

OR ROYALTIES INC.
(formerly known as Osisko Gold Royalties Ltd)

As Lender

and

FALCO RESOURCES LTD.

As Borrower

FOURTH AMENDED AND RESTATED
CONVERTIBLE SECURED SENIOR LOAN AGREEMENT

Dated as of:

December 31, 2025

FOURTH AMENDED AND RESTATED CONVERTIBLE SECURED SENIOR LOAN AGREEMENT dated as of December 31, 2025 among OR Royalties Inc. (formerly known as Osisko Gold Royalties Ltd), as Lender (the “**Lender**”) and Falco Resources Ltd., as borrower (the “**Borrower**”).

WHEREAS pursuant to a secured senior loan agreement made as of February 22, 2019 between the Lender and the Borrower (the “**Initial Senior Loan Agreement**”), such Lender established the terms and conditions to lend the principal amount of ten million dollars (\$10,000,000) to the Borrower in two instalments of five million dollars (\$5,000,000) each;

AND WHEREAS both instalments have been lent to the Borrower pursuant to the terms of the Initial Senior Loan Agreement;

AND WHEREAS the Initial Senior Loan Agreement was amended on November 22, 2019 to (i) increase the principal amount to a total of fifteen million nine hundred thousand dollars (\$15,900,000), and (ii) to extend the maturity date of the Initial Senior Loan Agreement to December 31, 2020;

AND WHEREAS the Initial Senior Loan Agreement, as amended on November 22, 2019, was further amended and restated on November 27, 2020 to (i) increase the principal amount to a total of seventeen million five hundred ninety-six thousand one hundred thirty-six dollars (\$17,596,136), and (ii) to extend the maturity date of the Initial Senior Loan Agreement, as amended on November 22, 2019, to December 31, 2022;

AND WHEREAS in relation to a financing of Borrower with Glencore which closed on October 27, 2020, Lender agreed that the rank of the Security (as defined hereafter) be ceded to the rights of Glencore pursuant to the Glencore Convertible Debenture Hypothec (as defined herein);

AND WHEREAS the Initial Senior Loan Agreement, as amended on November 22, 2019 and further amended and restated on November 27, 2020 (as so amended, the “**First Amended and Restated Senior Loan Agreement**”) was amended and restated on January 24, 2023 to (i) increase the principal amount to a total of twenty million four hundred eighty-four thousand one hundred ninety-five dollars (\$20,484,195), and (ii) to extend the maturity date of the First Amended and Restated Senior Loan Agreement to December 31, 2024 (as so amended and restated, the “**Second Amended and Restated Senior Loan Agreement**”);

AND WHEREAS the Second Amended and Restated Senior Loan Agreement was amended and restated on December 31, 2024 to (i) increase the principal amount to a total of twenty-three million eight hundred eighty-one thousand eight hundred twenty-one dollars (\$23,881,821), and (ii) to extend the maturity date of the Second Amended and Restated Senior Loan Agreement to December 31, 2025 (as so amended and restated, the “**Third Amended and Restated Senior Loan Agreement**”);

AND WHEREAS as of December 31, 2025, the accrued interest on the Third Amended and Restated Senior Loan Agreement amounted to two million two hundred sixteen thousand seven hundred dollars (\$2,216,700) which, in addition to the principal amount, result in a total outstanding payment obligation of twenty-six million ninety-eight thousand five hundred twenty-one dollars (\$26,098,521) (as such amount may be revised from time to time to account for any additional capitalized interest thereon, the “**Principal Amount**”);

AND WHEREAS as of October 30, 2025, Borrower and Lender have entered into a binding term sheet, pursuant to the terms of which the Third Amended and Restated Senior Loan Agreement, is to be once again amended and restated;

AND WHEREAS the parties hereto wish to enter into this Agreement in order to amend and restate the provisions of the Third Amended and Restated Senior Loan Agreement, without novation on and subject to the terms and conditions of this Agreement for the purposes set forth herein, all with effect as of and from the date hereof;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree that the Third Amended and Restated Senior Loan Agreement shall be and is hereby amended and restated as follows:

1. Loan

The Lender has loaned, on the terms and conditions of this fourth amended and restated convertible secured senior loan agreement (the “**Agreement**”), the principal amount of twenty-six million ninety-eight thousand five hundred twenty-one dollars (\$26,098,521) to the Borrower.

The Loan (as defined herein) does not revolve and any amount repaid or prepaid, as the case may be, cannot be reborrowed and reduces the Loan by the amount repaid or prepaid, as the case may be.

2. Repayment

The Borrower shall pay at the latest on December 31, 2026 (the “**Maturity Date**”) to the Lender at its offices at 1100, av. des Canadiens-de-Montréal, Suite 300, Montreal, QC, H3B 2S2 (or at such other address or in such other manner as the Lender shall notify the Borrower), in lawful money of Canada, the Principal Amount together with interest on the Principal Amount outstanding from time to time.

3. Use of proceeds

The Loan shall be used by the Borrower for the advancement of the Horne 5 Property and for general corporate purposes.

4. Interest

Interest shall be payable on the Principal Amount outstanding at any time, and from time to time, and any overdue interest, at a rate per annum that is equal to 9%, compounded quarterly. Interest shall be payable upon repayment of the Principal Amount, as per the terms of this Agreement.

5. Criminal Rate of Interest

In no event shall the aggregate “interest” (as defined in Section 347 (the “**Criminal Code Section**”) of the *Criminal Code* (Canada)) payable to the Lender under this Agreement exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Agreement in respect of such “interest” is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such “interest” shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

6. Interest Act (Canada)

Each interest rate which is calculated under this Agreement on any basis other than a full calendar year (the “**deemed interest period**”) is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such result by the actual number of days in the calendar year (365 or 366).

7. Application of Payments

Any payments in respect of amounts due under this Agreement shall be applied first in satisfaction of any accrued and unpaid interest, and then to the Principal Amount outstanding.

8. Stream Agreement

The Borrower and the Lender have entered into a silver stream agreement dated February 27, 2019 (as amended on January 31, 2020 and further amended on November 27, 2020, January 31, 2022, February 23, 2023 and January 30, 2025 and thereafter from time to time, the “**Stream Agreement**”) toward the funding of the development of the Horne 5 Property. Lender shall have the right, at its election in writing, and in addition to the other remedies provided in this Agreement, to extinguish by compensation its obligation to pay to Borrower any Deposit Installment (including without limitation the Second Installment and Third Installment if and when due, as such terms are defined therein) pursuant to the terms of the Stream Agreement against an equivalent amount due by Borrower to Lender under this Agreement, provided that such amounts to be extinguished by compensation are both liquid, due and owing.

