under this Agreement may be made without withholding or at a reduced rate of withholding). In addition, the Royalty Holder, if reasonably requested by Grantor or MineCo, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Grantor or MineCo (as applicable) as shall enable it to determine whether or not the Royalty Holder is subject to backup withholding or information reporting requirements.
- (c) If the Royalty Holder becomes liable for any Tax, other than Excluded Taxes, imposed on any payments or deliveries under this Agreement, each of the Grantor and MineCo shall indemnify the Royalty Holder for such Tax, and the indemnity payment shall be increased by the amount of any Tax (other than Excluded Taxes) imposed on the indemnity payment (including any Tax (other than Excluded Taxes) imposed in respect of any such increases

in the indemnity payment). If reasonably requested by the Grantor or MineCo (as applicable), the Royalty Holder shall use reasonable efforts to dispute the imposition or assertion of such Taxes by the relevant Governmental Body, all at the expense of the Grantor or MineCo (as applicable). A certificate as to the amount of such payment or liability delivered to the Grantor or MineCo (as applicable) by the Royalty Holder shall be conclusive absent manifest error.

- (d) If the Royalty Holder has received a refund of any Taxes as to which it has been indemnified by the Grantor or MineCo (as applicable) or with respect to which the Grantor or MineCo (as applicable) has paid additional amounts pursuant to this clause 3.4 or, because of the payment of such Taxes, has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Grantor or MineCo (as applicable) an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Grantor or MineCo (as applicable) under this clause 3.4 with respect to the Taxes giving rise to such refund or reduction), net of all reasonable out-of-pocket expenses of the Royalty Holder and without interest (other than any net after-Tax interest paid by the relevant Governmental Body with respect to such refund). Each of the Grantor and MineCo, upon the request of the Royalty Holder, agrees to repay the amount paid over to the Grantor or MineCo (as applicable) (plus any penalties, interest or other charges imposed by the relevant Governmental Body) to the Royalty Holder if the Royalty Holder is required to repay such refund or reduction to such Governmental Body. This clause 3.4(d) shall not be construed to require the Royalty Holder to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Grantor or MineCo or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.
- (e) The Parties agree to reasonably cooperate to (i) ensure that no more Taxes, duties or other charges are payable other than as required under applicable Law and (ii) obtain a refund or credit of any Taxes which have been overpaid.

3.5 **Interest and costs**

- (a) Without limiting the rights of the Royalty Holder in relation to any breach of this Agreement by the Grantor or MineCo, if the Grantor or MineCo fails to pay the Royalty due under this Agreement on or before the due date for payment, then it shall also pay to the Royalty Holder immediately on demand:
 - (i) interest at the rate of Term SOFR plus eight per cent (8%) on the amount due from the due date up to and including the date upon which the moneys are paid, calculated on a daily basis and compounded monthly; and

- (ii) all costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by the Royalty Holder which are attributable to such failure to pay by the due date.
- (b) If no Term SOFR is available for any Quarter, the rate of interest for the purposes of payment in clause 3.5(a) above shall be SOFR plus eight per cent (8%).

3.6 **Finality of Statement**

A Statement for a Quarter and payment of the Royalty in accordance with that Statement is final and in full satisfaction of all obligations of the Grantor with respect to payment of the Royalty for that Quarter unless:

- (a) the Royalty Holder does not agree with the Statement, in which case the Royalty Holder may, within eighteen (18) months of receiving the Statement or the report of an auditor appointed in accordance with this Agreement or, where no unredacted copy of the relevant Offtake Agreement is provided to the Royalty Holder in accordance with clause 5.2, the audited annual financial statements of MineCo for the relevant period to which the Statement relates (whichever is the later), give the Grantor a Dispute Notice in which case the dispute resolution procedures in this Agreement apply; or
- (b) there has been any fraud, deliberate miscalculation, or reckless calculation of the Royalty by the Grantor or MineCo.

3.7 **Royalty a continuing obligation**

Until the termination of this Agreement in accordance with its terms and subject to payment of the Royalty Purchase Price by the Royalty Holder to the Grantor, the obligations to pay the Royalty continue, with respect to each Mining Right, for the full term of the Mining Right, including any sale of Products that may occur during or after the Mine closure.

3.8 **Perpetuity period**

If the vesting of any interest under this Agreement would, but for this clause, be void under the rule against perpetuities at common law or under any statute imposing perpetuity periods, then that interest terminates one day before the end of the maximum time from the Execution Date permitted by the Laws of Brazil or Ontario, Canada.

3.9 **Expiry**

The Royalty and this Agreement will expire on the earlier of: (i) termination of this Agreement in accordance with clause 8.2 (*Consequences of Default*), or (ii) the date on which the Royalty Rate is reduced to zero pursuant to clause 2.3, except for the Surviving Provisions which shall remain

in force. Such expiry shall be without prejudice to any obligation to make Royalty or other payments due to the Royalty Holder on the expiry date.

3.10 **Interest in the Property**

In the event that Brazilian Law acknowledges royalties as *in rem* right at any time on or after the date of this Agreement, the Grantor and the MineCo shall, on demand by the Royalty Holder, take all necessary actions to have the Royalty and this Agreement duly filed before the appropriate registries as required by Law and shall take such other action and enter into such other documents (including any amendment to this Agreement) as the Royalty Holder reasonably requests to give effect to such *in rem* right.

Mining operations

4.1 **Mining Operations obligations**

- (a) The Royalty Holder acknowledges and agrees that, notwithstanding any other provision in this Agreement and subject to clause 4.1(b) and clause 4.6:
 - (i) MineCo owes the Royalty Holder no duty to explore, develop or mine, or continue to explore, develop or mine, any of the Property, or to do so at any rate or in any manner other than that which MineCo may determine in its sole and unfettered discretion;
 - (ii) any decision to commence, pursue, suspend or cease Mining Operations at the Mine or to put the Mine on Care and Maintenance is solely a matter for MineCo;
 - (iii) MineCo may, but is not obliged to, treat, mill, sort, concentrate, refine, or otherwise process, beneficiate or upgrade ores, concentrates and Products extracted from the Property; and
 - (iv) MineCo is not liable for any mineral or commercial value lost in processing ores, concentrates and Products extracted from the Property and no Royalty is due on any such lost value.
- (b) MineCo shall:
 - (i) use all commercially reasonable efforts to conduct any Mining Operations on or about the Mining Area safely and in accordance with Good Mining Practice and to carry out the Project in compliance with International Standards, and on the same basis if the MineCo retained full economic interest in the Product. MineCo shall use all commercially reasonable efforts to ensure that all Product from the Property shall be processed in accordance with Good Mining Practice;

- (ii) carry out the Project in compliance with all Applicable Laws and cause all operations and activities conducted at, on or in respect of the Real Estate or in respect of the Mining Rights or Mining Operations to comply, with all Applicable Laws and with the objective of minimizing, so far as practicable, both short and long term damage to the environment; and
 - (iii) use all commercially reasonable efforts to obtain any Permits necessary to commence and continue the Mining Operations (a) in accordance with Applicable Laws and the Operating Plan in the event Mining Operations at the Mine have been suspended or ceased or the Mine has been put on Care and Maintenance in accordance with clause 4.1(a)(ii), including the requirement to request the prior approval of ANM, or (b) in accordance with the Operating Plan and comply with Applicable Laws in the event Mining Operations at the Mine have not been suspended or ceased or the Mine has not been put on Care and Maintenance in accordance with clause 4.1(a)(ii).
- (c) Except pursuant to the exercise of its rights under or in connection with this Agreement, the Royalty Holder shall not interfere with the carrying out of Mining Operations or the business carried on by the Grantor or MineCo conducted under authority of the Mining Rights.

4.2 Offtake Agreements

- (a) MineCo shall ensure that when Product is sold or otherwise disposed of, all such Product is sold or otherwise disposed of to an Offtaker pursuant to an Offtake Agreement.
- (b) MineCo shall ensure that all Offtake Agreements entered into by it in respect of Product shall be on Arm's Length Terms for products similar in make-up and quality to the relevant Product, including in respect of payable quantities, and shall include appropriate and separate sampling and assaying so that the Grantor and the applicable Offtaker can determine the grade or content of Product and other Minerals in each delivery to an Offtaker.
- (c) The MineCo shall take, and shall ensure that each of its Affiliates takes, all reasonable steps to enforce its rights and remedies under each Offtake Agreement with respect to any breaches of the terms thereof relating to any metals. **[REDACTED – Commercially sensitive information]**, the MineCo shall notify the Royalty Holder in writing when any dispute in respect of a material matter arising out of or in connection with any Offtake Agreement is commenced and shall provide the Royalty Holder with timely updates of the status of any such dispute and the final decision and award of the court or arbitration panel with respect to such dispute, as the case may be.

4.3 **Acknowledgement of other activities**

Each Party acknowledges to, and for the benefit of the other Parties, that each other Party has the free and unrestricted right to enter into, conduct and benefit from any and all Lawful business ventures of any kind whatsoever, whether or not competitive with the activities undertaken under this Agreement, without being obliged to disclose such activities to the other Parties or invite or allow any other Party to participate in those activities including activities involving mining rights adjoining the Mining Area.

4.4 **Grantor to procure compliance**

The Grantor will procure that MineCo will comply with its obligations under this clause 4.

4.5 **Reclamation Obligations**

MineCo shall timely perform, pay and observe, or cause to be performed, observed and paid, any and all material liabilities and obligations required by any Applicable Laws, authorisations, Permits or by any Authority having jurisdiction for the reclamation, restoration or closure of any facility or land used in connection with the MineCo's or its Affiliates operations or activities at, on or in respect of the Real Estate or in respect of the Mining Rights or Mining Operations or required under this Agreement (the **Reclamation Obligations**). MineCo and its Affiliates shall not undertake, cause, suffer any condition or activity at, on or in the vicinity of the Mining Area, and shall not permit any condition or activity at or on the Real Estate, which constitutes or results in a material violation of Applicable Laws relating to the environment. If any of the MineCo or its Affiliates (a) fail to comply in any material respect with any such laws or (b) undertakes any activity giving rise to material liability under such laws (except as permitted or authorized by any authorisation or by Applicable Law), the MineCo shall promptly remedy and correct such failure to comply, satisfy such liability and otherwise take all commercially reasonable action to cure (whether through remediation, payment of penalties or otherwise) such non-compliance or liability and satisfy all obligations in connection therewith. The Group Members shall defend, indemnify and hold the Royalty Holder harmless and free from any and all liabilities, costs and expenses (including legal fees and expenses incurred) related to the Reclamation Obligations.

4.6 **Commingling**

Commingling of Product with Ores, doré, Concentrates, precipitates, or other intermediate products, metals, minerals or mineral by-products that are not extracted or produced from the Mining Area (**Other Source Product**) is permitted, as long as:

- (a) reasonable and customary procedures are established (which are consistent with Good Mining Practice) for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such Product and in the Other Source Product (**Commingling Plan**) such Commingling Plan to ensure the division of

Other Source Product and Product for the purposes of determining the quantum of valuable metals in each;

- (b) the Royalty Holder has approved the Commingling Plan and any changes to such plan which may be proposed from time to time, such approval not to be unreasonably withheld, conditioned or delayed; for greater clarity the Commingling Plan shall not be required to include any procedures relating to when, and which, Other Source Product is processed, the determination of which shall be determined by MineCo or Grantor, as applicable, in its sole discretion;
- (c) the Royalty Holder is not disadvantaged as a result of the processing of Other Source Product in place of, in priority to, or concurrently with, Product based on the processing rate set out in the most recent Mine Plan delivered to the Royalty Holder prior to any update to reflect such commingling in accordance with this paragraph (c) (**Commingling Disadvantage**), unless compensated in accordance with this clause 4.6 and the Commingling Plan and provided that the Mine Plan has been updated to reflect any adjustment to the schedule as a result of such Commingling Disadvantage;
- (d) representative samples of the Product shall be retained by the MineCo 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 the Product and the MineCo shall retain such analyses for a reasonable amount of time, but not less than 48 months, after receipt by the Royalty Holder of the Royalty paid with respect to such commingled Product from the Property;
- (e) the amount of valuable metals contained in such Product and in the Other Source Product are capable of being accurately verified by audit under clause 5.3; and
- (f) the MineCo and/or the Grantor shall compensate the Royalty Holder for any Commingling Disadvantage incurred or suffered by the Royalty Holder if and to the extent that the processing of Product mined, produced, extracted or otherwise recovered from the Property through any crusher, mill, ore concentrator, processing plant, smelter, refinery or other processing facility located on or near the Property and at which Product are processed is delayed solely as a result of such Other Source Product being processed through such facilities. Such compensation shall be equal to the Commingling Disadvantage Compensation. The Royalty Holder acknowledges and agrees that no Commingling Disadvantage Compensation shall be payable to the Royalty Holder in respect of any Other Source Product that is processed if Ore is processed at or above the processing rate set out in the most recent Mine Plan delivered to the Royalty Holder prior to any such commingling.

4.7 **Stockpiling**

Provided it does so in accordance with the Brazilian Mining Agency Resolution number 85/2021 (*Resolução ANM nº 85, de 2 de dezembro de 2021*), to the extent it may be applicable, the MineCo shall be entitled to temporarily stockpile, store or place Ores, Concentrates or other products derived from the Property in any locations owned, leased or otherwise controlled by MineCo or any of its Affiliates on or off the Property, provided the same are appropriately identified as to ownership and origin and secured from loss, theft, tampering and contamination. If any of the stockpiled Product (other than Fine Product or Waste Materials) has been processed to the point that it is in a form that is saleable for a profit without sale for more than six months (**Inventory Period**), absent an event of Force Majeure, such Product shall be deemed to have been sold on the last day of the Inventory Period and the Grantor shall pay the Royalty, which will be determined on the basis of the Market Value of such Products as averaged over the Inventory Period, in respect of such Product in accordance with clause 3.1.

4.8 **Waste Materials**

- (a) All tailings, residues, waste rock, spoiled leach materials, and other waste products derived from the Property (collectively **Waste Materials**) resulting from the MineCo's operations and activities on the Property shall remain subject to the Royalty should the Waste Materials be processed or reprocessed, as the case may be, in the future and result in a sale or disposal of Product.
- (b) Notwithstanding the foregoing, the MineCo shall have the right to dispose of Waste Materials on or off of the Property and to commingle the same with waste materials from other properties without such Waste Materials being subject to the Royalty, provided that there is no reasonable expectation of such Waste Materials being processed resulting in the production of valuable metals. If there is any sale or disposal of Waste Materials where there is reasonable prospect of the processing of the valuable metals contained therein, such Waste Materials shall be subject to the Royalty and the Parties shall use reasonable methods in accordance with Good Mining Practices to determine the amount of the valuable metals in such Waste Materials.
- (c) Notwithstanding its obligation to comply with the Applicable Laws, the MineCo hereby undertakes to comply, and the Grantor undertakes to procure that the MineCo complies, with all the Applicable Laws, including the Brazilian Mining Agency Resolution number 85/2021 (*Resolução ANM nº 85, de 2 de dezembro de 2021*), to ensure its ability to reprocess Waste Materials in the future, should it decide to do so.

