

AMENDED AND RESTATED ROYALTY AGREEMENT

Between

GRAPHITE NORDIQUE INC.

- and -

NORTHERN GRAPHITE CORPORATION

- and -

**SPROTT PRIVATE RESOURCE STREAMING
AND ROYALTY (B) CORP.**

November 29, 2023

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AMENDED AND RESTATED ROYALTY AGREEMENT

ROYALTY AGREEMENT dated November 29, 2023.

BETWEEN:

GRAPHITE NORDIQUE INC., a corporation incorporated under the laws of the Province of Ontario (the “**Payor**”)

– and –

NORTHERN GRAPHITE CORPORATION, a corporation incorporated under the laws of the Province of Ontario (the “**Payor Parent**”)

– and –

SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY (B) CORP., a corporation incorporated under the laws of the Province of Ontario (the “**Payee**”)

WHEREAS:

- (A) The Payor is a wholly-owned Subsidiary of Payor Parent and holds 100% of the Project and Property.
- (B) On the Original Closing Date, the Payor acquired the Project, the Property and related assets from Imerys Graphite & Carbon Canada Inc. (“**LDI Vendor**”) pursuant to an asset purchase agreement dated December 2, 2021 (the “**Acquisition Agreement**”) between the Payor, the LDI Vendor and the Payor Parent;
- (B) On the Original Closing Date, the Payor created, granted and conveyed the Original Royalty to the Payee in exchange for the payment of the Original Purchase Price, inclusive of all applicable Taxes, in accordance with the terms and conditions described in the royalty agreement dated April 29, 2022 (the “**Original Royalty Agreement**”) among the Payor, the Payor Parent and the Payee.
- (C) The Payor has agreed to create, grant and convey the Additional Royalty to the Payee in exchange for the payment of the Additional Purchase Price, inclusive of all applicable Taxes, in accordance with the terms and conditions described herein.

NOW, THEREFORE, in consideration of the premises and 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 agree as follows:

1. Definitions

For the purposes of this Agreement (including the recitals), unless the context otherwise requires, each of the following terms shall have the meaning given to it, as set out below, and grammatical variations of such term shall have a corresponding meaning:

“**Abandonment Property**” has the meaning set out in Section 11(d).

“**Acquisition**” means the acquisition of the Project, the Property and related assets pursuant to the Acquisition Agreement.

“**Acquisition Agreement**” has the meaning set out in the recitals to this Agreement.

“**Additional Closing**” has the meaning set out in Section 7(b)(i).

“**Additional Closing Date**” means November 29, 2023, or such other date on which all conditions precedent set forth in Section 7(b)(iv) have been satisfied or waived by the Payee.

“**Additional Purchase Price**” has the meaning set out in Section 6(a)(ii).

“**Additional Royalty**” has the meaning set out in Section 3(a)(ii).

“**Additional Royalty Reduction Threshold**” has the meaning set out in Section 3(b).

“**ADRIC**” has the meaning set out in Section 22(b).

“**Affiliate**” means, in relation to any Person, any other Person controlling, controlled by or under common control with such first mentioned Person, and where two (2) Persons are Affiliates of the same Person they are deemed to be Affiliates of each other.

“**Agreement**” means this amended and restated royalty agreement and all attached schedules, as such may be amended, restated, modified or superseded from time to time in accordance with the terms hereof.

“**Amended Credit Agreement**” means the amended and restated senior secured credit agreement dated the date hereof between the Payor Parent, as borrower, the Payor, Northern Graphite Holdings (Namibia) (Pty) Ltd. (formerly Imerys Gecko Holdings (Namibia) (Pty) Ltd.), Northern Graphite Okanjande Mining (Pty) Ltd. (formerly Imerys Gecko Okanjande Mining (Pty) Ltd.), and Northern Graphite Processing (Namibia) (Pty) Ltd. (formerly Imerys Gecko Graphite (Namibia) (Pty) Ltd.), as guarantors, and Sprott Private Resource Streaming and Royalty (Collector) LP, as lender and as administrative agent.