9. Security

As security for the due and punctual payment of all of the Obligations (and such additional obligations described in the Security) and any related guarantee and security agreements, as applicable, the Borrower has granted in favour of the Lender (i) a continuing senior secured interest and first priority Lien (hypothec), subject to the Glencore Convertible Debenture Hypothec and other Permitted Liens that have priority by application of law, on all of the Borrower’s movable assets, excluding the Excluded Properties, in an amount of [redacted amount], pursuant to the movable hypothec granted by the Borrower in favour of the Lender dated September 10, 2018 (the “**Movable Hypothec**”), and (ii) a continuing senior secured interest and first priority Lien (hypothec), subject to the Glencore Convertible Debenture Hypothec and other Permitted Liens, on all of the Borrower’s immovable assets, excluding the Excluded Properties to the extent that any Excluded Property is an immovable property, in an amount of [redacted amount], pursuant to the deed of hypothec executed by the Borrower in favour of the Lender before Mtre Paul Hallé, notary, on September 13, 2018 (the “**Immovable Hypothec**”, and, together with the Movable Hypothec, collectively, the “**Security**”).

10. Registration of Security

The Parties hereby acknowledge that the Security has been registered at the Register of Personal and Movable Real Rights and the Québec Land Registry, in each case to effectively charge the collateral described therein. The Borrower covenants and agrees that it shall co-operate with the registration of the Security in such other registry systems of Québec as the Lender may from time to time deem appropriate in order to give notice of the Lender’s interests under the Security and provide its written consent or signature to any documents or things reasonably necessary to accomplish registration of the Security as contemplated in this Section 10 in order to perfect or otherwise set up against third parties the Security.

11. Ranking

- (a) The Movable Hypothec shall be first ranking subject to the Glencore Convertible Debenture Hypothec and the terms of any intercreditor agreement entered into between, *inter alios*, the Lender and Borrower, and rank subject to the Permitted Liens that have priority by application of law; and
- (b) The Immovable Hypothec shall be first ranking subject to the Glencore Convertible Debenture Hypothec and the terms of any intercreditor agreement entered into between, *inter alios*, the Lender and Borrower, and rank subject to the Permitted Liens that have priority by application of law.

12. Costs and Fees

The Lender's expenses and legal fees relating to enforcement or exercise of its rights under this Agreement or the Security, in connection with the occurrence of an Event of Default or otherwise, and reasonable expenses and legal fees related to any requests for amendments of this Agreement or the Security, shall be assumed by the Borrower and paid upon receipt of an invoice to that effect from the Lender.

13. Charge Valid Irrespective of Advance of Money

The Security shall have effect and be deemed to be effective whether or not the monies or obligations hereby secured or any part thereof shall be advanced or owing or in existence before or after or upon the date of this Agreement and neither the execution of this Agreement nor any advance of funds shall oblige the Lender to advance any funds or any additional funds.

14. Conversion of Loan

- (a) **Conversion of Loan into Common Shares.**
 - (i) Upon and subject to the provisions and conditions of this Section 14, the Lender shall have the right, at its sole and absolute discretion, from and after January 1, 2026 up to the Maturity Date, to convert this Loan (in whole or in part) into such number of Common Shares equal to the Principal Amount and any accrued and unpaid or uncapitalized interest, divided by the Conversion Price (the "**Conversion**", and the Common Shares issuable pursuant thereto, the "**Conversion Shares**"). Notwithstanding the foregoing, the Conversion of any portion of the Principal Amount which represents capitalized interest or any accrued and unpaid or uncapitalized interest, for which Conversion the Conversion Price shall be the Market Price (as defined in TSX-V rules) prevailing at quarter end, shall only occur to the extent (a) upon ten (10) days' prior written notice from the Lender to the Borrower requesting it, a press release is issued by the Borrower reserving such Market Price and a "shares for debt settlement" application is submitted to the TSX-V at each such quarter end, with the issuance of the Conversion Shares postponed until maturity, redemption or repayment of the related Principal Amount, the whole subject to TSX-V approval each quarter; or to the extent the Lender does not provide the notice pursuant to the preceding paragraph (a), (b) the Market Price at each such quarter end is higher than the Discounted Market Price (as defined in TSX-V rules) at the time of issuance of a press release announcing that the interest is being paid/converted through a "shares

for debt” settlement”, all subject to a TSX-V approval of a “shares for debt settlement” application being submitted to the TSX-V at the time of Conversion.

- (ii) The Lender may exercise its right to effect the Conversion by sending to the Borrower at its principal address a notice to such effect in accordance with the provisions of this Section 14. Upon receipt by the Borrower of such notice, the Lender shall be entered in the books of the Borrower as at the date of Conversion as the holder of the number of Conversion Shares to which the Lender is entitled to upon Conversion and, as soon as practicable, the Borrower shall deliver to the Lender a certificate or certificates for such Conversion Shares. Upon delivery of the certificates for such Conversion Shares, the Principal Amount, including any accrued and unpaid or uncanceled interest thereon, in respect of which such notice was given, shall be deemed repaid in full and no longer owing by the Borrower.
 - (iii) The Lender’s right of Conversion pursuant to this Section 14 shall extend only to the maximum number of whole Common Shares into which the Principal Amount, including any accrued and unpaid or uncanceled interest thereon, is then converted in accordance with the provisions of subparagraph 14(a)(i). No fractional interests in Common Shares shall be delivered in accordance with paragraph 14(d).
 - (iv) If a Conversion is in respect of capitalized interest, the Borrower shall promptly following receipt of the notice contemplated by subparagraph 14(a)(ii) make and diligently pursue an application to TSX-V to seek approval for the Conversion of such interest.
- (b) **Expiry of Loan Conversion Right.** If, by 4:00pm (Montreal time) on the Maturity Date, the Lender has not exercised its Conversion right, the Principal Amount outstanding, including any accrued and unpaid or uncanceled interest thereon, shall remain due and payable by the Borrower to the Lender in accordance with the terms of this Agreement, and the Lender’s right to convert this Loan into Common Shares shall automatically terminate, unless the Borrower fails to make due and timely payment of the Principal Amount and any accrued and unpaid or uncanceled interest by the Maturity Date, in which case the Conversion right shall not be terminated until such payment is made.
- (c) **Adjustment of Conversion Price, etc.**
- (i) If and whenever at any time after the date hereof and prior to the Conversion the Borrower shall (i) subdivide, re-divide or change its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares, or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a “**Share Reorganization**”), then the Conversion Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such stock dividend or other distribution in (iii) above, as the case may be, by multiplying the Conversion Price in effect on such effective date or record date, as the case may be, by a fraction, (y) the

numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Share Reorganization and (z) the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

- (ii) If and whenever at any time after the date hereof and prior to the Maturity Date, there is a capital reorganization of the Borrower or a reclassification or other change in the Common Shares (other than a Share Reorganization) or a consolidation or merger, amalgamation or arrangement of the Borrower with or into any other corporation or other entity (other than a consolidation, merger, amalgamation or arrangement which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Borrower's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), the Lender shall be entitled to receive, and shall accept, upon the exercise of the right of Conversion at any time after the effective date thereof, in lieu of the number of Common Shares to which the Lender was theretofore entitled on Conversion, the kind and amount of shares, other securities or money or other property that the Lender would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Lender had been the registered holder of the number of Common Shares to which the Lender was entitled upon Conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this subparagraph 14(c)(ii).
 - (iii) If and whenever at any time after the date hereof and prior to the Maturity Date, any of the events set out in subparagraph 14(c)(i) or subparagraph 14(c)(ii) shall occur and the occurrence of such event results in an adjustment of the Conversion Price pursuant to the provisions of subparagraph 14(c)(i) or subparagraph 14(c)(ii), as the case may be, then the number of Common Shares issuable pursuant to this Loan shall be adjusted contemporaneously with the adjustment of the Conversion Price by multiplying the number of Common Shares then otherwise issuable upon Conversion immediately prior to such adjustment by a fraction (y) the numerator of which shall be the Conversion Price in effect immediately prior to such adjustment, and (z) the denominator of which shall be the Conversion Price resulting from such adjustment.
 - (iv) If any question arises with respect to the adjustments provided in this paragraph 14(c), such question shall be conclusively determined by a firm of chartered professional accountants appointed by the Borrower and acceptable to the Lender. Such chartered professional accountants shall be given access to all necessary records of the Borrower and their determination shall be binding upon the Borrower and the Lender.
- (d) **No Requirement to Issue Fractional Shares.** The Borrower shall not be required to issue fractional Common Shares upon the Conversion. If any fractional interest in a Common