4.9 **Trading Activities of the Royalty Grantor**

- (a) The Grantor will have the right to market and sell Products in any manner it may elect, and will have the right to engage in forward sales, futures trading or commodity options trading and other price hedging, price protection, and speculative arrangement (**Trading**

Activities), which may involve the possible physical delivery of Products. The Royalty will not apply to, and the Royalty Holder will not be entitled or required to participate in, any gain or loss of the Grantor or its Affiliates in Trading Activities or in the actual marketing or sales of Products delivered pursuant to Trading Activities. If the Grantor engages in Trading Activities, the Royalty will be determined on the basis of the Market Value of such Products as of the date of sale of Products, without regard to the price or proceeds actually received by the Grantor in connection with the sale or the manner in which such sale was made by the Grantor. The Parties agree that the Royalty Holder is not a participant in the Trading Activities of the Grantor, and therefore the Royalty will not be diminished or improved by losses or gains of the Grantor in any such Trading Activities.

Information

5.1 Royalty Records

The Grantor shall keep, or cause to be kept, true and accurate Royalty Records in accordance with the Accounting Standards and Good Mining Practice, including tonnage, volume of Products, analyses of Products, weight, moisture, assays of payable content and other records and supporting materials, as appropriate, related to the computation of the Royalty hereunder, and shall permit the Royalty Holder or its Representatives to inspect such records.

5.2 Information and reporting

- (a) The Grantor or the MineCo shall provide to the Royalty Holder, as part of the ordinary course of their business, the following information:
 - (i) on a quarterly basis following the Closing Date:
 - (A) the quarterly production and sales forecast, outlining the expected timing and volumes of the Products to be sold during the course of that Quarter;
 - (B) the amount of Products and Payable Metals produced from the Mining Area during the preceding Quarter (specifying the Product and Payable Metals type); and
 - (C) as soon as reasonably practicable after it becomes available, the quarterly construction reports during the construction phase of the Mine;
 - (ii) on a quarterly basis following the Closing Date, the quarterly financial statements of the Grantor and Mineco, *provided that*, if:
 - (A) the Construction Timeline is delayed by more than one Quarter or

- (B) the amounts incurred by MineCo in relation to the Project is more than 5% over the budgeted amounts specified in the Budget in any given Quarter,

at any time from the date of this Agreement until the **[REDACTED – Commercially sensitive information]**, each of the Grantor and MineCo shall instead provide its monthly management accounts to the Royalty Holder as soon as reasonably practicable after such accounts become available on a monthly basis;
 - (iii) on an annual basis within 120 days (or, if earlier, the date on which MineCo or the Grantor (as applicable) is required to complete the audit of its annual financial statements under Applicable Laws) after the end of each calendar year following the Closing Date:
 - (A) the annual audited financial statements of MineCo and the Grantor; and
 - (B) an annual report of Mining Operations during the preceding calendar year; and
 - (iv) as soon as reasonably practicable after it becomes available on an annual basis, an updated Mine Plan.
- (b) Notwithstanding paragraph (a) above, the Royalty Holder may request from the Grantor or MineCo, from time to time, and they shall provide, such general information as the Royalty Holder might reasonably require for the purpose of determining the amount of Products and Payable Metals derived from Mining Operations and the amount of Royalty to which the Royalty Holder is, or may in future be, entitled pursuant to this Agreement, including the copies of the annual exploitation report (*Relatório Anual de Lavra – RAL*) required to be submitted by MineCo to the Brazilian Mining Agency.
- (c) Subject to payment of the Royalty Purchase Price by the Royalty Holder to the Grantor, the Grantor and MineCo shall provide to the Royalty Holder, promptly following execution or receipt (as applicable), copies of (i) any agreements evidencing any secured Indebtedness of any Group Member or any of its Affiliates in relation to the Project (including any streaming or royalty transaction) in each case in which the principal amount exceeds US\$2,000,000, together with any amendments, waivers, extensions thereto; (ii) any Offtake Agreement; and (iii) any notice of default, enforcement action or other material event thereunder, except to the extent prohibited from doing so by Law or **[REDACTED – Commercially sensitive information]**.
- (d) Any information provided to the Royalty Holder pursuant to paragraphs (a), (b) or (c) above shall be deemed to be Confidential Information and the Royalty Holder agrees that it shall not disclose such information to Third Parties without the prior written approval of MineCo **[REDACTED – Commercially sensitive information]**.

5.3 Inspection and financial audit of Royalty Records

- (a) The Royalty Holder may following the Closing Date, upon 20 Business Days written notice to MineCo and the Grantor and at reasonable times of business and at its own cost, within eighteen (18) months or, where no unredacted copy of the relevant Offtake Agreement is provided to the Royalty Holder in accordance with clause 5.2, the audited annual financial statements of MineCo for the relevant period to which the Statement relates (whichever is later) of receiving the Statement in respect of a Quarter, inspect and audit, or appoint a suitably qualified independent accounting firm to inspect, audit and report on, the Royalty Records of MineCo and the Grantor to the Royalty Holder in respect of that Quarter.
- (b) MineCo and the Grantor shall each give the auditor appointed by the Royalty Holder full and free access to the Royalty Records of MineCo and the Grantor at its offices, or elsewhere as agreed, in respect of the payment of the Royalty for that Quarter.
- (c) Without prejudice to clause 3.6(a), if the Royalty Holder does not exercise its rights in accordance with clause 5.3(a) in respect of any Royalty Records, then the contents of such Royalty Records shall be deemed final and shall not thereafter be subject to any audit or challenge, unless there has been any fraud, deliberate miscalculation, or reckless calculation of the Royalty by the Grantor or MineCo.

5.4 Audit frequency

- (a) Subject to clause 5.4(b), the Royalty Holder is entitled to carry out a financial audit under clause 5.3 not more frequently than once in every twelve (12) months and once within twelve (12) months after the expiry or termination of this Agreement.
- (b) Where a financial audit under clause 5.3 reveals a Material Breach, the Royalty Holder is entitled to carry out financial audits under clause 5.3 without restriction, until such time as two consecutive audits performed at least six (6) months apart do not reveal any Material Breaches.
- (c) For the purpose of this clause 5.4, **Material Breach** shall mean the Royalty Holder or its auditor identifying following a financial audit under clause 5.3:
 - (i) a breach, in any material respect, of any provision of this Agreement; or
 - (ii) that the amount that should have been paid by the Grantor to the Royalty Holder as Royalty under a Statement exceeds the amount that was actually paid to the Royalty Holder as Royalty under such Statement by five per cent (5%) or more.

5.5 Consequences of financial audit

- (a) If the Royalty Holder notifies the Grantor of any underpayment or overpayment of the Royalty which the Royalty Holder's auditor considers exists, or the audit determines that any Royalty paid has been calculated in error, the Grantor shall, on being provided with a copy of the report of the Royalty Holder's auditor, make a corresponding Adjustment of the Royalty payable for the next Quarter, unless the Grantor delivers a Dispute Notice to the Royalty Holder in relation to the relevant Statement within one (1) month of receiving the report of the Royalty Holder's auditor. If the Grantor delivers such a Dispute Notice, the dispute resolution procedures set out in this Agreement shall apply.
- (b) If the Royalty that should have been payable in respect of a Quarter under a Statement is established by audit or pursuant to a Dispute Notice to be greater or less than the Royalty set out in the Statement provided by the Grantor by five per cent (5%) or more, the Grantor shall immediately on demand pay the costs of the audit and dispute resolution (unless an Expert is appointed for dispute resolution only) to the Royalty Holder. In all other circumstances, the Royalty Holder shall bear the costs of audit and dispute resolution (unless an Expert is appointed for dispute resolution only).

5.6 Access

- (a) The Royalty Holder may following the Closing Date, upon reasonable notice to the Grantor and MineCo (such notice being no more than four weeks and no less than two weeks from the date of the proposed visit) and at reasonable times during usual business hours and at its own cost and risk, require the Grantor and MineCo to grant it, its Representatives and the Representatives of any prospective assignee or transferee of the Royalty Holder's rights and interests in this Agreement (the **Visitors**), access to all or any part of the Project, the Mining Operations, the Real Estate and the Mining Area (to the extent that the Grantor, MineCo and/or LandCo have access rights in relation to the corresponding area), provided that (i) the site visits will be co-ordinated, to the extent possible, so as to generally coincide with site visits arranged for other investors from time to time, and (ii) the Royalty Holder shall ensure and shall cause the other Visitors to not unduly interfere with the operations or with the general conduct by MineCo of its business and to comply with the reasonable requirements of MineCo and its safety officers. In the event that subsequent events mean the scheduled date is no longer convenient for the site visit, the Grantor and MineCo reserve the right to reschedule and agree to provide as much notice thereof as possible.
- (b) The site visits will be for a maximum of 5 people and the Royalty Holder shall provide at least five (5) Business Days prior to the site visit (i) the name of each visitor and for whom each of them works and (ii) a written letter addressed to MineCo and Grantor signed by each prospective Visitor pursuant to which each such person agrees to keep any confidential, non-public or proprietary information of MineCo obtained in connection with or as a result of the site visit confidential in accordance with clause 10 of this Agreement.

- (c) The Grantor and MineCo shall procure, at the Royalty Holder's cost, all reasonable access for the Royalty Holder and for any Representative appointed by the Royalty Holder as may be reasonably necessary to carry out such inspection.
- (d) Access to the Project and the Mining Area pursuant to this clause 5.6 and clause 14.13 shall be subject to the following: (i) the Royalty Holder shall give the relevant Group Member prompt notice of any injuries or property damage that occur during such tour or access; and (ii) the Royalty Holder shall indemnify the Group Member and their Affiliates from any loss, cost or liability (including legal fees) incurred by any Group Entity or any of its Affiliates as a consequence of injury to the Royalty Holder, its Representatives or any Visitors incurred during such access, provided that the foregoing shall not apply to any losses, costs or liabilities to the extent they arise as a result of any negligence or misconduct of any Group Member or its Affiliates (or their agents or representatives).

5.7 [REDACTED – Commercially sensitive information]

5.8 [REDACTED – Commercially sensitive information]

5.9 [REDACTED – Commercially sensitive information]

Protection of Royalty Interest

6.1 Security

(a) The due and punctual payment of the Royalty and any Termination Amount (as applicable) (plus the abovementioned interest) and any other amounts due under or in connection with this Agreement or the Security Documents will be: (i) guaranteed by the guarantee described in clause 12; and (ii) secured by one or more collateral documents that will provide for the grant and maintenance by the Security Providers in favour of the Royalty Holder, or a security agent acting for or on behalf of the Royalty Holder, pursuant to the Security Document of security interests in the following (collectively, the **Collateral**):

(i) fully perfected first ranking security over all current and future assets of MineCo and the Grantor in connection with the Project, including the shares held by MineCo in the LandCo, the rights under any insurance contracts to the extent they relate to the Project, certain bank accounts and the Mining Rights, provided that no security shall be required to be created over, with the exception of:

(A) any machinery and equipment the subject of specific equipment or machinery financing secured in favour of the provider of such specific equipment or machinery financing;

(B) any debt service reserve account required by Project Finance Lenders;

- (C) bank accounts required by providers of equipment or machinery financing specifically for the purposes of such equipment or machinery financing and provided that only funds relating to such equipment or machinery financing are held in or flow through such bank accounts; and
 - (D) any other bank accounts requested by the Grantor or MineCo and agreed by the Royalty Holder, acting reasonably;
 - (ii) fully perfected first ranking security over 100% of the current share capital or quotas (as applicable) in the Grantor and MineCo, with a commitment to extend it to future issued shares or quotas;
 - (iii) fully perfected first ranking security over the Mining Rights,
- in each case subject to clauses 6.4(b) and (c);
- (b) The Grantor and MineCo shall, and shall cause the other Security Providers (as applicable) to, execute each Security Document in favour of the Royalty Holder or to the security agent nominated by the Royalty Holder on terms and in form and substance satisfactory to the Royalty Holder by the Execution Date. If any Encumbrance over the Collateral is not perfected as of the Execution Date:
- (i) no Security Provider shall grant, perfect or otherwise incur any Encumbrance in favour of a Third Party over such Collateral unless and until the Royalty Holder's Encumbrance in such Collateral is perfected;
 - (ii) each Security Provider shall take all such steps as are necessary or desirable to create fully-perfected first-ranking security pursuant to the Security Documents over such Collateral (subject to Permitted Encumbrances pursuant to paragraph (a) of the definition of Permitted Encumbrances permitted to rank senior in accordance with the terms of this Agreement) within (A) subject to paragraph (iii) below, as soon as commercially practicable to the extent that (i) the relevant Security Document has been correctly submitted for registration with all relevant authorities and registries, (ii) such relevant authorities and registries have not indicated that they will, or propose to reject such Security Document for registration) in relation to any Mining Rights in existence as at the Execution Date and (iii) MineCo shall provide the Royalty Holder with supporting evidence satisfactory to the Royalty Holder (acting reasonably) that it has taken all applicable steps and has used its best efforts to obtain the registration of such Security Document(s), (B) 20 days (as such timeframe may be extended (as required) by up to ten days to the extent that (i) the relevant Security Document has been correctly submitted for registration with all relevant authorities and registries and (ii) such relevant authorities and registries have not

indicated that they will, or propose to reject such Security Document for registration) in relation to any other asset over which a Brazilian law governed Encumbrance is required to be created, and (C) 30 days for all other Security Documents, in each case from the Execution Date;

- (iii) in relation to any Mining Rights which are not yet mining concessions (*concessão de lavra*), to the extent that there may be items comprised by the definition of Mining Rights that the applicable Governmental Body may confirm that its final interpretation of the Applicable Law is that such Mining Rights are not capable of being subject to the creation of a security interest in the absence of specific regulation (despite the Mining Code expressly providing to the contrary), the Grantor and MineCo undertake to use its commercially reasonable efforts to obtain the best possible registrations based on Applicable Law or the interpretation by the applicable Governmental Body to the Royalty Holder's satisfaction (acting reasonably), even if such registration does not create a fully-perfected first-ranking security over one or more items comprised by the definition of Mining Rights (subject to Permitted Encumbrances pursuant to paragraph (a) of the definition of Permitted Encumbrances permitted to rank senior in accordance with the terms of this Agreement); and
 - (iv) promptly (and no later than five (5) Business Days) following perfection of such security created pursuant to such Security Documents, deliver to the Royalty Holder (in form and substance satisfactory to the Royalty Holder), a legal opinion from Brazilian counsel to the Group Members addressed to the Royalty Holder with respect to the creation, validity and perfection of the security constituted by such Brazilian law governed Security Documents.
- (c) In furtherance of the foregoing clause 6.1(a), in respect of:
- (i)
 - (A) any Offtake Agreement;
 - (B) any Engineering, Procurement and Construction Management (EPCM) contract (howsoever described) or equivalent to which any Group Member becomes a party to in relation to the Project;
 - (C) any production critical underground decline development or ore extraction mining contract to which any Group Member becomes a party to in relation to the Project; and
 - (D) any insurance contracts to which any Group Member or any of their Affiliates becomes a party to, to the extent relate to the Project, involving a total insured value of US\$500,000 or more,

each of Grantor and MineCo shall ensure, in each case:

- (1) for any Brazilian law governed contracts or agreements (other than any insurance contracts), that it obtains counterparty consent to such contract or agreement becoming subject to a conditional assignment to the Royalty Holder (or an Affiliate or nominee thereof), which shall take full effect upon the occurrence of a Default or where the fiduciary assignor (howsoever described) has failed to comply with its obligations and/or breached any of the representations or warranties in any of the Security Documents (subject to any remedy periods provided therein), by no later than the date of such contract or agreement, and that such conditional assignment over such contract or agreement is registered by no later than 20 days of the date of such contract or agreement (as such timeframe may be extended (as required) by up to ten days to the extent that (a) the relevant document has been correctly submitted for registration with all relevant authorities and registries and (b) such relevant authorities and registries have not indicated that they will, or propose to reject such document for registration);
 - (2) for any insurance contracts (other than as governed by Brazilian law) or any contracts or agreements governed by any law other than Brazilian law, that it obtains counterparty consent to an Encumbrance being granted over such contract or agreement by no later than the date of such contract or agreement, and that such Encumbrance over such contract or agreement is subject to first ranking fully perfected security by no later than 20 days of the date of such contract or agreement; and
 - (3) for any Brazilian law governed insurance policies, that it notifies the insurance company or includes a reference in the endorsement note in relation to the Encumbrance being granted over such policy by no later than the date of such policy, and that such Encumbrance over such policy is subject to first ranking fully perfected security by no later than 20 days of the date of such policy; and
- (ii) each of the Grantor and MineCo:
- (A) will use its best efforts to ensure, in respect of any other contract or agreement (except for any contract or agreement described in clause 6.1(c)(i) and, for the avoidance of doubt, the PPE Loan Agreement, to which clause 6.1(a)(i) shall apply); and

- (B) will use its commercially reasonable efforts to ensure, in respect of any contract or agreement for the trucking of Concentrate, supply of power or water or port services,

to which any Group Member becomes a party to in relation to the Project after the date of this Agreement involving an aggregate obligation or consideration payable to or by such Group Member of:

- (C) US\$7,500,000 or more for any agreements or contracts entered into in respect of or during the pre-operational phase of the Mine; or
- (D) US\$12,500,000 or more for any agreements or contracts entered into in respect of or during the operational phase of the Mine,

that:

- (1) for any Brazilian law governed contracts or agreements, it obtains counterparty consent to such contract or agreement becoming subject to a conditional assignment to the Royalty Holder (or an Affiliate or nominee thereof), which shall take full effect upon the occurrence of a Default or where the fiduciary assignor (howsoever described) has failed to comply with its obligations and/or breached any of the representations or warranties in any of the Security Documents (subject to any remedy periods provided therein), by no later than the date of such contract or agreement, and the conditional assignment over such contract or agreement is registered by no later than 20 days of the date of such contract or agreement (as such timeframe may be extended (as required) by up to ten days to the extent that (a) the relevant document has been correctly submitted for registration with all relevant authorities and/or registries (as applicable) and (b) such relevant authorities and/or registries (as applicable) have not indicated that they will, or propose to reject such document for registration); and
 - (2) for any contracts or agreements governed by any law other than Brazilian law, that it obtains counterparty consent to an Encumbrance being granted over such contract or agreement by no later than the date of such contract or agreement, and that such Encumbrance over such contract or agreement is subject to first ranking fully perfected security by no later than 20 days of the date of such contract or agreement; and
- (iii) all Mining Rights and any other assets that are acquired or created by Grantor and MineCo in relation to the Project after the date of this Agreement shall become, to

the extent possible based on Applicable Law or the interpretation by the applicable Governmental Body, subject to fully-perfected first-ranking security created by the Security Documents (subject to Permitted Encumbrances pursuant to paragraph (a) of the definition of Permitted Encumbrances permitted to rank senior in accordance with the terms of this Agreement) within (i) 120 days (as such timeframe may be extended (as required) by up to 120 days to the extent that (A) the relevant Security Document has been correctly submitted for registration with all relevant authorities and registries, (B) such relevant authorities and registries have not indicated that they will, or propose to reject such Security Document for registration) in relation to any Mining Rights and (C) MineCo shall provide the Royalty Holder with supporting evidence satisfactory to the Royalty Holder (acting reasonably) that it has taken all applicable steps and has used its best efforts to obtain the registration of such Security Document(s), (ii) 20 days (as such timeframe may be extended (as required) by up to ten days to the extent that (A) the relevant Security Document has been correctly submitted for registration with all relevant authorities and registries and (B) such relevant authorities and registries have not indicated that they will, or propose to reject such Security Document for registration) in relation to any other asset over which a Brazilian law governed Encumbrance is required to be created and (iii) 30 days for all other Security Documents, in each case of the acquisition or creation thereof on terms and in form and substance satisfactory to the Royalty Holder, provided that no security shall be required to be created over:

- (A) any machinery and equipment the subject of specific equipment or machinery financing secured in favour of the provider of such specific equipment or machinery financing;
 - (B) any debt service reserve account required by Project Finance Lenders;
 - (C) bank accounts required by providers of equipment or machinery financing specifically for the purposes of such equipment or machinery financing and provided that only funds relating to such equipment or machinery financing are held in or flow through such bank accounts; and
 - (D) any other bank accounts requested by the Grantor or MineCo and agreed by the Royalty Holder, acting reasonably.
- (d) Promptly (and no later than five (5) Business Days) following perfection of the security created pursuant to the Security Documents referred to in paragraph (c) above, deliver to the Royalty Holder (in form and substance satisfactory to the Royalty Holder), a legal opinion from the relevant legal counsel to the Group Members addressed to the Royalty Holder with respect to due capacity, authorization and execution of the relevant Security Documents by the relevant debtor or obligor and the delivery, and enforceability of the

relevant Security Documents and the creation, validity and perfection of the security constituted by such Security Documents.

- (e) Each of Grantor and MineCo shall take, or cause to be taken, all actions necessary or desirable to maintain the Security Documents in full force and effect and enforceable in accordance with its terms and to maintain and preserve the security created or purported to be created by such Security Documents and the priority thereof.
- (f) Each Security Provider shall not contest, nor support any contest by any other Person of, in any manner, the effectiveness, validity, binding nature or enforceability of this Agreement or any of the Security Documents in any proceedings.

(g) Further Assurance

Without limiting the generality of clauses 6.8 and 14.11, each of the Grantor and MineCo shall, all at their own cost, take, and shall cause each other Security Provider to take, or cause to be taken, such action and execute and deliver or cause to be executed and delivered to the Royalty Holder such agreements, documents and instruments as the Royalty Holder may reasonably request (including legal opinions and any necessary amendments to constitutional documents / articles of association), and register, file or record the same (or a notice or financing statement in respect thereof) in all offices where such registration, filing or recording is, in the reasonable opinion of the Royalty Holder, necessary or advisable to constitute, perfect and maintain the security referred to in this clause 6.1 as first-ranking security, in each case promptly after the request therefor by the Royalty Holder, and in each case in form and substance satisfactory to Royalty Holder.

(h) Costs and expenses

For the avoidance of doubt, all costs incurred in connection with the security referred to in this clause 6.1 shall be for the account of the Grantor and MineCo.

6.2 Insurance

The Grantor and MineCo shall (a) contract insurance as required in accordance with Good Mining Practice in relation to the stage of the development and/or operation of the Project and the Mining Operations being performed from time to time (including against loss of or damage to Products), and shall maintain it at all times thereafter with reputable insurance companies or underwriters insurance in good standing, consistent with Good Mining Practice, and (b) provided that on or before the financial investment decision is made in relation to the Project, the Grantor and MineCo shall, at a minimum, contract third party liability insurance in respect of bodily injury and property damage arising out of or in connection with the Mine and the Mining Operations, property damage insurance for all property and equipment at the Mine and all construction, erection and installation activities associated with the Project on an "all risk" basis, including coverage for the perils of

earth movement (including earthquake, landslide, subsidence and volcanic eruption), flood, windstorm, lightning, riot and civil commotion, sabotage, vandalism, mischief and terrorism and machinery and equipment breakdown, commercial automobile liability insurance and workers' compensation and employer's liability insurance, provided that such is customary in the Brazilian mining industry. The Grantor and the MineCo shall ensure that each shipment of Product is adequately insured in such amounts and with such coverage as is customary in the mining industry, until the time that risk of loss and damage for such Product is transferred to an Offtaker. The Grantor and the MineCo shall promptly provide the Royalty Holder with written notice of any material loss or damage suffered to any assets required to be the subject of insurance pursuant to this clause 6.2 or to any Product and whether the Grantor and/or the MineCo or any of their Affiliates plan to make any insurance claim.

6.3 Preservation of Corporate Existence

- (a) Each of the Grantor and MineCo shall at all times from and after the date hereof do and cause to be done all things necessary or advisable to maintain its corporate existence.
- (b) Each of the Grantor and MineCo shall communicate with the Royalty Holder within 30 days in advance of any change of jurisdiction of its registered office or the jurisdiction in which any of the Collateral are located and, as a result of such change, as applicable, shall take any and all necessary actions to perfect new Security Documents within 30 days as of the respective change.

6.4 Indebtedness and intercreditor arrangements

- (a) Subject to clause 6.4(b), each of the Grantor and MineCo undertakes to procure that (i) any creditor of secured Indebtedness for borrowed money for which the principal amount exceeds US\$2,000,000 (including any Project Finance Lender) shall agree that payments of the Royalty and any other amounts hereunder shall be performed, paid and otherwise characterised as operating expenses to be fulfilled ahead of any payment of MineCo, the Grantor or any of their Affiliate's liabilities to such creditor (including any Project Finance Lender) and (ii) subject to any intercreditor agreement entered into with any Project Finance Lenders in accordance with paragraph (b) below, no contract for Indebtedness contains any restriction on the payment of the Royalty and any other amounts hereunder.
- (b) If at any time the Grantor, MineCo or any Affiliate thereof intends to enter into a senior secured financing with Project Finance Lenders, it shall notify the Royalty Holder and upon request of the Grantor, the Royalty Holder (acting in good faith) will and the Grantor will procure that the Project Finance Lenders will, as promptly as reasonably possible in the circumstances, negotiate and enter into (at the Grantor's cost, subject to such costs being reasonably incurred by the Royalty Holder) an intercreditor agreement with the Project Finance Lenders on the terms set out in the Intercreditor Principles. If at any time the

Grantor, MineCo or an Affiliate thereof enters into a royalty or streaming arrangement that is permitted under this Agreement and in which security is required by the providers thereof, upon request of the Grantor, the Royalty Holder (acting in good faith) will as promptly as reasonably possible in the circumstances negotiate and enter into an intercreditor agreement with the providers of such royalty or stream financing providing for such security to rank pari passu with the Encumbrances created by the Security Documents.

- (c) MineCo and the Grantor shall not incur any unsecured Indebtedness or any secured Indebtedness where such Indebtedness exceeds in the aggregate an amount equal to US\$275,000,000; provided however, that for greater certainty a pledge by MineCo of equity interests in a subsidiary incurred in connection with indebtedness of such subsidiary unrelated to the Mine shall not constitute "Indebtedness" for purposes of this section provided that MineCo's liability in relation to such indebtedness and the relevant creditor(s)'s recourse to MineCo in relation to such indebtedness is limited to the value achieved for such equity interests in any enforcement of such Encumbrance.

6.5 **No assumption of liability**

The Royalty Holder does not assume, by its execution of this Agreement or acceptance of the Royalty, any liability, obligation or commitment of the Grantor or MineCo, whether known or unknown, actual or contingent, now-existing or hereafter arising in respect of the Property, the Real Estate, the Project or the Mining Operations including any and all obligations and liabilities of the Grantor, LandCo or MineCo:

- (a) relating to or arising from the environmental or other conditions in respect of any portion of the Mining Area, the Real Estate or Mining Operations;
- (b) relating to the Mining Operations, including any tax or labour liabilities;
- (c) to any grantor of the Mining Rights or any other Authority; and
- (d) to any third party with a contractual or proprietary interest in the Property, including any contractor or agent of the Grantor, MineCo, an Offtaker, refiner or lender.

6.6 **Indemnity**

Subject to payment of the Royalty Purchase Price by the Royalty Holder to the Grantor, the Grantor and MineCo indemnifies and holds harmless the Royalty Holder and its Affiliates (the **Indemnified Parties**) from any loss, cost or liability (including legal fees) incurred or suffered by the Royalty Holder or any of its Affiliates that arises from a claim against the Royalty Holder or its Affiliates in respect of:

- (a) any failure by the Grantor, MineCo or LandCo or any of their respective Affiliates to at all times comply with all Laws relating to any of them, the Property or the Mining Operations (as applicable);
- (b) any failure by the Grantor, MineCo or LandCo or any of their respective Affiliates to timely and fully perform all waste disposal, abandonment, restoration, remediation, reclamation or other obligations required by relevant Authorities (including the terms and conditions of Laws) pertaining or related to the Mining Operations or required under this Agreement or otherwise to prevent liability in respect of the Property;
- (c) any claims by third parties against the Royalty Holder or any of its Affiliates, including in respect of property damage or injury or death to persons, arising out of the Mining Operations or other activities on or with respect to the Property;
- (d) the Grantor, MineCo or LandCo or any of their respective Affiliates causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Mining Area which constitutes a nuisance; or
- (e) the enforcement of the rights of the Royalty Holder and its Affiliates under this clause,

provided that:

- (i) if such loss, cost or liability was contributed to by any act or omission by any Indemnified Party, the indemnity to the Indemnified Parties is reduced by the proportion in which the relevant Indemnified Party contributed to such loss, cost or liability;
- (ii) the indemnity shall not include any economic or indirect losses, including any lost production or loss of profits suffered or incurred by an Indemnified Party (including any claims made by third parties); and
- (iii) the indemnity is limited to any claims that may be made against an Indemnified Party arising out of or in connection with, directly or indirectly and in whole or in part:
 - (A) its status as the Royalty Holder or an Affiliate of the Royalty Holder (as applicable) from time to time: or
 - (B) the Mine, the Mining Area, the Mining Operations or the Mining Rights,

and shall not include any indemnity in respect of any claims against an Indemnified Party that does not relate to the above.

6.7 **MineCo to assume obligations**

If at any time the Grantor's obligations under this Agreement cease to be valid, binding, enforceable and/or in full force and effect against it for any reason then MineCo will on notice to it from the Royalty Holder be deemed to be the Grantor and will assume all of the obligations of the Grantor in connection with this Agreement, including any obligations that have arisen but have not been discharged as at such date, and any references in this Agreement to the "Grantor" will be deemed to mean MineCo.

6.8 **Further assurance**

MineCo shall promptly provide the Grantor with any information reasonably requested by the Grantor in connection with the performance by the Grantor of its obligations under this Agreement.

6.9 **Covenants in relation to the Property**

[REDACTED – Commercially sensitive information]

6.10 **Covenant in relation to MineCo quotas**

On or before 31 December 2025, the quotas in MineCo shall be fully paid up.

6.11 **Covenant in relation to breaches of this Agreement**

Each of the Grantor and the MineCo undertake to notify the Royalty Holder of any event or circumstance which will (subject only to the expiry of a grace period, the giving of notice, the making of any determination under this Agreement or any combination of any of the foregoing) be a Default, promptly upon becoming aware of the occurrence of such event or circumstance.