“**Annual Forecast Report**” means a written report, in relation to a calendar year, with respect to the Project, to be prepared by or on behalf of the Payor, including with reasonable detail a forecast, based on the Mine Plan as applicable, of the quantity of Minerals expected to be produced during such calendar year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis and other matters, including:

- (a) tonnes and grades of Minerals to be mined (identified by pit or mining area) and to be stockpiled (including ore, low-grade ore and waste);
- (b) the tonnes, grades and if applicable, flake size, of Minerals to be processed;
- (c) the Mine Plan and Budget assumptions, including operating and capital expenditure assumptions, exchange rates and commodity prices used for short-term and long-term planning purposes in developing the forecast;
- (d) a statement setting out the forecasted tonnes and grades of Minerals stockpiled as of the start of the period covered by the Mine Plan;

- (e) a statement setting out the mineral reserves and mineral resources (by category) calculated in accordance with NI 43-101 for prospective Minerals and the assumptions used, including cut-off grade, metal prices and metal recoveries; and
- (f) a forecast of planned exploration and infill drilling meters and resource expansion spend on the Project;

“Annual Report” means a written report in relation to a calendar year with respect to the Project, to be prepared by or on behalf of the Payor, which shall include, for such year:

- (a) types, tonnes and grades of (A) mined ore (including ore, low-grade ore and waste); and (B) stockpiled ore, including grades and waste;
- (b) tonnes of Mineral-bearing material processed from the processing facilities related to the Project, recoveries for graphite and graphite concentrate grades, flake size and other relevant technical and commercial specifications;
- (c) the amount and relevant technical and commercial specifications of concentrate or other material, of Minerals contained therein, produced or processed during such year, but not delivered to a Offtaker by the end of such year;
- (d) the amount and relevant technical and commercial specifications of concentrate or other material of Minerals contained therein, produced and delivered to and paid for by an Offtaker, and the names and addresses of each such Offtaker;
- (e) the credit/payment to the Payee and/or estimated credit/payment to the Payee with respect to Minerals referred to in subsection (d) on account of the Royalty;
- (f) a reconciliation between any estimated credit/payment specified in an Annual Report pursuant to subsection (e) for a preceding year and the final credit/payment;
- (g) the amount and a description of operating and capital expenditures;
- (h) variances from projected operating and capital expenditures and any actual or expected adverse impact on development or production or recovery of Minerals, whether as to quantity or timing, together with the details of the plans to resolve or mitigate such matters;
- (i) a review of the exploration activities for the year, including the amount and a description of exploration expenditures;
- (j) details of any material health or safety incidents or violations and/or material violations of any Applicable Laws (including Environmental Laws); and
- (k) details of any material First Nations or local community disputes or issues that have occurred on the Property or in respect of the Project.

“Applicable Laws” means any international, national, federal, state, provincial, regional, municipal, territorial or local law, statute, regulation, ordinance, code, order, by-laws and all international treaties and agreements or other requirement or rule of law or the rules, policies, orders, decisions, rulings or regulations of any Governmental Authority or stock exchange,

including any judicial or administrative interpretation thereof, applicable to a Person or any of its properties, assets, business or operations.

“**Arbitration**” has the meaning set out in Section 22(b).

“**Business Day**” means any day other than a Saturday or Sunday or a day that is a statutory holiday, public holiday or banking holiday under the laws of the Province of Quebec or the Province of Ontario.

“**Coincident Equity Raise**” means the equity financing consisting of subscription receipts of the Seller, convertible into units, each unit consisting of one common share and one-half common share purchase warrant, completed by the Payor Parent in two tranches, on February 10, 2022 and April 27, 2022, for which the aggregate proceeds received by the Payor Parent were C\$23,071,875.

“**Commingling Plan**” has the meaning set out in Section 12(h).

“**Compensation Agreement**” has the meaning set out in Section 12(h).

“**Competitor of the Payor**” means [REDACTED: CONFIDENTIAL INFORMATION].

“**Deductions**” means any and all treatment and other charges, penalties, insurance, transportation, settlement, financing, price participation charges and/or other charges, payability or qualifying lot thresholds or criteria, penalties, deductions, set-offs, Taxes and expenses pertaining to the sale of Graphite Products and the calculation or determination of the credits/payments on account of the Royalty (or payments in lieu thereof).

“**Disclosure Schedule**” means the disclosure schedule delivered on the date hereof by the Payor to the Payee setting forth exceptions to, and disclosures with respect to, the representations and warranties set forth in Section 16 and Schedule G.