Share would, except for the provisions of this Section 14, be deliverable upon the Conversion, such fractional interest shall be rounded down to the nearest whole number of Common Shares.

- (e) **Notice of Special Matters.** The Borrower shall give notice to the Lender, in the manner provided in Section 34, of its intention to fix a record date for any event mentioned in paragraph 14(c) which may give rise to an adjustment in the number of Common Shares which may be acquired pursuant to paragraph 14(a), and, in each case, the notice shall specify the particulars of the event and the record date and the effective date for the event; provided that the Borrower shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days prior to the applicable record date.
- (f) **Borrower to Reserve Shares and Hold Period.** The Borrower shall at all times reserve and keep available out of its authorized Common Shares and solely for the purpose of conversion as in this Section 14 provided, and conditionally allot to the Lender, such number of Common Shares as shall then be issuable upon the Conversion. The Borrower covenants with the Lender that all Common Shares which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable. This Loan shall be subject to a prescribed four month and one day hold period. Any certificate representing Common Shares issued within four months from the date hereof shall bear the following legend (and such other legend as required by the TSX-V or applicable securities laws):

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MAY 1, 2026.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL MAY 1, 2026.”

- (g) **Lender not a Shareholder.** Nothing in this Agreement shall, in itself, confer or be construed as conferring upon the Lender any right or interest whatsoever as a shareholder of the Borrower, including, but not limited to, the right to vote at, to receive, subject to paragraph 14(e), notice of, or to attend, meetings of shareholders or any other proceedings of the Borrower, or the right to receive dividends and other distributions.

15. Redemption Offer Upon a Change of Control

Within 30 days following the occurrence of a Change of Control, the Borrower shall make an offer to the Lender to repurchase this Loan in whole for cash by paying to the Lender an amount equal to the sum of (i) 105% of the Principal Amount and (ii) any accrued and unpaid or uncapitalized interest under this Loan. The notice to be delivered by the Borrower pursuant to this Section 15 (the “**Repurchase Notice**”) shall, among other things, specify the date on which the repurchase is to be completed if accepted by the Lender (the “**Repurchase Date**”), which date shall be no less than fifteen (15) and no more than thirty (30) days from the date on which the Repurchase Notice is received by the Lender. Notwithstanding the foregoing,

despite having received a Repurchase Notice the Lender may convert any or all of the Principal Amount at any time up to the earliest of the Maturity Date or the Repurchase Date in accordance with the procedures set forth in Section 14.

16. Repayment of the Loan

Subject to Section 22, the Principal Amount of the Loan and accrued and unpaid interests shall be repaid at the Maturity Date.

17. No Waiver by the Lender

Neither the extension of time for making any payment which is due and payable under this Agreement at any time or times, nor the failure, delay, or omission of the Lender to exercise or enforce any of its rights or remedies under this Agreement, shall constitute a waiver by the Lender of its right to enforce any such rights and remedies subsequently. The single or partial exercise of any such right or remedy shall not preclude the Lender's further exercise of such right or remedy or any other right or remedy.

18. Representations and Warranties

The Borrower represents and warrants to the Lender as follows:

- (a) **Incorporation and Status.** It is duly continued and validly existing under the laws of its jurisdiction of continuance and is up to date in all material corporate filings and in good standing under the laws of Canada.
- (b) **Power and Capacity.** It has all requisite corporate power and authority and is duly qualified and holds all certificates, authority, permits and licenses to carry on its businesses as now conducted and to own its properties and assets and to enter into and perform its obligations under this Agreement.
- (c) **Due Authorization.** It has taken all necessary corporate action to authorize the execution, delivery and performance of the Transaction Documents and the transactions contemplated thereunder.
- (d) **No Contravention.** The execution and delivery of the Transaction Documents and the performance by the Borrower of its obligations thereunder do not and will not contravene, breach or result in any default under the articles, by-laws or other constating documents of the Borrower or any agreement or instrument to which the Borrower is a party or to which the Borrower is subject, any judgment, decree or order binding the Borrower or the property or assets of the Borrower or any Applicable Law.
- (e) **No Consents Required.** No authorization, consent or approval of, or filing with or notice to, any Person (including any Governmental Body) is required in connection with the execution, delivery or performance of the Transaction Documents by the Borrower, except for a notice to the TSX-V and the approval by the disinterested shareholders of the Borrower, which has already been obtained.
- (f) **Enforceability.** Each of the Transaction Documents executed or to be executed by the Borrower constitutes, or upon execution and delivery will constitute, a valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency,

reorganization or creditor rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.

- (g) **Compliance with Laws.** The Borrower has conducted and is conducting its business in material compliance with all Applicable Laws and has not received a notice of non-compliance, nor know of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws.
- (h) **No Litigation.** There is no court, administrative, regulatory or similar proceeding, action, charge, claim, demand, suit, proceeding, petition, arbitration or other dispute settlement procedure; investigation or enquiry by any Governmental Body; or any similar matter or proceeding (collectively “**proceedings**”) against or involving the Borrower (whether in progress or to the knowledge of the Borrower, threatened) which, if determined adversely to the Borrower would have a Material Adverse Effect; no event has occurred which might give rise to any proceedings and there is no judgment, decree, injunction, rule, award or order of any Governmental Body outstanding against the Borrower which has or may have a Material Adverse Effect.
- (i) [Representation redacted.]
- (j) **Absence of Change.** Except as disclosed in the Public Disclosure Documents, since June 30, 2025, there has been no Material Adverse Effect.
- (k) **All Material Information Supplied.** To the best of the Borrower’s knowledge, it has provided to the Lender all material information relating to the financial condition, business and prospects of the Borrower and all such information is true, accurate and complete in all material respects and omits no material fact necessary to make such information not misleading.
- (l) **Subsidiaries.** As at the date hereof, other than Golden Queen Mining Consolidated Ltd., the Borrower has no subsidiaries.
- (m) **Mineral Rights.** The Borrower holds contractual rights to the minerals located below 200 meters from the surface of the Controlled Properties, subject to certain rights retained by Glencore and other contractual covenants as described in the OLIA. In addition, the Borrower has all necessary surface rights, access rights and water rights, and all other presently required rights and interests granting the Borrower the rights and ability to conduct exploration and development activities on the Horne 5 Property as currently conducted, with only such exceptions that would not have a Material Adverse Effect. Each of the aforementioned interests and rights is currently in good standing, except for those interests and rights which, if not kept in good standing, would not have a Material Adverse Effect. The Borrower is not in default or breach, in any material respect, of any contractual obligation to Glencore. The Borrower possesses such permits, licenses, approvals, consents and other authorizations issued by a Governmental Body (collectively, “**Governmental Licenses**”) necessary to conduct the business now operated by it, except where the failure to so possess would not have, or would not reasonably be expected to have, a Material Adverse Effect. The Borrower is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure to so comply would not have a Material Adverse Effect.