Transfer and Encumbrances

7.1 **Transfer by Grantor or MineCo**

Subject to payment of the Royalty Purchase Price by the Royalty Holder to the Grantor, neither the Grantor nor MineCo nor any owner of all or any of the shares or quotas in the Grantor or MineCo, shall sell, transfer, grant, assign, encumber or otherwise dispose of all, part of, or any interests or rights in, the Grantor, MineCo, any of the Mining Rights, this Agreement or any Security Document (**Transfer**) to any Person or Persons (a **Transferee**) except: (i) with the prior written consent of the Royalty Holder, (ii) in accordance with this clause 7, or (iii) grants of Permitted Encumbrances by way of security. The Grantor and MineCo shall procure compliance with this clause 7 by the owner of any of its shares or quotas.

7.2 **Permitted Transfer**

A Transfer of all, part of, or any interest or right in, the Grantor, MineCo, or any of the Mining Rights, this Agreement, any Security Document or any fixed assets that are used or are in any way connected with the Project will not be a breach of clause 7.1, provided that:

- (a) in relation to a transfer of this Agreement or any Security Document, the Transferee (i) in the case of MineCo's rights and/or obligations hereunder, will be the owner of the legal title to the Mining Rights and all assets necessary for the operation of the Project, other than Real Estate, after giving effect to such transfer and (ii) in the case of any transfer of any Security Document, is the owner of the assets the subject of such Encumbrance;
- (b) the Transferee is an Affiliate or a Qualified Transferee;
- (c) the Transferee and each person (other than the shareholders of the ultimate parent company) which has a direct or indirect interest in the Transferee's rights and interests grants the same security interests in, to and over such rights and interests, and enters into security documents on substantially the same terms, as required further to clause 6.1 (*Security*);
- (d) the Transferee shall have entered into all such documents and undertaken all such acts as reasonably required to give effect to such Transfer;
- (e) the Grantor and MineCo have given prior written notice of such Transfer to the other Parties to this Agreement;
- (f) after giving effect to such Transfer, the Grantor and, the owner(s) of the Mining Rights and all assets necessary for the operation of the Project, will continue to be Affiliates;
- (g) the Transferee has not commenced a voluntary proceeding under Debtor Relief Laws, and has not otherwise sought the appointment of a trustee, receiver, interim receiver, monitor, liquidator, restructuring officer, custodian or other similar official of such Transferee or any substantial part of its respective properties, and has not consented to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against such Transferee, and has not failed generally to pay its respective debts as they become due;
- (h) the Transferee is not an insolvent person (as defined in the Bankruptcy and Insolvency Act (Canada));
- (i) an involuntary case or other proceeding has not been commenced against such Transferee under Debtor Relief Laws or otherwise seeking liquidation, reorganization, winding-up, striking-off or other relief with respect to such Transferee or its respective debts, or seeking the appointment of a trustee, receiver, interim receiver, monitor, liquidator, restructuring officer, custodian or other similar official of such Transferee or any substantial part of its

respective properties, and such involuntary case or other proceeding has remained undismissed for a period of 30 consecutive days; or (b) an order for relief has not been entered against such Transferee under any Debtor Relief Law now or hereinafter in effect, and such order has not been contested by such Transferee in good faith, or has not been dismissed, discharged or otherwise stayed, in each case within 30 days of being made;

- (j) any event that has substantially the same effect as any of the events referred to in clauses (f) or (g) or (h) above has not occurred under any applicable Laws (including the Laws of the Province of Ontario and the federal Laws of Canada applicable therein, New York and Brazil, or any political subdivision thereof);
- (k) at the time of the Transfer, no Default has occurred and is continuing; and
- (l) if following the Transfer, Grantor, MineCo or an Affiliate thereof (A) does not retain operational control of the Project and control of the board of directors of MineCo or its successor in interest in the Project, the Transferee is not **[REDACTED – Commercially sensitive information]**, or (B) does retain operational control of the Project and control of the board of directors of MineCo or its successor in interest in the Project, the Transferee not being **[REDACTED – Commercially sensitive information]** or an Affiliate thereof.

7.3 **Validity of Transfer**

In addition to the foregoing, any Transfer set out in clause 7.2 shall only be considered valid if the Transferee expressly acknowledges in writing, in form and substance satisfactory to the Royalty Holder, acting reasonably, the existence of this Agreement and the Royalty and agrees to be bound by the terms herein as if it was the original Party in place of the relevant transferor.

7.4 **Indemnity and damages**

- (a) Each of the Grantor and MineCo shall indemnify and hold the Royalty Holder harmless against all loss, damage, claims and expenses (including legal costs on a full indemnity basis) resulting from any breach by any of them of this Agreement in relation to any Transfer or purported Transfer. Any Transfer or purported Transfer that does not comply strictly with the requirements of this Agreement shall be void.
- (b) If any act or omission of a Party under this Agreement gives a Party a right to damages or gives rise to liability of a Party under any indemnity given under this Agreement, then except where this Agreement specifically provides otherwise, such damages or liability shall be limited to the direct, proximate and foreseeable loss attributable to such act or omission, after taking into account any obligation of the Party seeking damages or indemnification to mitigate its loss, and neither Party nor any other person claiming through or under a Party shall be entitled to damages or indemnification for indirect, remote or unforeseeable loss or for any loss in the nature of compensation for loss or denial of opportunity, loss of

goodwill or business reputation or other similar indirect or pure economic loss occasioned by that act or omission.

7.5 **Sale of interest by Royalty Holder**

- (a) The Royalty Holder may sell, transfer, grant, assign or otherwise dispose of (an **Assignment**) all or part of its rights and interests and obligations under this Agreement or any Security Document to any Person provided that:
- (i) it has given prior written notice thereof to the other Parties to this Agreement;
 - (ii) such Person is not a Restricted Person; and
 - (iii) such Person shall as Royalty Holder have entered into all such documents and undertaken all such acts as are reasonably required to give effect to such Assignment.
- (b) The Grantor and the MineCo shall execute, and shall procure execution by any relevant Affiliate of, all such documents as the Royalty Holder may reasonably require to effect any such Assignment.

7.6 **Single Purchaser**

The Grantor and its Affiliates will not be or become liable to make payments in respect of any Royalty to, or to otherwise deal in any manner in respect of this Agreement with, more than one person in respect of the Royalty Holder's interests. If the interests of the Royalty Holder under this Agreement are at any time owned by more than one person, those owners must, as a condition of receiving payment under this Agreement, nominate in writing one person to act as agent and common trustee for receipt of monies payable under this Agreement and to otherwise deal with the Grantor in respect of such interests and no owner will be entitled to administer or enforce any provisions of this Agreement except through such agent and trustee. After receipt of written notice nominating an agent and trustee, Grantor will thereafter make, and be entitled without further enquiry to make, payments due under this Agreement in respect of a Royalty to that agent and trustee and to otherwise deal with that agent and trustee as if it were the sole holder of the Royalty. The Grantor, MineCo and any of their Affiliates undertakes to enter into such documentation as the Royalty Holder (or such agent or trustee acting on behalf of the Royalty Holder) may reasonably request to give effect to such agency or trustee arrangements, including in relation to the Encumbrances created by the Security Documents.

Default

8.1 **Grantor Default**

It shall be a default (a **Default**) if the Royalty Holder has paid the Royalty Purchase Price to the Grantor and:

- (a) the Grantor or, where applicable, MineCo:
 - (i) does not pay when due the Royalty in accordance with clause 3 or any other amount due to the Royalty Holder or any of its Affiliates in accordance with this Agreement, if such breach is not remedied by the Grantor within 15 days after delivery of a notice of breach from the Royalty Holder to the Grantor. If the Grantor or, where applicable, MineCo is prevented from making, or the Royalty Holder is prevented from demanding, receiving or retaining, under any agreement, any such payment then this will not prevent such non-payment from being a Default;
 - (ii) is in breach of any of the warranties given at the Execution Date under clause 9.1 and such breach does, or could reasonably be expected to, result in a Material Adverse Event, and, if remediable, such breach is not remedied within 30 days after the earlier of: (A) the Grantor or MineCo becoming aware of such breach; and (B) the delivery of a notice of breach from the Royalty Holder to the Grantor; or
 - (iii) other than as specified in this clause 8.1, is in breach of any of its obligations under this Agreement and such breach does, or could reasonably be expected to, result in a Material Adverse Event, and, if remediable, such breach is not remedied within 30 days after the earlier of: (A) the Grantor or MineCo becoming aware of such breach; and (B) the delivery of a notice of breach from the Royalty Holder to the Grantor;
- (b) a Transfer occurs other than in accordance with clause 7;
- (c) any Encumbrance granted by MineCo, the Grantor or by any other Person (including any Security Provider) in accordance with clause 6.1 becomes invalid or unenforceable or is repudiated or extinguished or any Person (other than the Royalty Holder) lawfully (as determined by a final and binding decision issued by a court of competent jurisdiction, with no further rights to appeal) purports or seeks to repudiate or extinguish any such security or make any of it invalid or unenforceable, unless such invalidity, unenforceability, repudiation or extinguishment, or any act purporting to repudiate, extinguish or make any such Encumbrance invalid or unenforceable, is, where capable of remedy or cure, remedied or cured before the end of any such grace or cure period set forth in the applicable Security Documents.
- (d) any material Permit that has been previously obtained by MineCo is suspended, cancelled, revoked, forfeited, surrendered, refused renewal or terminated (whether in whole or in part) or is not, or ceases to be, in full force and effect, in each case for a period exceeding two hundred and forty (240) days other than in the ordinary course of business and that Permit

ceasing to be in full force and effect does, or could reasonably be expected to, result in a Material Adverse Event;

- (e) any Authority condemns, expropriates, seizes, relinquishes, withdraws, repudiates, cancels or appropriates any property or assets or part thereof which, when combined with any other property or assets previously condemned, expropriated, seized, relinquished, withdrawn, repudiated, cancelled or appropriated, forms a material part of the Mining Operations or Property;
- (f) it is or becomes unlawful for the Grantor or MineCo to perform any of its material obligations under or in connection with this Agreement or:
 - (i) any of them; or
 - (ii) any other Person (other than the Royalty Holder) lawfully (as determined by a final and binding decision issued by a court of competent jurisdiction, with no further rights to appeal),

repudiates, extinguishes or rescinds this Agreement;

- (g) the Grantor or MineCo:
 - (i) admits in writing that it is insolvent or unable to pay its debts as they generally become due;
 - (ii) commits an act of bankruptcy under any Debtor Relief Law, files a voluntary assignment in bankruptcy under any Debtor Relief Law, makes a proposal (or files a notice of its intention to do so) under any Debtor Relief Law or seeks any other relief in respect of itself under any Debtor Relief Law;
 - (iii) institutes any proceedings seeking relief in respect of itself under any Debtor Relief Law;
 - (iv) in addition to the forgoing, institutes any other proceeding seeking:
 - (A) to adjudicate itself an insolvent person or a bankrupt;
 - (B) to liquidate, dissolve or wind-up its business or assets;
 - (C) to compromise, arrange, adjust or declare a moratorium in respect of the payment of, its debts;
 - (D) to stay the rights of creditors generally (or any class of creditors);

- (E) any other relief in respect of itself under any federal, provincial or foreign Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, receivership, restructuring of business, assets or debt, reorganization of business, assets or debt or protection of debtors from their creditors (such Law includes any applicable corporations legislation to the extent the relief sought under such corporations legislation relates to or involves the compromise, settlement, adjustment or arrangement of debt); or
 - (F) any other relief which provides for plans or schemes of reorganization, plans or schemes of arrangement or plans or schemes of compromise, in respect of itself, to be submitted or presented to creditors (or any class of creditors);
- (v) applies for the appointment of, or has a receiver (either court or privately appointed), interim receiver, receiver/manager (either court or privately appointed), sequestrator, conservator, custodian, administrator, trustee, liquidator, monitor or other similar official appointed in respect of it, or any substantial part of its property; or
 - (vi) threatens to do any of the foregoing, or takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this clause 8.1(g);
- (h) any application is filed or made or other proceeding instituted against or in respect of the Grantor or MineCo:
 - (i) seeking to adjudicate it an insolvent person;
 - (ii) seeking a bankruptcy order against it under any Debtor Relief Law;
 - (iii) seeking to institute proceedings against it under any other Debtor Relief Law;
 - (iv) seeking, in addition to the foregoing:
 - (A) to adjudicate it an insolvent person or a bankrupt;
 - (B) to liquidate, dissolve or wind-up its business or assets;
 - (C) to compromise, arrange, adjust or declare a moratorium in respect of the payment of, its debts;
 - (D) to stay the rights of creditors generally (or any class of creditors);
 - (E) any other relief in respect of it under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, receivership, restructuring of business, assets or debt,

reorganization of business, assets or debt, or protection of debtors from their creditors (such Law includes any applicable corporations legislation to the extent the relief sought under such corporations legislation relates to or involves the compromise, settlement, adjustment or arrangement of debt); or

(F) any other relief which provides plans or schemes of reorganization, plans or schemes of arrangement or plans or schemes of compromise in respect of it, to be submitted or presented to creditors (or any class of creditors);

(v) seeking the issuance of an order for the appointment of a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official in respect of it or any substantial part of its property,

and having such petition, application or proceeding been granted by a court, it continues undismissed, or unstayed and in effect, for a period of 30 days after the institution thereof, provided that: (a) if the Grantor or MineCo fails to contest such petition, application or proceeding, the 30 day grace period shall cease to apply; (b) if an order, decree or judgment is issued (whether or not entered or subject to appeal) against the Grantor or MineCo thereunder within the 30 day period, such grace period will cease to apply, and (c) if the Grantor or MineCo files an answer or other responding materials admitting the material allegations of a petition, application or other proceeding filed against it, such grace period will cease to apply;

(i) any other event occurs which, under the Applicable Laws of any applicable jurisdiction, has an effect which is comparable to any of the events referred to in either of clauses 8.1(g) or 8.1(h);

(j) any creditor (including any Project Finance Lender) of the Grantor or MineCo under any agreement evidencing Indebtedness of the Grantor or MineCo declares that all or any part of such Indebtedness is immediately due and payable prior to its stated maturity or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption or as a mandatory prepayment), provided that such an event shall not constitute a Default unless, at such time, one or more events described in this subsection (j) have occurred and are continuing with respect to Indebtedness in an amount exceeding US\$3,500,000 in the aggregate;

(k) without limiting paragraph (l) and subject to clause **Error! Reference source not found.:**

(i) the whole or a substantial part of the Property, the Project, or the Project's assets are lost, transferred or forfeited; or

(ii) LandCo revokes any rights granted to MineCo to access or utilise the Property (or any other event or circumstance occurs, other than an event of Force Majeure, which

results in MineCo no longer having access to the Property) for the purposes of the Project;

- (l) MineCo or LandCo breaches any provision of clause **Error! Reference source not found.**;
- (m) the whole or a substantial part of the Project or the Project's assets is or are damaged in circumstances not covered by insurance in sufficient amounts to mitigate in full the effects such damage and such damage is not remedied to the satisfaction of the Royalty Holder within one hundred and eighty (180) days of the applicable Group Member or their Affiliates exhausting the process for claiming payment from the applicable insurers for such damage; or
- (n) any portion of the Royalty Purchase Price is used by or on behalf of the Grantor or MineCo (or any of their Affiliates) in breach by MineCo or Grantor of the requirements set out in clause 2.2(a) and such breach is not remedied or cured within 20 Business Days after the earlier of (i) the Grantor or MineCo becoming aware of such breach and (ii) delivery of a notice of breach from the Royalty Holder to the Grantor and MineCo. The Royalty Holder acknowledges and agrees that a breach of clause 2.2(a) shall be deemed to be remedied or cured if (y) funds are deposited into MineCo's bank account in an amount equal to any funds that have been used in breach of clause 2.2(a) and (z) MineCo is diligently taking steps to use such funds in accordance with the requirements of clause 2.2(a).