- (n) **Title to Properties, Leases etc.** The Borrower owns its material assets, and with respect to any immovable or real property leased or owned by the Borrower, with good and marketable title thereto, free and clear of all Liens, except for Permitted Liens.
- (o) **Environmental Issues.** The Borrower is in compliance with all applicable Environmental Laws, including without limitation obtaining and maintaining in effect all Approvals required by applicable Environmental Laws that could have a Material Adverse Effect on the Borrower. There are no Environmental Claims asserted or, to the Borrower's knowledge, threatened against the Borrower or relating to the Borrower's operations or any real property currently or formerly owned, leased or operated by the Borrower which would have a Material Adverse Effect.
- (p) **Regulation 43-101.** The Borrower is in material compliance with the provisions of Regulation 43-101, has filed all technical reports required thereby and there is a technical report (within the meaning of Regulation 43-101) complying with the requirements of Regulation 43-101 in respect of the Horne 5 Property. The information set forth in the Public Disclosure Documents relating to the estimates by the Borrower of the mineral reserves and mineral resources (including in respect of the Horne 5 Property) has been reviewed and verified by a qualified person for the Borrower or independent consultants to the Borrower and the mineral reserve and resource information has been prepared in accordance with Regulation 43-101, and, except for the historical data and records on the Horne 5 Property on which the Borrower is relying for the calculation of mineral resource estimate, and as more fully described in the Public Disclosure Documents, the method of estimating the mineral reserves and resources has been verified by mining experts and the information upon which the estimates of mineral reserves and resources were based, was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof.
- (q) **No Defaults.** Neither the Borrower, nor to the best of the Borrower's knowledge, any other person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Borrower or such other person under any debt instrument, material agreement, or instrument, document or arrangement (including all joint venture agreements) to which the Borrower is a party or otherwise bound and all such contracts, agreements or arrangements (including all joint venture agreements or royalty agreements) are in good standing, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Borrower or, to the best of the Borrower's knowledge, any other party.
- (r) **Liabilities.** The Borrower does not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in its financial statements for the period ended September 30, 2025, other than liabilities, obligations, indebtedness or commitments (i) incurred in the normal course of business, (ii) which would not reasonably be expected to have a Material Adverse Effect or (iii) as set forth on Schedule "B" hereto.
- (s) **Solvency.** After giving effect to the transactions contemplated by the Transaction Documents, and, as of, from and after the date of this Agreement, the Borrower is and shall be Solvent.

- (t) **Insurance.** The Borrower maintains insurance policies for public liability, property damage for its business and properties, of types and in amounts customarily carried or maintained by Persons of established reputation engaged in similar businesses; and, as of the date hereof, no notice of cancellation has been received with respect to such policies and the Borrower is in compliance in all material respects with all conditions contained in such policies. The Borrower has not failed to give any material notice or present any material claim or material incident (including, without limitation, environmental) under any insurance policy in a due and timely manner.
- (u) **Tax.** All Tax returns and reports of the Borrower required to be filed by it have been timely filed, and all Taxes due and payable by the Borrower and upon its respective properties, assets, income and franchises (whether or not shown on such Tax returns) have been paid except where any such failure to file or pay would not have a Material Adverse Effect. As of the date of this Agreement, none of the income tax returns of the Borrower is under audit and the Borrower has no knowledge of any actual or potential Tax deficiency. No Tax liens have been filed or are being asserted with respect to any Taxes owing or payable by the Borrower.
- (v) **Public Disclosure Documents.** Since June 30, 2022, as of their respective filing dates, each of the Public Disclosure Documents complied with the requirements of applicable securities laws in all material respects and none of the Public Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. There is no material change as of the date hereof relating to the Borrower which has occurred and with respect to which the requisite material change report has not been filed with the securities regulators and made publicly available on SEDAR+.
- (w) **No Finders.** The Borrower is not party to any contract or agreement that would give rise to a valid claim against the Borrower or the Lender for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

19. Survival of Representations and Warranties

The representations and warranties in this Agreement and in any certificates or documents delivered to the Lender shall survive the Closing and continue in full force and effect thereafter until the repayment in full of all amounts owing by the Borrower to the Lender under this Agreement and the other Transaction Documents.

20. Positive Covenants

The Borrower covenants that it shall:

- (a) **Performance Under this Agreement.** Observe or perform any other covenant, obligation, condition or agreement contained in this Agreement and the other Transaction Documents;
- (b) **Preservation of Corporate Existence.** Preserve and maintain its corporate existence, rights and privileges in its respective jurisdictions, and qualify and remain qualified as a corporation in good standing in each jurisdiction in which such qualification is required;

- (c) **Compliance with Applicable Laws.** Comply in all material respects with all Applicable Laws, including, without limitation, all applicable securities laws and the TSX-V rules and regulations;
- (d) **Financial and Other Information.** So long as any amount owing under this Agreement remains unpaid, as soon as practicable following a request therefor from the Lender, the Borrower shall furnish to the Lender such financial or other information relevant to the Borrower's ability to perform its obligations under this Agreement and the other Transaction Documents as the Lender may reasonably request from time to time. The Lender shall have the right to audit such information with prior notice to the Borrower, provided that the Lender shall be responsible for its own costs in connection with such audit.
- (e) **Maintenance of Properties and Insurance.** The Borrower shall maintain or cause to be maintained in good repair, working order and condition, except normal wear and tear, all of its properties and assets and will make or cause to be made all commercially reasonable and appropriate repairs, renewals and replacements thereof. The Borrower shall obtain or maintain the Approvals including, without limitation, easements and water rights necessary for the construction and development of the Horne 5 Property as currently conducted or contemplated under the development plans and, in the case of Approvals with respect to title to the Horne 5 Property shall maintain all such Approvals and with respect to all other Approvals except where failure to obtain and maintain such Approvals could not have a Material Adverse Effect. The Borrower shall maintain adequate equipment for the construction and development of the Horne 5 Property in a reasonable and prudent manner. The Borrower shall, with due diligence and in a reasonable and prudent manner, enforce the material rights granted to it under and in connection with the Horne 5 Property water rights, Approvals and related rights except where failure to enforce such rights could not have a Material Adverse Effect. The Borrower shall maintain or cause to be maintained, with financially sound and reputable insurers, public liability and property damage insurance with respect to its businesses and properties against loss or damage of the kinds customarily carried or maintained by Persons of established reputation engaged in similar businesses and in amounts reasonably acceptable to the Lender. The Borrower shall cause the Lender to be named as loss payee on all applicable insurance policies relating to the Security pursuant to appropriate endorsements which are commercially available, in form and substance reasonably satisfactory to the Lender. If at the time of receipt of any insurance proceeds, no Event of Default has occurred and is continuing, the Borrower shall use any proceeds received from any policies of insurance for the replacement of the asset(s) for which such proceeds have been received or for other general corporate purposes. If an Event of Default has occurred and is continuing at the time of receipt of any insurance proceeds, the Borrower shall offer to apply any such proceeds received from any policies of insurance relating to the Horne 5 Property to satisfy the obligations under the Transaction Documents, subject to the terms of any intercreditor agreement entered into between, *inter alios*, the Lender and Borrower.
- (f) **Further Assurances.** The Borrower will, from time to time, execute such other documents or deliver to Lender such instruments, certificates of title or other documents as Lender at any time may reasonably request to evidence, perfect or otherwise implement the terms of this Agreement including the Security; and
- (g) **Taxes.** The Borrower shall pay when due all Taxes imposed upon it or any of its respective properties or assets or with respect to any of its respective franchises, business, income or

property provided that no such Tax need be paid if the Borrower is contesting the same in good faith by appropriate proceedings promptly instituted and diligently conducted.

21. Negative Covenants

The Borrower covenants that so long as the Principal Amount (or any amount owing) under this Agreement remains outstanding, the Borrower shall not, except for the sole purpose of granting indemnities to Glencore in connection with the Borrower's work on the Horne 5 Property, directly or indirectly, take any of the following actions without the prior written consent of the Lender:

- (a) other than in the ordinary course of business, sell, assign, transfer or dispose of any of its assets, including but not limited to any assets and interest in the Horne 5 Property;
- (b) other than with respect to the Stream Agreement, incur additional indebtedness for borrowed money or in the form of capital leases or otherwise create, incur, assume or suffer to exist any debt for borrowed money or in the form of capital leases;
- (c) incur, or commit to, operating expenditures or capital expenditures in excess of [redacted maximum amount] in the aggregate;
- (d) other than with respect to the Stream Agreement or Permitted Liens, create, incur, assume or suffer to exist any Lien on any of its assets;
- (e) merge, amalgamate, reorganize, consolidate, liquidate, make any material changes to its business or structure;
- (f) make any payments outside the ordinary course of business or place any funds in trust with third parties; and
- (g) amend the Borrower's articles of continuance or its authorized share capital.

22. Events of Default

All amounts due under this Agreement may, at the option of the Lender, immediately become due and payable if any one or more of the following events of default has occurred and is continuing (collectively, the "**Events of Default**" and individually an "**Event of Default**"):

- (a) the Borrower fails to make payment when due of the Principal Amount outstanding or of any accrued interest, unless such default is remedied within 15 days after notice thereof by the Lender to the Borrower;
- (b) default by the Borrower in the performance or observance of any other covenant, condition or obligation contained in this Agreement or any other Transaction Document, unless such default is remedied within 15 days after notice thereof by the Lender to the Borrower;
- (c) any representation or warranty made or deemed to be made by the Borrower in this Agreement or in any other Transaction Documents is found to be false or inaccurate in any material respect (unless such representation or warranty is already qualified by materiality or Material Adverse Effect or words to that effect, in which case it shall be an Event of Default if any such representation or warranty is found to be false or inaccurate in any respect);

- (d) a Change of Control occurs with respect to the Borrower;
- (e) a Material Adverse Effect occurs;
- (f) any final and non-appealable judgment or order for the payment of money in excess of [redacted maximum amount] is rendered against the Borrower and enforcement proceedings have been commenced by a creditor upon the judgment or order;
- (g) the Borrower ceases to carry on business or ceases to be in good standing in its jurisdiction of incorporation, unless such default is remedied within 15 days;
- (h) the Borrower is unable to meet its obligations as they generally become due, unless such default is remedied within 15 days;
- (i) if the Borrower fails to pay the principal of, or premium or interest on, any of its debt, which is outstanding in an aggregate principal amount exceeding [redacted maximum amount] when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the debt without waiver of failure by the holder of the debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement relating to any such debt without waiver by the holder of the debt, if its effect is to accelerate, or permit the acceleration of the debt; or any such debt shall be declared to be due and payable prior to its stated maturity and the declaration has not been rescinded by the holder of the debt;
- (j) a proceeding in bankruptcy or insolvency of the Borrower or for a receiver or trustee for any of its property is filed by or against the Borrower provided that the Borrower shall not be in default hereunder if it is contesting such proceeding in good faith; and
- (k) any execution, distress or other enforcement process, whether by court order or otherwise, becomes enforceable against any property and assets of the Borrower, provided that the Borrower shall not be in default hereunder if it is contesting such proceeding in good faith and has obtained a stay of such proceedings and has set aside in trust a satisfactory amount of money to satisfy the claim in the event that it is not successful in opposing the proceeding.

23. Consequences of an Event of Default

Upon the occurrence of any Event of Default, the Lender may by notice to the Borrower, declare that all Obligations and all monies secured shall at the option of the Lender become forthwith due and payable and all of the rights and remedies hereby conferred in respect of the Security shall become immediately enforceable and any and all additional and collateral securities for payment of the Loan shall become immediately enforceable.

24. Costs

All reasonable documented out of pocket costs and expenses incurred by the Lender, including all legal fees and expenses associated with the transactions contemplated in this Agreement up to a maximum of [redacted maximum amount], shall be for the account of the Borrower and shall be payable by Borrower within 10 days of receiving an invoice from the Lender (the “**Expenses**”).

25. Dispute Resolution

In the event of any dispute, claim, question or disagreement (each a “**Dispute**”) arising out of or relating to the Transaction Documents, the Parties shall use all reasonable endeavors to settle such Dispute. To this effect, they shall consult and negotiate with each other in good faith and attempt to reach a just and equitable solution to the Dispute within a period of 30 days from the matter in dispute being raised by a Party.

If the Borrower and the Lender cannot resolve the Dispute within the 30-day period, a Party may refer the Dispute to arbitration pursuant to the relevant provisions of the Code of Civil Procedure (Québec) (the “**Arbitration Procedure**”). The arbitration shall be held in the City of Montreal and be determined by a single arbitrator. The arbitrator shall be qualified by experience and skill in the area(s) covered by the Dispute and, unless both Parties agree in writing following full disclosure of any facts giving rise to a possible conflict, free from legal or business conflicts of interest in relation to the Borrower and the Lender.

If the Borrower and the Lender do not agree upon the selection of the arbitrator within 15 days following the expiration of the 30-day period referred to above, either Party may apply to a judge of the Superior Court of Québec for the appointment of the arbitrator. Unless the Borrower and the Lender agree to share the costs of the arbitration, the arbitrator shall determine what portion of the costs and expenses incurred in such proceeding shall be borne by each Party participating in the arbitration. The award of the arbitrator shall be final and binding on each of the Borrower and the Lender and shall not be subject to any appeal on any ground, including an error of law. The arbitration shall be governed by the laws of Québec and the laws of Canada applicable therein, and judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The Borrower and the Lender covenant that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.