8.2 Consequences of Default

- (a) Subject to clause 8.2(d), if there is a Default, the Royalty Holder shall be entitled to enforce any security created under any Security Document and/or the guarantee described in clause 12, or deliver a notice to the Grantor and / or MineCo that it wishes to terminate this Agreement (**Termination Notice**). Upon delivery of a Termination Notice in relation to any of the Defaults set out in clauses 8.1(a)(i), 8.1(g) to 8.1(j) (inclusive), 8.1(k)(ii), 8.1(l) or 8.1(n) and provided that the Royalty Holder has paid the Royalty Purchase Price to the Grantor, the Grantor and MineCo shall be jointly and severally liable to pay the Termination Amount to the Royalty Holder within ten (10) Business Days of the date of determination of the Termination Amount in accordance with clause 8.3 in immediately available funds by direct deposit to such bank account as is nominated by the Royalty Holder in the Termination Notice.
- (b) If the Royalty Holder issues a Termination Notice in accordance with clause 8.2(a):
 - (i) this Agreement shall terminate with effect from:
 - (A) in relation to any Default set out in clauses 8.1(a)(i), 8.1(g) to 8.1(j) (inclusive), 8.1(k)(ii), 8.1(l) or 8.1(n), the date of payment of the Termination Amount to the Royalty Holder; or

- (B) in any other case, the date of such Termination Notice, except for the Surviving Provisions, which shall remain in force;
- (ii) any and all accrued rights or liabilities of any Party in respect of damages for non-performance of any obligation falling due for performance or otherwise for breach of this Agreement prior to such termination shall continue to exist.
- (c) The Parties confirm that the Termination Amount set out in this clause 8.2:
 - (i) constitutes liquidated damages as compensation;
 - (ii) is a reasonable estimate of the anticipated or actual harm or actual damages that might arise from termination and the actual harm or damages would be impossible or very difficult to accurately estimate at the time of contract;
 - (iii) is not extravagant and/or unconscionable; and
 - (iv) is not a penalty.
- (d) If there is a Default pursuant to clause 8.1(a)(iii) directly as a result of a breach by Grantor or MineCo of any of their obligations in clause **Error! Reference source not found., Error! Reference source not found.** or **Error! Reference source not found.**, the Royalty Holder shall have the right to institute arbitration proceedings for damages or specific performance, in each case, in accordance with clause 15, and such right shall be the Royalty Holder's sole and exclusive remedy in respect of such Default.

8.3 **Determination of Mine Plan and Termination Amount**

- (a) If the Royalty Holder issues a Termination Notice in accordance with clause 8.2(a) in relation to any Default set out in clauses 8.1(a)(i), 8.1(g) to 8.1(j) (inclusive), 8.1(k)(ii), 8.1(l) or 8.1(n):
 - (i) the Grantor shall, within ten Business Days from the date it receives the Termination Notice, deliver to the Royalty Holder a Termination Amount figure calculated on the basis of the then most recent Mine Plan delivered to the Royalty Holder under clause 5.2(a)(iv) or 4.6 (as applicable) (**Base Mine Plan**); and
 - (ii) if the Grantor does not deliver to the Royalty Holder a Termination Amount figure within the ten (10) Business Days period referred to in clause 8.3(a)(i) above, the Royalty Holder may deliver to the Grantor a Termination Amount figure calculated on the basis of the Base Mine Plan,

(such Termination Amount figure proposed either by the Grantor or the Royalty Holder, the **Proposed Termination Amount**).

- (b) Upon receipt or delivery (as applicable) of the Proposed Termination Amount, the Royalty Holder may, upon ten Business Days written notice (**Audit Notice**) to the Grantor and at its own cost, appoint a qualified and recognised mining engineer that is independent of the Parties to inspect and conduct an audit of the Base Mine Plan and the methods and practices used by the Grantor in preparing the Base Mine Plan.
- (c) If, within one (1) month of the date of the Audit Notice, the Royalty Holder provides written notice (**Adjustment Notice**) to the Grantor of any adjustments required to the Proposed Termination Amount on the basis of a determination by the auditor that the Base Mine Plan has:
 - (i) any miscalculation or error that has an impact on the calculation of the Proposed Termination Amount; or
 - (ii) not been prepared in accordance with the standards set forth in National Instrument 43-101, the Grantor shall, on being provided with a copy of the report of the Royalty Holder's auditor, make a corresponding adjustment to the Proposed Termination Amount, which adjusted amount shall be the final Termination Amount for the purpose of clause 8.2(a), unless the Grantor delivers a Dispute Notice to the Royalty Holder in relation to the Adjustment Notice within one (1) month of receiving such Adjustment Notice. If the Grantor delivers such a Dispute Notice, the dispute resolution procedures set out in this Agreement shall apply.
- (d) If the Royalty Holder does not submit to the Grantor an Audit Notice or an Adjustment Notice within the relevant time periods set out in clauses 8.3(b) or 8.3(c) (as applicable), the initial Proposed Termination Amount submitted by the Grantor or by the Royalty Holder (as applicable) shall be the final Termination Amount for the purpose of clause 8.2(a).
- (e) If the final Termination Amount payable by the Grantor is established by audit or pursuant to a Dispute Notice to be greater than the initial Proposed Termination Amount by five per cent (5%) or more, the Grantor shall immediately on demand pay the costs of the audit to the Royalty Holder. In all other circumstances the Royalty Holder shall bear the costs of audit.

Warranties

9.1 Warranties by the Grantor and MineCo

- (a) Each of Grantor, MineCo and the LandCo warrant as at the Execution Date, for the benefit of the Royalty Holder, that:

- (i) it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation and it has the power to own its assets and carry on its business as it is being conducted;
- (ii) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise the creation, granting and conveyance of the Royalty and its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement;
- (iii) all necessary authorisations and any other acts, conditions or things required to enable it lawfully to create, grant and convey the Royalty and to enter into, exercise its rights and comply with its obligations in this Agreement have been obtained, effected, done, fulfilled or performed and are in full force and effect;
- (iv) the entry into and performance by it of, and the transactions contemplated by, this Agreement and the creation, granting and conveyance of the Royalty do not and will not conflict with:
 - (A) any law or regulation applicable to it or any of its Affiliates;
 - (B) its or any of its Affiliates' constitutional documents; or
 - (C) any agreement or instrument binding upon it or any of its Affiliates or any of its or any of its Affiliates' assets or constitute a default or termination event (however described) under any such agreement or instrument;
- (v) neither it nor any of its Affiliates nor, any director, officer, agent, employee or any persons acting on its or their behalf in connection with this Agreement is a Sanctioned Person or acts directly or indirectly on behalf of a Sanctioned Person;
- (vi) it and each of its Affiliates is in compliance with all applicable Sanctions and is not engaged in, and in the past five years has not engaged in, any activities that would reasonably be expected to result in it or any of its Affiliates being designated as a Sanctioned Person;
- (vii) no meeting has been convened, resolution proposed or order made for the winding up, or the appointment of an administrator, of it, and no mortgagee or chargee has taken, attempted to take or indicated an intention to exercise its rights under any security;
- (viii) except for the land properties referenced by the Transcription No. 2,537/1970 and by the Certificate of Property No. 38,152/2024, both registered before the Real Estate Registry of Araçuaí, State of Minas Gerais, LandCo is the legal and beneficial

owner of the Real Estate, free of any Encumbrance other than (A) those which are provided for in the relevant documents registered before the Real Estate Registry of Araçuaí, State of Minas Gerais as at, respectively, 29 February 2024 and 3 May 2024, and (B) those which are set out in Schedule 7 hereto;

- (ix) MineCo is the legal and beneficial owner of the Mining Rights described in Schedule 1, free of any Encumbrance, and has the right to use the Real Estate relating to such Mining Rights;
- (x) MineCo is the legal and beneficial owner of 10% of the issued capital of LandCo (which reflect 100% of the preferred quotas issued in LandCo), fully paid and free of any liens, charges and Encumbrances;
- (xi) **[REDACTED – Commercially sensitive information];**
- (xii) **[REDACTED – Commercially sensitive information]**, the Mining Rights are in good standing under Applicable Laws and applicable regulations, have been fully and effectively acquired by the MineCo and are not liable to cancellation or forfeiture for any reason and, to the knowledge of the MineCo, it is not aware of any circumstances which may give rise to such cancellation or forfeiture;
- (xiii) it has complied with all Laws in respect of the Property in all material respects and all fees (including annual fees per hectare (*taxa annual por hectare – TAH*) and inspection fees), rents, rates, royalties (including statutory royalty and landowner's royalty), taxes, fines and other similar payments due and payable in respect of all of the Mining Rights have been paid;
- (xiv) **[REDACTED – Commercially sensitive information]**, it is not engaged in any litigation, arbitration or other proceeding and it is not aware of any pending or threatened litigation, arbitration or other proceeding concerning it, which if successful would have a Material Adverse Event;
- (xv) to its knowledge, there is no basis for any claim adverse to the right, title and interest of LandCo or MineCo to the Mining Rights and the Real Estate **[REDACTED – Commercially sensitive information];**
- (xvi) apart from (A) this Agreement, (B) the agreement executed by MineCo and Cemig Distribuição S.A. on October 31, 2023, as amended, regarding the implementation of electric facilities in the Mining Area, and (C) the Ilton Agreement, there are no agreements, arrangements, understandings, rights or options to acquire or purchase the Real Estate or any portion thereof or any interest therein (including any Encumbrance) or any claim to any royalty or other interest in the Mining Rights or production therefrom and no person other than the LandCo, MineCo and the Royalty

Holder, as applicable, has any right, title, interest or claim whatsoever in the Real Estate, Mining Rights or in production therefrom;

- (xvii) MineCo (and, as applicable, LandCo) holds all Permits and approvals and authorizations required from any Authority for it to own its interest relating to the Mining Rights, to conduct Mining Operations on the Property as currently being conducted, and to access the Real Estate;
- (xviii) MineCo has full, exclusive and continuous access to the Real Estate for the performance of exploration and (when permitted by the relevant Government Authorities) development and mining and related works and no event of default exists (and, to its knowledge, no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality, or the fulfilment of any other condition or any combination of the foregoing) would constitute a default) under the arrangements governing such rights of access to the Real Estate;
- (xix) **[REDACTED – Commercially sensitive information];**
- (xx) it is not in default in any material respect in the observance or performance of any term, covenant or obligation under any Material Contract in respect of the Project or any financing or Indebtedness in respect of the Project, and, to its knowledge, no event has occurred which, with notice or lapse of time or both, would constitute such a default;
- (xxi) it has not received notice of any intention to terminate any such Material Contract referred to in clauses 9.1(a)(xix) and/or 9.1(a)(xx) above or repudiate or disclaim any transaction contemplated thereby;
- (xxii) the MineCo has acted, and the Mining Operations have been performed, in compliance with all Applicable Laws in all material respects considering the current stage of the Mining Operations and, to its knowledge, no event has occurred in connection with the Mining Operations which would constitute a material breach of Applicable Laws;
- (xxiii) all Mining Operations and all exploration activities in respect of the Property have been conducted in accordance with Good Mining Practice and all workers' compensation and health and safety regulations applicable to the Mining Operations or the MineCo have been complied with in all material respects;
- (xxiv) all material Taxes due and payable by the Grantor and/or MineCo (whether or not shown due on any Tax returns and whether or not assessed (or reassessed) by the appropriate Authority) have been timely paid to the extent not disputed in good faith (and all Taxes disputed in good faith have been disclosed in reasonable detail to the

Royalty Holder and properly provisioned for in the relevant Person's accounts). All assessments and reassessments received by it in respect of Taxes have been paid to the extent not disputed in good faith and all assessments and reassessments disputed in good faith have been disclosed in reasonable detail to the Royalty Holder and properly provisioned for in the relevant Person's accounts;

- (xxv) all Tax returns required by Law to be filed by or with respect to it have been properly prepared and timely filed and all such Tax returns (including information provided therewith or with respect thereto) are true, complete and correct in all material respects, and no material fact or facts have been omitted therefrom which would make any such Tax returns misleading;
- (xxvi) adequate provision has been made by it in its financial statements for all material Taxes for any period for which Tax returns are not yet required to be filed, or for which Taxes are not yet due or payable, up to the date of the financial statements;
- (xxvii) neither it nor any of its directors, officers or employees is or has been the subject of any claim by any Authority or any Person regarding any offence or alleged offence under any Applicable Laws relating to anti-bribery, anti-corruption or anti-money laundering, and, to its knowledge, no such claim has been threatened or is pending and there are no circumstances likely to give rise to any such claim;
- (xxviii) none of its, or nor any of its Affiliate's, directors, officers or employees is a Public Official, and no Public Official has any legal or beneficial interest in this Agreement or in any payments to be made by the Grantor hereunder;
- (xxix) based on the projects developed by MineCo and its Affiliates and presented to the National Institute of Historic and Artistic Heritage (IPHAN), as well as a declaration provided by MineCo itself, no traditional community has been identified within the perimeters of the Directly Affected Area (ADA) or the Direct Influence Area (AID) which integrated the documents "*RCA – Relatório de Controle Ambiental*" and "*PCA – Plano de Controle Ambiental*", filed before the Environmental Secretary of the State of Minas Gerais within the environmental licensing procedure "*Licenciamento Ambiental Concomitante – LAC2*" relating to the Project development; and
- (xxx) this Agreement constitutes the legal, valid and binding obligations of the Grantor, LandCo or MineCo (as applicable), enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganisation, moratorium or other Applicable Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law,

and where a warranty in this clause 9.1(a) is qualified by the expression 'to its knowledge' or any similar expression, that expression shall be deemed to include the actual knowledge of Blake Hylands, Helio Diniz, Damian Lopez and Rodrigo Mendes at the Execution Date, with those persons having made due and reasonable enquiries of any and all other Persons who may reasonably be expected to have knowledge of the facts, matters or circumstances to which the warranty relates.

- (b) Except as specifically provided in this Agreement, Grantor, LandCo and MineCo make no representations or warranties, express or implied, (and hereby disclaim any such representations or warranties) with respect to (i) the volume of the Product to be produced from the Mine, (ii) the amount of Product, if any, existing at the Mine or to be produced and sold therefrom or (iii) the amount of Royalties, if any, that Royalty Holder may receive pursuant to this Agreement.

9.2 **Warranties by the Royalty Holder**

- (a) The Royalty Holder warrants as at the Execution Date, for the benefit of each of Grantor, MineCo and the LandCo, that:
 - (i) it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation and it has the power to own its assets and carry on its business as it is being conducted;
 - (ii) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise the payment of the Royalty Purchase Price and its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement;
 - (iii) all necessary authorisations and any other acts, conditions or things required to enable it to enter into, exercise its rights and comply with its obligations in this Agreement have been obtained, effected, done, fulfilled or performed and are in full force and effect;
 - (iv) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with:
 - (A) any law or regulation applicable to it or any of its Affiliates;
 - (B) its or any of its Affiliates' constitutional documents; or
 - (C) any agreement or instrument binding upon it or any of its Affiliates or any of its or any of its Affiliates' assets or constitute a default or termination event (however described) under any such agreement or instrument;

- (v) neither it nor any of its Affiliates nor, any director, officer, agent, employee or any persons acting on its or their behalf in connection with this Agreement is a Sanctioned Person or acts directly or indirectly on behalf of a Sanctioned Person;
- (vi) it and each of its Affiliates is in compliance with all applicable Sanctions and is not engaged in, and in the past five years has not engaged in, any activities that would reasonably be expected to result in it or any of its Affiliates being designated as a Sanctioned Person;
- (vii) no meeting has been convened, resolution proposed or order made for the winding up, or the appointment of an administrator, of it, and no mortgagee or chargee has taken, attempted to take or indicated an intention to exercise its rights under any security; and
- (viii) this Agreement constitutes the legal, valid and binding obligations of the Royalty Holder, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganisation, moratorium or other Applicable Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

9.3 **Obligation to Maintain Property**

Except as otherwise provided in clause **Error! Reference source not found.**, each of MineCo, the Grantor and LandCo shall:

- (a) not do or permit to be done, anything that may prejudice or render the Mining Rights, the Mining Operations (provided that, in respect of paragraph (d) of the definition of Mining Operations, only to the extent that it is reasonably within the control of MineCo, the Grantor or LandCo (as applicable) to do so) or the Real Estate, or any interest in same, liable for forfeiture;
- (b) maintain title (or in the case of land rights, other right or interest to the extent applicable) to the Mining Rights and the Real Estate, and paying, when due, all Taxes, duties or other payments required to be paid by it on or with respect to the Property and/or Mining Operations (to the extent not disputed in good faith) and doing all things and making any payments required by applicable Law or appropriate and permitted by Applicable Law to maintain the right, title and interest of MineCo, LandCo and the Royalty Holder, as applicable, in the Mining Rights, Mining Operations and Real Estate and under this Agreement;
- (c) perform all required assessment work (whether statutory or contractual), pay all maintenance fees and make such filings and recordings on the Mining Rights and the Real Estate as are necessary to maintain the relevant title (or in the case of land rights, other

right or interest to the extent applicable) to such Mining Rights and the Real Estate in accordance with Applicable Law;

- (d) comply with all of the conditions and requirements contained in or relating to the Mining Rights;
- (e) without limiting paragraphs (a) to (d) (inclusive), consistent with Good Mining Practice use its commercially reasonable efforts to obtain, renew, maintain, comply with and keep in good standing all authorisations required or necessary (whether under Applicable Law or otherwise) to be obtained by it for:
 - (i) **[REDACTED – Commercially sensitive information]**;
 - (ii) LandCo, MineCo and their Affiliates' access to the Real Estate;
 - (iii) surface rights and water rights relating to its activities and planned activities at or in relation to the Mine and the Real Estate, as applicable;
 - (iv) exploration and development of **the** Mining Rights and the Mine, as applicable;
 - (v) the Mining Operations; and
- (f) do whatever is necessary for procuring the renewal and good standing of each Mining Right according to the Law in force in the jurisdiction where it is located prior to the date on which each such Mining Right lapses or expires including paying, in a timely manner, all fees, submitting all forms and expending any funds or paying any penalties required for the maintenance of the Mining Right in good standing.

9.4 **Abandonment**

[REDACTED – Commercially sensitive information]

Confidentiality

10.1 **Non-disclosure of Confidential Information**

A Party shall not disclose Confidential Information except:

- (a) if the disclosure is expressly permitted by this Agreement;
- (b) to its Representative, or the Representative of an Affiliate, who requires the information for the purposes of or related to this Agreement, the Mining Rights or the Royalty with the prior requirement that they keep the disclosed information confidential in accordance with this clause 10;

- (c) to the extent necessary in relation to the registration of the Royalty and/or this Agreement;
- (d) with the written consent of the Party who supplied the Confidential Information, which consent may be given or withheld in its absolute discretion;
- (e) if the Party, or an Affiliate of the Party, holding the Confidential Information is required to do so by Law, including by a recognised stock exchange, an Authority or in connection with legal proceedings relating to this Agreement;
- (f) to a prospective transferee or assignee of the Party's rights and obligations under this Agreement or of all or part of a Mining Right or interest in a Mining Right, provided that (i) such prospective transferee or assignee is a permitted transferee or assignee under the terms of this Agreement and (ii) each such prospective transferee or assignee agrees in writing to keep the disclosed information confidential in accordance with this clause 10;
- (g) if disclosure is made on a confidential basis to a prospective financier of the Party or its Related Entities and any of their financial or legal advisors; provided each disclosee agrees in writing to keep the disclosed information confidential in accordance with this clause 10;
or
- (h) to the creditors of a Group Member under any agreements evidencing any Indebtedness of any Group Member or any prepayment agreements in respect of an Offtake Agreement, in their capacities as such, and the security agent acting for or on behalf of, among others, the Royalty Holder, for the benefit of, among others, the Royalty Holder pursuant to the Security Document, with the prior requirement that such persons keep the disclosed information confidential in accordance with this clause 10.

10.2 **Disclosure by recipient of Confidential Information**

A Party disclosing Confidential Information as permitted by this Agreement shall ensure that persons receiving Confidential Information from it do not disclose the Confidential Information except as permitted by this Agreement.

10.3 **Return of Confidential Information**

A Party who has disclosed Confidential Information to a prospective transferee, assignee or financier as provided for by this Agreement shall obtain from that person prior to disclosure an undertaking that, on the request of the disclosing Party, it will immediately deliver or re-deliver to that Party all documents or other materials containing or referring to the Confidential Information in its possession, power or control.

10.4 **Survival of termination**

This clause 10 continues to bind a Person notwithstanding that such Person ceases to be a Party to this Agreement or this Agreement expires or is terminated for any reason, until the period that ends two (2) years after the date of expiry or earlier termination (as applicable) of this Agreement.

10.5 **Announcements and press releases**

A Party shall not make press or other announcements or releases relating to this Agreement and the transactions the subject of this Agreement without the approval of the other Parties to the form and manner of the announcement or release, such approval not to be unreasonably withheld or delayed, unless and to the extent that the announcement or release is required to be made by the Party, or an Affiliate of the Party, by Law, including by a recognised stock exchange.

10.6 **Filing of Agreement**

Each Party agrees that if a Party or any of its Affiliates is required to file a copy of this Agreement in any public registry, filing system or depository, including, in order to comply with Applicable Law, it shall notify the other Party of such requirement promptly and the Parties shall consult with each other with respect to any proposed redactions to this Agreement in compliance with such Applicable Laws before it is filed in any such registry, filing system or depository. The Grantor and the MineCo shall accommodate any redactions to this Agreement requested by the Royalty Holder. The costs of filing this Agreement shall be at the Grantor's cost and expense.

Taxes

- 11.1 All amounts payable under or in connection with this Agreement are exclusive of any applicable goods and services tax or value added tax, unless indicated otherwise.

Guarantee

- 12.1 MineCo irrevocably and unconditionally:
- (a) guarantees jointly and severally in favour of the Royalty Holder the punctual performance by the Grantor of all the Grantor's obligations under this Agreement;
 - (b) undertakes with the Royalty Holder that whenever the Grantor does not pay any amount when due under or in connection with this Agreement (including any Termination Amount and any interest thereupon), MineCo shall immediately on demand pay that amount as if it was the principal obligor; and
 - (c) agrees with the Royalty Holder that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Royalty Holder immediately on demand against any cost, loss or liability it incurs as a result of the Grantor not paying any amount which would, but for such unenforceability,

invalidity or illegality, have been payable by it under this Agreement on the date when it would have been due. The amount payable by the MineCo under this indemnity will not exceed the amount it would have had to pay under this clause 12 if the amount claimed had been recoverable on the basis of a guarantee.

- 12.2 This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Grantor and/or the MineCo under this Agreement, regardless of any intermediate payment or discharge in whole or in part.
- 12.3 If any discharge, release or arrangement (whether in respect of the obligations of the MineCo or the Grantor or any security for those obligations or otherwise) is made by the Royalty Holder in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the MineCo under this clause 12 will continue or be reinstated as if the discharge, release or arrangement had not occurred. The Royalty Holder shall be entitled to recover the value or amount of that security or payment from MineCo, as if the payment, discharge, avoidance or reduction had not occurred.
- 12.4 The obligations of the MineCo under this clause 12 are absolute and unconditional and shall not be affected by an act, omission, matter or thing which, but for this clause 12, would reduce, release or prejudice any of its obligations under this clause 12 (without limitation and whether or not known to it or the Royalty Holder) including:
- (a) any time, waiver or consent granted to, or composition with, a Group Member or other person;
 - (b) the release of any Group Member or any other person under the terms of any composition or arrangement with any creditor of a Group Member;
 - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Group Member or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Group Member or any other person;
 - (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of this Agreement or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under this Agreement or other document or security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under this Agreement or any other document or security;
- (g) proceedings under Debtor Relief Laws; or
- (h) any contest by MineCo or any other Person as to the validity of this Agreement, the Security Documents, any other document or security or the obligations of the Group Members thereunder.

12.5 Without prejudice to the generality of clause 12.4, MineCo expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to this Agreement and/or any facility or amount made available under this Agreement for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other Indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

12.6 MineCo waives any right it may have of first requiring the Royalty Holder (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from MineCo under this clause 12. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

12.7 Until all amounts which may be or become payable by the Group Members under or in connection with this Agreement have been irrevocably paid in full, the Royalty Holder (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Royalty Holder (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and MineCo shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from MineCo or on account of MineCo's liability under this clause 12.

12.8 If a Default occurs and is continuing and unless the Royalty Holder otherwise directs, MineCo will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement or by reason of any amount being payable, or liability arising, under this clause 12:

- (a) to be indemnified by a Group Member;

- (b) to claim any contribution from any other guarantor of any Group Member's obligations under this Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Royalty Holder under this Agreement or of any other guarantee or security taken pursuant to, or in connection with, this Agreement by the Royalty Holder;
- (d) to bring legal or other proceedings for an order requiring any Group Member to make any payment, or perform any obligation, in respect of which the MineCo has given a guarantee, undertaking or indemnity under clause 12.1;
- (e) to exercise any right of set-off against any Group Member; and/or
- (f) to claim or prove as a creditor of any Group Member in competition with the Royalty Holder.

12.9 If MineCo receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Royalty Holder by the Group Members under or in connection with this Agreement to be repaid in full on trust for the Royalty Holder and shall promptly pay or transfer the same to the Royalty Holder or as the Royalty Holder may direct.

12.10 This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Royalty Holder.

Notices

13.1 Form of Notice

Unless expressly stated otherwise in this Agreement, any notice, certificate, consent, approval, waiver or other communication in connection with this Agreement (the **Notice**) shall be in writing and delivered or sent by hand, registered post or email to the party to be served at its address as follows:

- (a) to the Grantor at:

Address: **[REDACTED – Personal Information]**

Email: **[REDACTED – Personal Information]**

Tel: Office: **[REDACTED – Personal Information]**

Attention: **[REDACTED – Personal Information]**

- (b) to MineCo at:

Address: [REDACTED – Personal Information]

Email: [REDACTED – Personal Information]

Tel: [REDACTED – Personal Information]

Attention: [REDACTED – Personal Information]

Copy:

Address: [REDACTED – Personal Information]

Email: [REDACTED – Personal Information]

Tel: [REDACTED – Personal Information]

Attention: [REDACTED – Personal Information]

(c) to the LandCo at:

Address: [REDACTED – Personal Information]

Email: [REDACTED – Personal Information]

Tel: Office: [REDACTED – Personal Information]

Attention: [REDACTED – Personal Information]

(d) to the Royalty Holder at:

Address: [REDACTED – Personal Information]

Email: [REDACTED – Personal Information]

Tel: [REDACTED – Personal Information]

Attention: Sarah Earles

Copy:

Address: [REDACTED – Personal Information]

Email: [REDACTED – Personal Information]

Tel: [REDACTED – Personal Information]

Attention: [REDACTED – Personal Information]

13.2 When Notices are taken to have been delivered and received

- (a) A Notice shall be regarded as delivered and received:
 - (i) if delivered by hand, when left at the address set out in clause 13.1;
 - (ii) if sent by registered paid post, on the third day following the date of postage to the address set out in clause 13.1; and
 - (iii) if sent by email, at the time shown in the delivery confirmation report generated by the sender's email system which indicates that the email was sent to the recipient's email address set out in clause 13.1.
- (b) A Notice delivered or received other than on a Business Day or after 5.00pm is regarded as received at 9.00am on the following Business Day. A Notice delivered or received before 9.00am is regarded as received at 9.00am.

Ancillary provisions

14.1 Entire agreement

- (a) This Agreement together with the Security Documents and any other document entered under or pursuant to this Agreement contains the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes all previous agreements, whether oral or in writing, between the Parties relating to the subject matter of this Agreement, including any confidentiality undertakings given by any Party.
- (b) Each Party acknowledges that it does not rely on, and has not been induced to enter into this Agreement on the basis of, any express or implied representation, warranty, covenant, undertaking, indemnity, collateral contract or other statement whatsoever made by or on behalf of any other Party at any time before the entering of this Agreement, except as expressly set out in this Agreement. Each Party waives all rights and remedies which, but for this clause 14.1, might otherwise be available to it in respect of any such express or implied representation, warranty, collateral contract or other assurance.
- (c) Nothing in this clause 14.1 limits or excludes any liability for fraud.

14.2 Successors

The provisions of this Agreement endure for the benefit of and are binding on each Party and their respective successors and permitted assigns and transferees.

14.3 No partnership or joint venture

The rights and obligations in this Agreement are not intended to, and shall not, create a relationship of partnership, tenancy-in-common, joint tenancy, joint venture, co-ownership, agency, or trust between any of the Parties and no Party has any authority to bind another Party in any way.

14.4 **Accounting matters**

Unless otherwise agreed by the Parties, all accounting matters are to be determined in accordance with sound accounting practices and the Accounting Standards.

14.5 **Amendment**

- (a) No modification, variation or amendment of this Agreement is of any force unless it is in writing and has been signed by each of the Parties.
- (b) If requested by any Party in connection with any new Laws or changes to existing Laws in respect of Tax, the Parties shall use reasonable endeavours to discuss and (to the extent it would not result in the Party being requested to suffer or incur any cost, expense or liability nor be adverse to any of such Party's rights, interests or economic return under this Agreement) agree any amendments to this Agreement which may be necessary or desirable in connection with such changes.

14.6 **Severability**

The provisions contained in this Agreement shall be enforceable independently of each of the others and their legality, validity and enforceability shall not be affected if any of the others are illegal, invalid or unenforceable. If any provision is illegal, invalid or unenforceable, but would be legal, valid and enforceable if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it legal, valid and enforceable.

14.7 **Waiver**

A waiver of any right, power or remedy under this Agreement shall be in writing signed by the Party granting it. A waiver is only effective in relation to the particular right, power or remedy in respect of which it is given. It is not to be taken as an implied waiver of any other right, power or remedy or as an implied waiver of that obligation or breach in relation to any other occasion.

14.8 **Remedies cumulative**

The rights and remedies provided in this Agreement are in addition to other rights and remedies given by Law independently of this Agreement, except to the extent that they are expressly excluded.