The provisions of this Agreement providing for the resolution of Disputes shall not operate to prevent recourse to the court by any Party as permitted by the Arbitration Procedure, as applicable, with respect to injunctions, receiving orders and orders regarding the detention, preservation and inspection of property, or whenever enforcement of an arbitration award reasonably requires access to any remedy which an arbitrator has no power to award or enforce.

26. Confidential Information

Except as specifically otherwise provided for herein, the Parties will keep confidential all information respecting the Transaction Documents and will refrain from using it other than for the activities contemplated hereunder or publicly disclosing it unless required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction, or with the consent of the other Party, such consent not to be unreasonably withheld.

The provisions of this Section 26 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.

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

its disclosure as if it had received consent from the other Party, which forty eight (48) hours period shall be reduced to twelve (12) hours in the case of a Regulatory News Release.

27. Governing Law and Successors

This Agreement is made under and shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable in the Province of Québec, and shall enure to the benefit of the Lender and its successors and assigns, and shall be binding on the Borrower and its successors and permitted assigns.

28. Severability

If any covenant or provision herein is determined to be illegal, unenforceable or prohibited by Applicable Law, such illegality, unenforceability or prohibition shall not affect or impair the validity of any other covenant or provision herein.

29. Time of the Essence

Time shall be of the essence of this Agreement.

30. Amendment

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Borrower and the Lender.

31. Assignment

Neither this Agreement nor any of the rights, interests or obligations hereunder may be transferred or assigned, by operation of law or otherwise, as a whole or in part by the Borrower without the prior written consent of the Lender and in compliance with all Applicable Law. The Loan, this Agreement and the Transaction Documents may be assigned by the Lender without the Borrower's consent.

32. Power of Attorney

The Borrower irrevocably appoints the Lender and its officers from time to time or any of them to be the attorneys of the Borrower in the name of and on behalf of the Borrower to execute, from and after the occurrence of an Event of Default which is continuing, such deeds, transfers, conveyances, assignments, assurances and things which the Borrower ought to execute and do under the covenants and provisions herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers hereby conferred on the Lender.

33. Lender May Remedy Default.

If the Borrower fails to do anything hereby required to be done by it, the Lender may, but shall not be obliged to, do such thing and all sums thereby expended by the Lender shall be payable forthwith by the

Borrower, shall be secured by the Security, but no such performance by the Lender shall be deemed to relieve the Borrower from any default hereunder.

34. Notices

Any notice, direction or other communication to be given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it or sending it by email or other similar form of recorded communication addressed:

if to the Borrower:
Falco Resources Ltd.
1100, av. des Canadiens-de-Montréal,
Suite 300, Montreal, QC, H3B 2S2

Attention: Luc Lessard, President and
Chief Executive Officer
Email: corporatesecretary@falcores.com

if to the Lender:
OR Royalties Inc.
1100, av. des Canadiens-de-Montréal, Suite
300, Montreal, QC, H3B 2S2

Attention: Iain Farmer, Vice President,
Corporate Development
Email: corporatesecretary@ORroyalties.com

Any such communication shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Montreal time), otherwise on the next Business Day, (ii) transmitted by email or similar means of recorded communication on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

35. Indemnity

The Borrower shall indemnify the Lender for all losses, costs, expenses, damages and liabilities which the Lender may sustain or incur in connection with this Agreement and the other Transaction Documents (but excluding costs and expenses arising solely due to the gross negligence or wilful misconduct of the Lender). A certificate of the Lender setting forth the amounts necessary to indemnify the Lender in respect of such losses, costs, expenses, damages or liabilities shall be *prima facie* evidence of the amounts owing under this Section 35.

36. Gross-Up Payment

Any payment, transfer or distribution by the Borrower to the Lender pursuant hereto, whether for principal, interest or otherwise, shall not be subject to any deduction, withholding or offset for any reason whatsoever except to the extent required by Applicable Law, and the Borrower represents that to the best of its knowledge no deduction, withholding or offset is so required for any tax or any other reason. Notwithstanding any term or provision of this Agreement to the contrary, if it shall be determined that any payment, transfer or distribution (other than a payment dealt with under Section 37) by the Borrower to or for the benefit of the Lender pursuant to the terms of this Agreement, whether for principal, interest or otherwise and whether paid or payable, distributed or distributable, or actual or deemed (a “**Payment**”) would be or is subject to any deduction, withholding or offset due to any duty or tax (such duty or tax, together with any interest and/or penalties related thereto, hereinafter collectively referred to as “**Payment Taxes**”), then:

- (a) the Borrower, as applicable, shall, in addition to such Payment, pay or credit to or for the benefit of the Lender an additional amount in cash (a “**Gross-Up Payment**”) in an amount such that after the Payment Tax on the aggregate of the Payment and the Gross-Up Payment

is deducted, withheld or offset, the Lender receives a net after-tax amount equal to the Payment; and

- (b) the Borrower shall duly deduct, withhold or offset such Payment Tax on the aggregate of the Payment and the Gross-Up Payment from or against the Gross-Up Payment, shall timely remit such Payment Tax to the applicable Governmental Body and shall provide evidence of such remittance to the Lender within ten (10) days of making such remittance.

37. Tax Indemnity

The Borrower shall indemnify the Lender, within fifteen (15) days after written demand therefor, for the full amount of any Payment Taxes paid by the Lender (including any Taxes imposed or asserted on or attributable to amounts payable under this Section 37) and any reasonable expenses or losses arising therefrom or with respect thereto, whether or not such Payment Taxes were correctly or legally imposed or asserted by the relevant Governmental Body. The Lender shall make reasonable efforts to limit the incidence of any payments under this Section 37, including by making reasonable efforts to claim any available deductions or credits in respect of any Payment Tax for which an indemnity is sought under this Section 37, and seeking recovery for the account of the Borrower, upon the request and expense of the Borrower, provided the Lender in its reasonable determination suffers no appreciable economic, legal regulatory or other disadvantage.

38. Interpretation

Whenever used in this Agreement, words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the neuter or the feminine genders and vice versa.

39. Headings, Etc.

The division of this Agreement into Sections and Paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

40. Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

41. Definitions

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the indicated meanings, respectively:

“2019 Glencore Hypothec” means the hypothec granted by the Borrower (as assignee of Alexis Minerals Corporation) in favour of Glencore (as successor to Xstrata Canada Corporation) dated February 27, 2019 entered into before Mtre. Paul Hallé, Notary, on the universality of the Borrower’s movable and immovable property, with respect to certain obligations under the Asset Purchase Agreement.

“this Agreement”, **“hereto”**, **“herein”**, **“hereby”**, **“hereunder”**, **“hereof”** and similar expressions refer to this secured senior loan agreement and not to any particular Article, Section, Subsection, clause, subdivision

or other portion hereof and include any and every instrument supplemental or ancillary hereto and every agreement entered into in replacement hereof.

“**Affiliate**” has the meaning specified in the *Canada Business Corporations Act* as of the date hereof, as such may be amended from time to time.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable official directives, orders, judgments and decrees of Governmental Bodies.