14.9 **Third party rights**

Except for an Affiliate of the Royalty Holder referred to in clause 6.6 and an Affiliate of the Group Member referred to in clause 5.6(d), (a) a person who is not a party to this Agreement shall have no right to enforce any of its terms and (b) the Parties do not intend that this Agreement benefit or create any legal or equitable right, remedy or cause of action in, or on behalf of, any Person other than a Party and no Person, other than a Party, is entitled to rely on the provisions of this Agreement in any proceeding or otherwise.

14.10 No set-off

All amounts due under or in connection with this Agreement shall be paid in full without any set-off or counterclaim, whether arising under this Agreement or otherwise.

14.11 Further assurances

Each Party shall, from time to time, execute all documents and do all things reasonably necessary or desirable to give full effect to this Agreement and to any matter or thing contemplated pursuant to this Agreement.

14.12 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same Agreement, and any Party (including any duly authorised representative of a Party) may enter into this Agreement by executing a counterpart. Delivery of a counterpart of this Agreement by e-mail attachment shall be an effective mode of delivery.

14.13 Compliance with Approved Standards

The Parties acknowledge that the Royalty Holder or Affiliates of the Royalty Holder are or may become subject to an Approved Standard (as defined below). Upon written request by the Royalty Holder or an Affiliate of the Royalty Holder and provided the Royalty Holder has determined, acting reasonably, that an exemption from preparing a technical report under the applicable Approved Standard in respect of the Royalty, the Mining Rights or the Mining Operations is unavailable to the Royalty Holder or its Affiliate, the Grantor and the MineCo shall:

- (a) provide to the Royalty Holder, at the Royalty Holder's expense, any and all necessary technical data (including in respect of mineral resources and reserves), documents or reports on the Mining Rights and the Mining Operations as are in the MineCo or the Grantor's or its Affiliates' possession or which are readily available to the Grantor, the MineCo or its Affiliates and which may be reasonably required by the Royalty Holder or its Affiliates to comply with the requirements of an Approved Standard;

- (b) grant access to the Mining Operations and the Real Estate to the Royalty Holder, its Affiliates or any representative of the Royalty Holder or its Affiliates for personal inspection of same;
- (c) if reasonably requested by the Royalty Holder, include in any technical report prepared for the Grantor, the MineCo or its Affiliates in accordance with an Approved Standard, scientific and technical information that is material to the Royalty Holder or its Affiliates;
- (d) upon the request of the Royalty Holder, use commercially reasonable efforts to convince the author(s) of any report prepared for the Grantor, the MineCo or its Affiliates in accordance with an Approved Standard to provide, at the sole cost and expense of the Royalty Holder and subject to such terms and conditions as may be required by such author(s) or their employer(s), (i) a copy of such report to be addressed to the Royalty 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 Royalty Holder or any of its Affiliates, and (iii) such other consents in connection with the use of or reliance upon such report by the Royalty Holder or any of its Affiliates from time to time in its public disclosure as may be required by the Royalty Holder; and
- (e) allow any report prepared for the Grantor, the MineCo or its Affiliates in accordance with an Approved Standard to be used by the Royalty Holder or its Affiliates in any technical report prepared for the Royalty Holder or its Affiliates, on condition that a "qualified person" (or its equivalent term, in each case as such term is defined in an Approved Standard) engaged by the Royalty Holder is the author of the report prepared for the Royalty Holder or its Affiliates.

Approved Standard for the purposes of this clause 14.13 means any of (i) Subpart 1300 of Regulation S-K under the United States Securities Act of 1933 and the United States Securities Exchange Act of 1934, (ii) the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, (iii) the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves, (iv) National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, (v) the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (vi) the Pan European Reserves and Resources Reporting Committee Standard for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (vii) any other classification system for the reporting of mineral reserves and mineral resources, or (viii) or any successor instrument, rule or policy to any of the foregoing.

14.14 **Transaction costs and expenses**

- (a) Except as otherwise expressly provided in this Agreement and in the Exclusivity Letter, each Party will pay for its own costs and expenses incurred in connection with the

negotiation, preparation, execution and performance of this Agreement and the transactions contemplated herein, including the fees and expenses of legal counsel, financial advisors, accountants, consultants and other professional advisors.

- (b) The Grantor shall indemnify the Royalty Holder on demand for all reasonable third party professional and other costs (including legal costs) incurred by the Royalty Holder (or its Affiliates) in relation to this Agreement and the transaction contemplated by this Agreement, including any travel expenses incurred by the Royalty Holder (or its Affiliates) related to site visits, due diligence and negotiation, execution and closing of the transaction contemplated by this Agreement up to an aggregate maximum amount of US\$200,000. Any payment received by the Royalty Holder pursuant to this paragraph (b) shall reduce any obligations to make any payment under clause 11 of the Exclusive Agreement in a corresponding amount.

Dispute Resolution

15.1 Negotiation

- (a) Except where a time limitation is set out in this Agreement, and otherwise subject to the terms of this Agreement, a Party may give a Dispute Notice to any other Party(ies) at any time.
- (b) A Dispute Notice shall:
 - (i) describe the nature of the Dispute; and
 - (ii) nominate a Representative of the Party who is authorised to negotiate and settle the Dispute on the Party's behalf.
- (c) The receiving Party(ies) shall, within seven (7) days after the delivery of a Dispute Notice, nominate in writing to the other Party(ies) a Representative authorised to negotiate and settle the Dispute on its behalf.
- (d) The nominated Representatives shall meet to discuss the Dispute as soon as reasonably practicable with a view to resolving the Dispute within twenty one (21) days after the delivery of the Dispute Notice (or such longer period as those Representatives agree in writing). If the Dispute has not been resolved within such period:
 - (i) any Party may immediately refer the Dispute to Expert determination in accordance with clause 15.2 if it relates to:
 - (A) the calculation of the Royalty or any component of it;
 - (B) the calculation of the Termination Amount or any component of it; or

(C) a matter arising out of a technical audit or an audit conducted in accordance with this Agreement that does not require legal interpretation or analysis;

(ii) any Party may commence arbitration in respect of the Dispute if it relates to any other matter.

15.2 Expert determination

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

- (a) the Expert determination shall be conducted by a Person agreed to by the Parties or, to the extent the Parties fail to reach agreement within fourteen (14) days of the Dispute being referred to Expert determination, by the Person appointed in accordance with clause 15.2(e); and
- (b) the Expert shall be neutral, independent of the Parties and impartial; and
- (c) in making a determination:
 - (i) the Expert shall act in that capacity and not as an arbitrator;
 - (ii) the Expert shall conduct the proceeding and decide matters of procedure in the Expert's discretion, after having given the Parties an opportunity to present their respective positions;
 - (iii) the Expert shall resolve the Dispute applying their expert knowledge and in a manner that is consistent with the provisions of this Agreement, considering the Parties' respective positions, including any documents, materials or other information provided, as well as any oral presentations made;
 - (iv) the Expert's determination is final and binding upon the Parties except in the case of fraud or manifest error;
 - (v) the Expert shall determine which Party or Parties should bear the costs of any such determination and in what proportion (and, in making this decision, the Expert shall consider the degree to which he or she considers such Party was unreasonable in failing to agree to the matter); and
 - (vi) the Expert may employ consultants to carry out his or her duties.
- (d) Any appeal of the Expert's determination on alleged grounds of fraud or manifest error shall be decided by arbitration in accordance with clause 15.3.

- (e) Where the Parties fail to reach agreement on the identity of the Person that will conduct the Expert determination as contemplated in clause 15.2(a), then the following will apply:
 - (i) each Party will identify and list five (5) potential experts each of whom the listing Party believes to be suitably qualified and independent in accordance with this Agreement;
 - (ii) the Parties will simultaneously exchange their respective lists within seven (7) days of the Dispute being referred to Expert determination. Each Party will provide a CV or summary of qualifications for each Person named on their list that will be transmitted with the list;
 - (iii) each Party may unilaterally strike three (3) names from the other Party's list and must notify the other Party of the struck names within three (3) days of receiving the other Party's list; and
 - (iv) should there remain one name in common among the remaining two (2) names on each Party's list, that Person will be jointly appointed as the Expert. Should there remain more than one name in common, the Parties will seek to agree the appointment of the Expert from among those names in common. Should there be no remaining names in common and/or the Parties are unable to agree the appointment of the Expert within the fourteen (14) days stipulated above, either Party may apply to the ADR Institute of Canada Inc. for the appointment of the Expert.
- (f) The Party applying to the ADR Institute of Canada Inc. for the appointment of the Expert under clause 15.2(e)(iv) will provide the ADR Institute of Canada Inc. with a single list of the Persons not struck by either Party, together with the relevant CV or summary of qualifications for those Persons, without any attribution as to which Party proposed any of the listed Persons. The ADR Institute of Canada Inc. will proceed to appoint the Expert from among the Persons listed.
- (g) For certainty, a Dispute may be referred to Expert determination under this clause 15.2 via a simple request in writing, which will be treated as a Notice delivered in accordance with clause 13.1.

15.3 **Arbitration**

All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The language of the arbitration shall be English. The seat or place of the arbitration shall be Toronto, Ontario.

15.4 **Parties to continue to perform**

Prior to resolution of the Dispute, the Parties shall continue to perform their respective obligations under this Agreement including all pre-existing obligations the subject of the Dispute, except only to the extent that lack of resolution of the Dispute prevents such performance.

15.5 Condition precedent to arbitration

A Party shall not commence arbitration in respect of a Dispute:

- (a) that this Agreement requires to be referred to an Expert; or
- (b) in all other cases, unless a Dispute Notice has been given and the Representatives do not resolve the Dispute within twenty one (21) days after the receipt of the Dispute Notice (or such longer period as those Representatives agree in writing).

15.6 Confidentiality

The Parties, Expert and arbitrators shall treat as confidential and shall not disclose to any third party without prior written consent from the Parties all matters relating to a Dispute under this clause 15, including the existence of a Dispute, materials created or produced for the purpose of resolving a Dispute, any determination issued pursuant to clause 15.2, and any award issued pursuant to clause 15.3, except or unless:

- (a) for the purpose of making an application to any competent court;
- (b) pursuant to the order of a court of competent jurisdiction;
- (c) if necessary for the enforcement of the arbitration award;
- (d) if required by any applicable Law which is binding on the party making the disclosure;
- (e) if required to do so by any Governmental Authority; or
- (f) the information, material or document is by lawful means in the public domain.

Governing Law

16.1 This Agreement shall be governed by and is intended to be interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of law principles.

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

Grantor

Executed by

LITHIUM IONIC BANDEIRA CORP.)

acting by:) _____ (Signed) "*Grant Cellier*"
Grant Cellier
Director

MineCo

Executed by

MGLIT EMPREENDIMENTOS LTDA.)

acting by:) (Signed) "Helio Botelho Diniz"
Helio Botelho Diniz

LandCo

Executed by

)

VALITAR PARTICIPAÇÕES S.A.

) (Signed) "*Helio Botelho Diniz*" _____

Helio Botelho Diniz

acting by:

)

) (Signed) "*Thiago Aguiar Paes*" _____

Thiago Aguiar Paes

Royalty Holder

Executed by

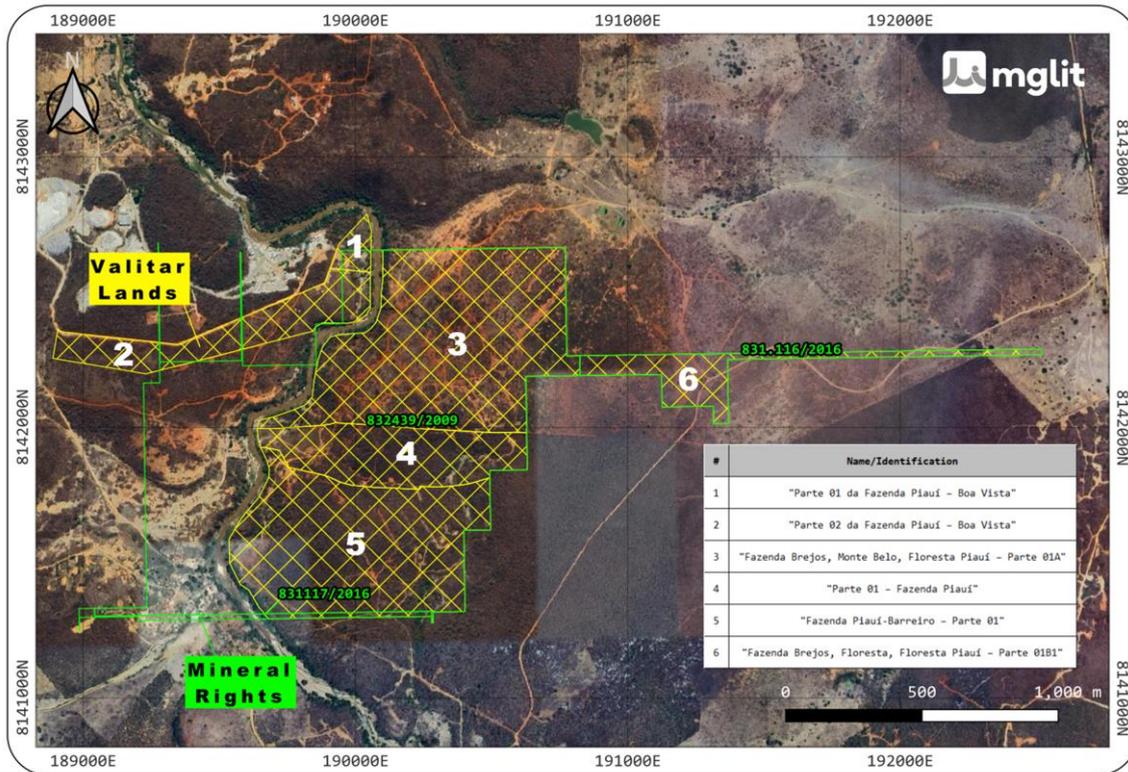
ANRF LI (JSY) Ltd

By: (Signed) "*Sarah Earles*" (Signed) "*Graeme Paton*"

Name: Sarah Earles & Graeme Paton

Title: Authorised signatories for and on behalf of Oak Directors (Jersey) Limited
in its capacity as Director of ANRF LI (JSY) Ltd

Schedule 1
Mining Area/Mining Rights/Real Estate



Name/Identification	Area (hectares)	Certificate of Property	Real Estate Registry (MG)	Title Holder	Title	Mineral Right
"Parte 01 da Fazenda Piauí – Boa Vista"	2.0063	038968.2.0 035875-88 (35.875)	Araçuaí	Valitar Participações S.A.	Land Ownership	832.439/2009 (Bandeira)
"Parte 02 da Fazenda Piauí – Boa Vista"	14.562	038968.2.0 035876-85 (35.876)	Araçuaí	Valitar Participações S.A.	Land Ownership	832.439/2009 (Bandeira)
"Fazenda Brejos, Monte Belo, Floresta Piauí – Parte 01A"	52.1089	038968.2.0 036783-80 (36.783)	Araçuaí	Valitar Participações S.A.	Land Ownership	832.439/2009 (Bandeira)
"Fazenda Piauí or Parte 01 – Fazenda Piauí"	17.9315	2,537	Araçuaí	Valitar Participações S.A.	Adverse Possession	832.439/2009 (Bandeira)
"Fazenda Piauí-Barreiro – Parte 01"	42.5549	038968.2.0 036330-81 (36.330)	Araçuaí	Valitar Participações S.A.	Land Ownership	832.439/2009 (Bandeira) / 831.117/2016 (Bandeira Sul)
"Fazenda Brejos, Floresta, Floresta Piauí – Parte 01B1"	9.77	038968.2.0 038152-47 (38.152)	Araçuaí	Valitar Participações S.A.	Possession / Contract for Sale and Purchase	831.116/2016 (Bandeira Leste)

Schedule 2

Security Documents

Fiduciary assignment of quotas over the quotas in MineCo and MineCo's shares in LandCo;

Pledge over Mining Rights;

Fiduciary assignment over bank accounts, receivables and insurance policies of MineCo;

Charge over the shares in the Grantor; and

Debenture in relation to the assets of the Grantor.