“**Approval**” means each and every approval, order in council, authorization, license, permit, consent, filing and registration by or with any Governmental Body or other Person which are required by Applicable Law (including without limitation Environmental Laws) and necessary to authorize or permit the development and operation of the Horne 5 Property.

“**Asset Purchase Agreement**” means the Asset Purchase Agreement dated March 28, 2011 between Glencore (as successor to Xstrata Canada Corporation – Xstrata Copper Canada Division) and the Borrower (as assignee to Alexis Minerals Corporation, now known as QMX Gold Corporation), as amended pursuant to a first amending agreement as of July 29, 2011 and as assigned to the Borrower.

“**Borrower**” has the meaning attributed to such term in the recitals.

“**Business Day**” means a day on which banks are generally open for regular business in Montreal, Québec.

“**Capital Reorganization**” has the meaning attributed to such term in Section 14(c)(ii).

“**Change of Control**” means any transaction resulting in a change of control, including the occurrence of any one of the following:

- (i) the direct or indirect sale, transfer or other disposition of all or substantially all of the property and assets of the Borrower to any Person or Persons;
- (ii) the consummation of any transaction the result of which is that any person, alone or together with joint actors for the purposes of applicable securities laws, becomes the beneficial owners of more than 50% of the voting shares of the Borrower; and
- (iii) the consummation of any transaction or the occurrence of another event the result of which is that the majority of the incumbent directors of the Borrower are replaced, and such transaction or event is not supported by the incumbent board of directors.

“**Closing**” means the closing of the transactions contemplated by this Agreement.

“**Closing Date**” means the date hereof.

“**Common Shares**” means the common shares in the share capital of the Borrower which the Borrower is authorized to issue.

“**Controlled Properties**” means the “Controlled Properties” as such term is defined in the Asset Purchase Agreement.

“**Conversion**” has the meaning attributed to such term in Section 14(a)(i).

“**Conversion Price**” means \$0.45 per Common Share, subject to adjustment in accordance with Section 14, and in the case of the Conversion of accrued but unpaid interest that has been capitalized the “Conversion Price” shall be determined in accordance with Section 14(a)(i).

“**Conversion Shares**” has the meaning attributed to such term in Section 14(a)(i).

“**Criminal Code Section**” has the meaning attributed to such term in Section 5.

“**Default**” means any event or condition which, upon notice, lapse of time, or both, would constitute an Event of Default.

“**Environmental Claims**” means any claims, liabilities, investigations, litigation, administrative proceedings, judgments or orders relating to Environmental Laws or Hazardous Material.

“**Environmental Laws**” means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directives, licenses, authorizations and permits of, and agreements with (including consent decrees) any governmental agencies or authorities, in each case relating to or imposing liability or standards of conduct concerning public health, safety and environmental protection matters.

“**Event of Default**” has the meaning attributed to such term in Section 22.

“**Excluded Properties**” means the Glencore Properties, the Royalty Properties and the Asset Purchase Agreement.

“**Expenses**” has the meaning attributed to such term in Section 24.

“**First Amended and Restated Senior Loan Agreement**” has the meaning attributed to such term in the recitals.

“**Glencore**” means Glencore Canada Corporation, together with its successors and permitted assigns.

“**Glencore Convertible Debenture Hypothec**” means the deed of hypothec executed by the Borrower in favour of Glencore before Mtre. Angelo Febbraio, Notary, on October 26, 2020, on the universality of the Borrower’s movable and immovable property with respect to the senior secured convertible debenture dated October 27, 2020.

“**Glencore Properties**” means the “Properties” as such term is defined in the Asset Purchase Agreement.

“**Governmental Body**” means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity, having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator).

“**Governmental Licenses**” has the meaning attributed to such term in Section 18(t).

“**Hazardous Material**” means any solid, liquid, gaseous or airborne material that is regulated under any Environmental Laws including without limitation materials defined under any Environmental Laws as “hazardous substances”, “hazardous materials”, “wastes”, “hazardous wastes”, “solid wastes”, “industrial wastes”, “radioactive materials”, “toxic substances”, “pollutants” or “contaminants.”

“**Horne 5 Property**” means the Horne 5 project, located in Rouyn-Noranda, Québec, Canada, which includes (i) all of the Borrower’s rights and interests in the minerals located below 200 meters from the surface of mining concession 156PTB and the other Controlled Properties, as applicable, which comprise the Horne 5 deposit (the “**Rights to Minerals**”), including certain surface rights surrounding the Quemont No. 2 shaft located on mining concession 243 (it being understood that ownership of the relevant mining concessions and leases forming part of the Controlled Properties remains with Glencore), (ii) any rights granted, renewing, replacing or complementing such Rights to Minerals, access and surface rights at any time, (iii) all future mineral rights, access rights and surface rights forming part of the Horne 5 Property, including any mining concession or surface leases related to any proposed tailings site, and (iv) all future other mineral rights, access rights and surface rights that have the effect of increasing the size or modifying the Horne 5 Property, which the Borrower or any Affiliate will own.

“**Initial Senior Loan Agreement**” has the meaning attributed to such term in the recitals.

“**Immovable Hypothec**” has the meaning attributed to such term in Section 9.

“**Lender**” has the meaning attributed to such term in Section 1.

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

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

“**Loan**” means the loan made by the Lender to the Borrower under this Agreement.

“**Material Adverse Effect**” means, individually or in the aggregate, any event, change, occurrence, condition, circumstance, effect, fact or development that would reasonably be expected to have a material adverse effect on (i) the business, capitalization, assets, liabilities, results of operations, or condition (financial or otherwise) of the Borrower, taken as a whole, (ii) the development or construction of the Horne 5 Property, (iii) the ability of the Borrower to consummate the transactions contemplated by this Agreement and the Transaction Documents, or (iv) the rights and remedies of the Lender under this Agreement.

“**Maturity Date**” has the meaning attributed to such term in Section 2.

“**Movable Hypothec**” has the meaning attributed to such term in Section 9.

“**National Bank Hypothec**” means the hypothec granted by the Borrower in favour of National Bank of Canada in connection with the credit agreement dated as of June 27, 2017 between the Borrower, as borrower, and National Bank of Canada, as lender.

“**Obligations**” means all of the present and future obligations, liabilities, indebtedness, covenants and agreements, direct or indirect, absolute or contingent, matured or not, extended or renewed, of the Borrower to the Lender under this Agreement or the other Transaction Documents, including, if applicable, interest, interest on overdue and unpaid interest, fees, costs, expenses and indemnities, and “**Obligation**” means any of them.

“**OLIA**” means the operating license and indemnity agreement dated January 23, 2024 between the Borrower and Glencore.

“**Parties**” means the Borrower and the Lender and “**Party**” means either of the Parties individually.

“**Payment Taxes**” has the meaning attributed to such term in Section 36.