Schedule 3

Use of Proceeds

The proceeds of the Royalty Purchase Price will be used as follows:

- (a) for the development and construction of the Project; and
- (b) general corporate purposes and working capital requirements relating to the Project of (i) the Parent and (ii) MineCo,

[REDACTED – Commercially sensitive information]

Schedule 4

Conditions Precedent

1 Corporate documentation

- (a) A copy certified by an officer or director of the constitutional documents/or registration documents of each Group Member.
- (b) A copy certified by an officer or director of a resolution of the shareholders and/or board of directors (as applicable) of each Group Member, LandCo and each other Security Provider:
 - (i) approving the terms of, and the transactions contemplated by, this Agreement and the Security Documents to which it is a party and ratifying its entry into this Agreement and the Security Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute this Agreement and the Security Documents to which it is a party on its behalf or ratifying such execution; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this Agreement and the Security Documents to which it is a party.
- (c) A specimen certified by an officer or director of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to this Agreement, the Security Documents to which it is a party and any other related documents.
- (d) Where this Agreement or any Security Document has been signed or will be signed by a Group Member, LandCo or any other Security Provider by way of power of attorney, a copy certified by an officer or director of each such power of attorney.
- (e) A solvency certificate in respect of each Group Member signed by a director of such Group Member.
- (f) A copy certified by an officer or director of the register of members/shareholders of each Group Member.
- (g) A certificate of a director of each of the Group Members confirming that on the date of that certificate, and a certificate of a director of the LandCo, confirming the certifications in subparagraphs (i) and (iii) below on the date of that certificate:
 - (i) no Default is continuing;

- (ii) guaranteeing and securing (as applicable) any amounts owing under this Agreement (including the Royalty and any Termination Amount) would not cause any guaranteeing, securing or similar limit binding on it to be exceeded; and
 - (iii) each copy document relating to it specified in this paragraph 1 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.
- (h) A certificate of status or good standing in respect of each Group Member issued by the appropriate governmental body or agency of the jurisdiction in which such Group Member is incorporated or otherwise formed (in the case of the Brazilian companies, a simplified certificate (*certidão simplificada*) issued by the appropriate Board of Trade (*Junta Comercial*).
- (i) A perfection certificate of a director of the Grantor.

2 Documents

An original, duly executed by each party thereto, of each of the Agreement, the Security Documents and the PPE Loan Agreement.

3 Security Documents

- (a) Copies of all transfers, resolutions, proxies and stock transfer forms or equivalent duly executed by the Grantor in blank and in pdf or signed by DocuSign (or similar technology) in relation to the assets subject to or expressed to be subject to the Security Documents and other documents of title to be provided under the Security Documents.
- (b) Subject to clause 6.1(b), evidence that all filings, stampings, registrations, recordings, notifications and other actions (or documents to effect such actions) in all relevant jurisdictions which are necessary or desirable in order to create in favour of the Royalty Holder valid perfected first-ranking security over all of the assets and property which are expressed to be the subject of the Security Documents have been made (subject to Permitted Encumbrances pursuant to paragraph (a) of the definition of Permitted Encumbrances permitted to rank senior in accordance with the terms of this Agreement).
- (c) Evidence that the Security Documents have been submitted for registration with each of:
 - (i) the Brazilian Mining Agency (*Agência Nacional de Mineração – ANM*);
 - (ii) the Board of Trade of the State of Minas Gerais (*Junta Comercial do Estado de Minas Gerais*); and

- (iii) the relevant Registries of Deeds and Documents (*Cartórios de Registro de Títulos e Documentos*),

as set forth in the Security Documents.

- (d) Evidence that the amendment to MineCo's Articles of Association reflecting the pledge over its quotas have been duly filed with the Board of Trade of the State of Minas Gerais.

4 Legal opinions

- (a) A legal opinion from Ontario counsel to the Group Members addressed to the Royalty Holder with respect to, the enforceability of this Agreement and the due capacity, authorization, execution and delivery of Lithium Ionic Holdings Corp. to sign the Security Document to which it is party.
- (b) A legal opinion from Cayman Islands counsel to the Group Members addressed to the Royalty Holder with respect to the due capacity, authorization, execution and delivery of this Agreement and the Security Documents by the Grantor.
- (c) A legal opinion from Brazilian counsel to the Group Members addressed to the Royalty Holder with respect to, inter alia, and as applicable, due capacity, authorization and execution of this Agreement, the Security Documents, **[REDACTED – Commercially sensitive information]** as applicable, MineCo, **[REDACTED – Commercially sensitive information]** and the delivery, and enforceability of the Brazilian law governed Security Documents **[REDACTED – Commercially sensitive information]**.

5 Other documents and evidence

- (a) Completion of the Royalty Holder's due diligence process (including any tax structuring analysis) in relation to the Project.
- (b) Evidence that the fees, costs and expenses then due from the Grantor to the Royalty Holder pursuant to clause 14.14(b) have been paid or will be paid by the Closing Date or with the proceeds from the Royalty Purchase Price.
- (c) A copy of any other authorisation or other document, opinion or assurance which the Royalty Holder considers to be necessary, acting reasonably, in connection with the entry into, and performance of the transactions contemplated by, this Agreement or any of the Security Documents or for the validity and enforceability of this Agreement or any Security Document.
- (d) Delivery by the Grantor of the Budget and Construction Timeline to the Royalty Holder.
- (e) **[REDACTED – Commercially sensitive information]**.

- (f) **[REDACTED – Commercially sensitive information].**
- (g) Delivery of litigation certificates from the court districts of the Mine site and from MineCo and LandCo's registered offices dated no earlier than thirty (30) days prior to the Closing Date confirming that there no material judicial proceedings currently ongoing in respect of MineCo and LandCo other than as disclosed hereunder.
- (h) **[REDACTED – Commercially sensitive information].**

Schedule 5

Intercreditor Principles

The Royalty Holder and the Grantor each acknowledge and agree that the Grantor or its Affiliates (including, without limitation, MineCo [REDACTED – Commercially sensitive information]) may incur senior project financing loan(s) raised for the purposes of the development and construction of the Bandeira Project of up to US\$275,000,000 (when aggregated with all other indebtedness of the Grantor and MineCo or of their Affiliates in relation to which Grantor or MineCo's assets are provided as collateral) (the **Senior Indebtedness**) from financial institutions, private credit providers or other third-party finance providers (a **Senior Lenders**), provided that the following principles shall apply in respect of any such Senior Indebtedness where such Senior Indebtedness is for a principal amount of US\$50,000,000 or more. References to the Grantor included herein are deemed to include, to the extent relevant, any Affiliate of the Grantor that has granted security pursuant to the relevant Senior Security (defined below) and security granted to the Royalty Holder in relation to the Royalty (the **Royalty Security**), as applicable.

1 Intercreditor Agreement

The Royalty Holder shall enter into (and the Grantor shall procure that the Senior Lenders shall enter into) an intercreditor agreement with the Senior Lenders with respect to the liabilities under the Royalty Agreement, including the liability to pay the Termination Amount (the **Royalty Liabilities**) and the Royalty Security, and the debt liabilities owing to the Senior Lenders (the **Senior Liabilities**) and security granted to any Senior Lenders (**Senior Security**) on such terms and conditions as set out below and as otherwise agreed between the Royalty Holder (acting reasonably, provided that the obligation on the Royalty Holder to act reasonably with respect to a matter will be contingent on the Senior Lenders acting reasonably in relation to the same matter) and the Senior Lenders. Dependent on the structure of the Senior Indebtedness and related Senior Security, the Royalty Holder may, in addition to any other conditions which may be agreed between the Royalty Holder and the Grantor (or its Affiliates) at the relevant time, require security to be granted or other terms and conditions to be included in the intercreditor agreement (including by way of adjustment of certain of the terms and conditions set out below) by way of: (i) additional share charges or pledges (as applicable) of the Grantor and/or its Affiliates [REDACTED – Commercially sensitive information] where such security has been granted to the Senior Lenders; and (ii) additional security over assets of the Grantor and/or its Affiliates [REDACTED – Commercially sensitive information] provided that: (A) such security has been granted to the Senior Lenders; and (B) either (1) any enforcement of such security by the Senior Lenders or insolvency event in relation to the relevant security provider could result (in the reasonable opinion of the Royalty Holder) in the Royalty, the Royalty Liabilities and/or the Royalty Security being terminated, discharged, disclaimed, disregarded, repudiated or voided in whole or in part, or (2) failing to grant such security over such assets to the Royalty Holder could (in the reasonable

opinion of the Royalty Holder) impair the ability of the Royalty Holder to enforce the existing Royalty Security.

2 Notice of Default or Enforcement Action

The Senior Lenders and the Royalty Holder shall give each other notice (a) of any default or breach under the documents (including any security granted to the Senior Lenders and the documents relating thereto) relating to the Senior Liabilities (the **Senior Debt Documents**) or the documents (including the Royalty Security and the documents relating thereto) relating to the Royalty Liabilities (the **Royalty Documents**), as applicable, and (b) prior to commencing any enforcement action.

3 Royalty is an operating expense

The obligations to pay the Royalty Liabilities shall be characterized, for the purposes of any pre-enforcement cash waterfall agreed between the Royalty Holder and the Senior Lenders (subject to Section 4 below), as an operating expense to be fulfilled ahead of any payment by the Grantor or any of its Affiliates of the Senior Liabilities, and the Grantor's or MineCo's obligations to make payments under the Royalty Agreement shall not constitute a default under the Senior Debt Documents.

4 Preservation of the Royalty in a transfer, sale or enforcement scenario

The Senior Lenders shall not propose, approve, vote in favour of or otherwise directly or indirectly support (and will actively vote against) any reorganisation, foreclosure or any other sale, lease, assignment or transfer of the assets the subject of the Royalty Security or the Senior Security (including the equity interests in the Grantor, MineCo **[REDACTED – Commercially sensitive information]**) unless (i) the Royalty, the Royalty Liabilities and the Royalty Security remain in place and are assumed by the purchaser (or any applicable third party) and (ii) the relevant purchaser, lessor, assignee or transferor is a Qualified Transferee or a Senior Lender.

5 Royalty subordinated in an enforcement scenario

Notwithstanding Sections 3 and 4 above, in any post-enforcement waterfall agreed between the Royalty Holder and the Senior Lenders, the proceeds of any enforcement of Senior Security and Royalty Security over common collateral will be distributed (i) first, to the Senior Lenders in respect of the Senior Liabilities, and (ii) second, in respect of all liabilities due to the Royalty Holder under the Royalty Documents.

6 Stand Still

At any time prior to the discharge in full of the Senior Liabilities, (i) the Royalty Holder shall not contest the validity, priority or ranking of any Senior Liabilities or Senior Security and the Senior Lenders shall not contest the validity, priority or ranking (as set out in Sections 3 and 5 above) of any Royalty Liabilities, Royalty Security or the Royalty, and (ii) after a standstill has been triggered, until the earlier of (A) [REDACTED – Commercially sensitive information], (B) [REDACTED – Commercially sensitive information], and (C) [REDACTED – Commercially sensitive information], the Royalty Holder shall not take any enforcement action with respect to any Royalty Liabilities.

7 Proving Claims

Each of the Senior Lenders and the Royalty Holder shall be permitted to prove their claims in full and on an undisputed basis in any bankruptcy or insolvency proceeding relating to the Grantor.

8 Proceeds in Trust

If any Senior Lenders or the Royalty Holder receives proceeds of insurance or proceeds of sale of collateral over which the other has priority (as set out in Sections 3 and 5 above), the Person in receipt of such proceeds shall hold such proceeds in trust for such other Person and shall pay such proceeds over to it on demand.

9 Voting in Proceedings

Neither the Senior Lenders nor the Royalty Holder shall take any action or vote its claim in any insolvency proceeding which would reasonably be expected to result in the extinguishment of the other Person's claims under the Royalty Documents or the Senior Debt Documents (as applicable). The Senior Lenders shall not contest the perfection, validity or enforceability of the Royalty Documents and the Royalty Holder shall not contest the perfection, validity or enforceability of the Senior Debt Documents and neither the Senior Lenders nor the Royalty Holder shall contest the priorities of the other's security documents as set out in the intercreditor and subordination agreement. Other than as expressly permitted in Section 4, for the avoidance of doubt, the Senior Lenders (a) will not propose, vote in favour of, or otherwise directly or indirectly support and will actively oppose and, if applicable, vote against (i) any arrangement, plan of reorganization or proposal that is inconsistent with the provisions of the Royalty Documents or the continued existence and operation of the Royalty Documents in accordance with its terms, or (ii) any application by any person or any steps taken by any person the effect of which would be inconsistent with the provisions of the Royalty Documents or the continued existence and operation of the Royalty Documents in accordance with its terms and (b) without limiting the generality of the foregoing, will vote against any arrangement, plan of reorganization or proposal and will actively oppose any application which provides for the Royalty Documents to

be modified, disclaimed, extinguished, set aside or otherwise rendered void whether in whole or in part.

10 Amendments to the Senior Debt Documents and the Royalty Documents

The Senior Lenders shall not agree to or permit any amendment to or modification, variation or waiver of, any provision of a Senior Debt Document that would have the effect of increasing the aggregate outstanding amount of indebtedness under Senior Debt Documents (when aggregated with all other indebtedness of the Grantor and MineCo or of their Affiliates in relation to which Grantor or MineCo's assets are provided as collateral) above US\$275,000,000 or (ii) amending the maturity date of the Senior Indebtedness by more than an additional six months, in each case without the prior written consent of the Royalty Holder (not to be unreasonably withheld).

Schedule 6

Commingling Disadvantage Compensation Illustrative Examples

See attached, which, for greater certainty, includes an illustrative example of mining and processing capacity in respect of the Project.

[REDACTED – Commercially sensitive information]

Schedule 7
Encumbrances

REAL ESTATE REGISTRY	ANNOTATION	DATE OF ANNOTATION	ENCUMBRANCE
36.783	AV-1-36783	Oct. 20, 2023	<i>Registration of a forest preservation area.</i>
36.783	AV-2-36783	Oct. 20, 2023	<i>Premonitory annotation – Tax Enforcement Action against Agropecuária Internacional Ltda. Value at stake: R\$ 89,627.11. Registration cancelled on 06/12/2024 (AV-6).</i>
38.152	AV-1-38152	Mar. 11, 2024	<i>Registration of a forest preservation area.</i>
38.152	AV-2-38152	Mar. 11, 2024	<i>Premonitory annotation – Tax Enforcement Action against Agropecuária Internacional Ltda. Value at stake: R\$ 89,627.11. Debt fully paid and cancellation of the annotation is in process.</i>

* All of the certificates of liens and/or encumbrances were issued on May 14, 2024.

Schedule 8

[REDACTED – Commercially sensitive information]