“**Permitted Liens**” means:

- (a) any Lien created by, or to the extent some of the Permitted Liens are existing, known by the Borrower, arising under any statute or regulation (in contrast with Liens voluntarily granted) in connection with, without limiting the foregoing, workers’ compensation, unemployment insurance, employers’ health tax or other social security or statutory obligations that secure amounts that are not yet due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the Borrower’s books and records and a stay of enforcement of the Lien is in effect;
- (b) Liens made or incurred in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the borrowing of money), leases, statutory obligations or surety and performance bonds;
- (c) any Lien resulting from any judgment rendered or claim filed against the Borrower, which the Borrower shall be contesting diligently and in good faith, and as to which adequate reserves have been established on the Borrower’s books and records;
- (d) any construction, workers’, materialmens’, warehousemen’s storage, repairers’ or other like Lien created by law (in contrast with Liens voluntarily granted), arising in connection with construction or maintenance in the ordinary course of business, in respect of obligations which are not due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the Borrower’s books and records and a stay of enforcement of the Lien is in effect;
- (e) any Lien for Taxes not due or being contested in good faith by appropriate proceedings diligently pursued and as to which adequate reserves have been established on the Borrower’s books and records and a stay of enforcement of the Lien is in effect;

- (f) minor imperfections in title on real property that do not materially detract from the value of the real property subject thereto and do not materially impair the Borrower's ability to carry on its business or the Lenders' rights and remedies under the Transaction Documents;
- (g) any purchase money Lien on specific fixed assets (including capital leases) to secure the payment of the purchase price of those fixed assets where the amount of the obligations secured does not exceed 100% of the lesser of the cost or fair market value of the fixed assets and the amount secured by the Lien does not exceed [redacted maximum amount] in the aggregate; and extensions, renewals or replacements thereof upon the fixed assets if the amount of the obligations secured thereby is not increased;
- (h) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including rights-of-way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons which in the aggregate do not materially impair the usefulness, in the operation of the business of the Borrower, of the real property subject to the restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons and, in each case, which do not impair the Lender's rights and remedies under the Transaction Documents;
- (i) the rights reserved to or vested in any Person by the terms of any lease, licence, franchise, grant or permit held by the Borrower or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (j) Liens in favour of Glencore with respect to the Asset Purchase Agreement, including the back-in right and the off-take right reserved by Glencore on the Glencore Properties;
- (k) Liens in favour of Sandstorm, for and on behalf of the Royalty Holder, with respect to the Royalty Agreement, including the 2% net smelter return royalty reserved by the Royalty Holder on the Royalty Properties;
- (l) Liens with respect to the Underlying Agreements;
- (m) the Glencore Convertible Debenture Hypothec;
- (n) the 2019 Glencore Hypothec;
- (o) the Royalty Hypothec;
- (p) the National Bank Hypothec;
- (q) the Rouyn-Noranda Hypothec;
- (r) the Stream Hypothec;
- (s) Liens in favour of Glencore with respect to the OLIA; and
- (t) restrictive covenants affecting the use to which real property may be put, provided that the covenants are complied with and do not materially detract from the value of the real

property concerned or materially impair its use in the operations of the Borrower or impair the Lender's rights and remedies under the Transaction Documents.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or Governmental Body.

"Principal Amount" has the meaning attributed to such term in the recitals.

"Public Disclosure Documents" means, collectively, all of the documents which have been filed by or on behalf of the Borrower since June 30, 2022 with the relevant securities regulators pursuant to the requirements of applicable securities laws, including all documents publicly available on the Borrower's SEDAR profile.

"Regulation 43-101" means *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* and the companion policy thereto.

"Regulatory News Release" has the meaning attributed to such term in Section 26.

"Repurchase Date" has the meaning attributed to such term in Section 15.

"Repurchase Notice" has the meaning attributed to such term in Section 15.

"Rouyn-Noranda Hypothec" means the hypothec granted by the Borrower in favour of the town of Rouyn-Noranda pursuant to a deed of hypothec published on July 3, 2017 under number 23 208 205.

"Royalty Holder" means SA Targeted Investing Corp., an indirect subsidiary of Royal Gold, Inc.

"Royalty Properties" means the "Properties" as such term is defined in the Royalty Agreement.

"Sandstorm" means International Royalty Corporation, as successor by amalgamation to Sandstorm Gold Ltd., together with its successors and permitted assigns.

"Royalty Agreement" means the royalty agreement dated July 29, 2011 between the Royalty Holder (as assignee of BaseCore Metals LP, itself successor of Glencore, which in turn is successor to Xstrata Canada Corporation) and the Borrower (as assignee to Alexis Minerals Corporation).

"Royalty Hypothec" means the hypothec granted by the Borrower (as assignee of Alexis Minerals Corporation) in favour of Sandstorm for and on behalf of the Royalty Holder (as assignee of Sandstorm, itself as assignee of BaseCore Metals LP, itself successor of Glencore, which in turn is successor to Xstrata Canada Corporation) dated February 27, 2019 entered into before Mtre. Paul Hallé, Notary, on the universality of the Borrower's movable and immovable property, with respect to the Sandstorm Royalty Agreement.

"Second Amended and Restated Senior Loan Agreement" has the meaning attributed to such term in the recitals.

"Security" has the meaning attributed to such term in Section 9.

"Share Reorganization" has the meaning attributed to such term in Section 14(c)(i).

“**Solvent**” means, as to any Person(s), such Person(s) who (a) own(s) and will own saleable assets the higher of book value and fair market value of which are (i) greater than the total amount of its indebtedness and (ii) greater than the amount that will be required to pay the actual or probable liabilities, subordinated, contingent or otherwise, of such Person(s) individually and taken as a whole (as applicable) as they become absolute or mature; and (b) do or does (as applicable) not intend to incur and do or does (as applicable) not believe that it or they (as applicable) will incur debts, subordinated, contingent or otherwise, beyond its or their (as applicable) ability to pay such debts as they become due, absolute and matured.

“**Stream Agreement**” has the meaning attributed to such term in Section 8.

“**Stream Hypothec**” means the hypothec granted by the Borrower in favor of the Lender as collateral agent under the Stream Agreement dated February 27, 2019 entered into before Mtre. Paul Hallé, Notary, on the universality of the Borrower’s movable and immovable property with respect to the Stream Agreement.

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

“**Third Amended and Restated Senior Loan Agreement**” has the meaning attributed to such term in the recitals.

“**Transaction Documents**” means this Agreement, the Movable Hypothec, the Immovable Hypothec and any other agreements, instruments and documents delivered from time to time (both before and after the date of this Agreement) to the Lender by the Borrower in connection with this Agreement, in each case as amended or supplemented from time to time, and “**Transaction Document**” means anyone of them.

“**TSX-V**” means the TSX Venture Exchange.

“**Underlying Agreements**” means the “**Underlying Agreements**” as such term is defined in the Asset Purchase Agreement.

42. Language

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

[signature page follows]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be signed by their authorized signatories as of the first date above written.

FALCO RESOURCES LTD., as Borrower

By: (s) Luc Lessard
Name: Luc Lessard
Title: President and Chief Executive Officer

By: (s) Anthony Glavac
Name: Anthony Glavac
Title: Chief Financial Officer

OR ROYALTIES INC., as Lender

By: (s) Iain Farmer
Name: Iain Farmer
Title: Vice President, Corporate Development

By: (s) André Le Bel
Name: André Le Bel
Title: Vice President, Legal Affairs
and Corporate Secretary

SCHEDULE "A"

[Schedule redacted.]

SCHEDULE "B"

[Redacted existing liabilities.]