“**Displacement**” has the meaning set out in Section 12(h).

“**Dispute**” has the meaning set out in Section 22(a).

“**Dispute Notice**” has the meaning set out in Section 22(a).

“**Encumbrances**” means any and all mortgages, charges, assignments, hypothecs, deeds of trust, pledges, movable asset guarantees, security interests, royalty interests, liens, rights of reservation, right of reclamation and other encumbrances and adverse claims of every nature and kind securing any indebtedness, liability, performance or obligation of any Person, whether registered or unregistered and whether arising under law or otherwise and whether perfected or otherwise.

“**Enhanced Graphite Products**” has the meaning set out in Section 3(1).

“**Enhancement Facility**” means a facility (which is or may become capable of producing Enhanced Graphite Products and is not owned or operated by the Royalty Entities or an Affiliate as of the date of the Original Royalty Agreement) that is or may be owned by a Royalty Entity or an Affiliate of a Royalty Entity to further process Graphite Products into Enhanced Graphite Products.

“**Environmental Laws**” means all Applicable Laws relating to the protection of the environment, natural resources, human health and safety, Hazardous Substances, Releases, the assessment of

environmental and social impacts or the rehabilitation, reclamation and closure of lands used in connection with the Project.

“Excluded Taxes” means, with respect to the Payee:

- (i) any Taxes imposed on or measured by the Payee’s net income, net profits, capital gains, capital or branch profits, arising in a jurisdiction (or any political subdivision thereof) by virtue of the Payee:
 - (1) being incorporated or continued or resident or organized in such jurisdiction, in each case determined by application of Applicable Laws; or
 - (2) having a permanent establishment, determined by application of Applicable Laws, or otherwise having any present or former connection with such jurisdiction.

“Fair Market Value” means the price at which Graphite Products of a similar quantity and quality could have been sold to an Offtaker at the time they were transferred to a Royalty Entity or an Affiliate of a Royalty Entity or otherwise delivered to an Enhancement Facility for further processing and upgrading into Enhanced Graphite Products or, in the case of the Warehoused Products, at the time when the Graphite Products are transferred to the LDI Vendor.

“Financing or Sale Transaction” has the meaning set out in Section 10(c).

“Governmental Authority” means any domestic or foreign federal, provincial, regional, state, municipal or other government, governmental department, agency, authority or body (whether administrative, legislative, executive or otherwise), court, tribunal, commission or commissioner, bureau, minister or ministry, board or agency, or other regulatory authority, including any securities regulatory authorities or stock exchange.

“Graphite Products” means any and all graphite in whatever form or state that is mined, produced, extracted or otherwise recovered from Minerals, including any graphite derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from Minerals, and including graphite contained in any ore or other products resulting from the further milling, processing or other beneficiation of minerals mined, produced, extracted or otherwise recovered from Minerals.

“Gross Revenue” has the meaning set out in Section 4(a).

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

“Hedging Activities” means any and all activities by which any of the Royalty Entities (i) sells or disposes of Minerals by entering into Offtake Agreements or engaging in any sales or dispositions of Minerals, in any case, for other than market-based prices determined in a manner consistent with customary quotational periods in industry standard offtake agreements for similar types of Minerals; (ii) engages in any commodity futures trading, forward sale and/or purchase contracts,

options trading or metals trading; (iii) engages in price protection transactions, arrangements and mechanisms or speculative purchases and sales of forward, futures and option contracts; (iv) engages in any other hedging transactions or arrangements similar to those referred to in clauses (i), (ii) and (iii); or (v) engages in any combination of the foregoing.

“**IFRS**” means the international financial reporting standards issued by the International Accounting Standards Board as applicable to enterprises, as the same may be amended, restated or replaced from time to time.

“**Independent Expert (Engineering)**” means an independent engineering and consulting firm of internationally recognized standing in the area of mining project development appointed by the Payor and the Payee by mutual agreement in writing or, to the extent that the Payor and the Payee cannot agree on any such Person within 15 Business Days after the date on which the Dispute is referred by a Party to the Independent Expert (Engineering) under Section 22(c), the selection of the Independent Expert (Engineering) shall be referred to arbitration under Section 22(b); provided that, unless the Payor and the Payee agree otherwise, an Independent Expert (Engineering) shall be employed by a firm that (i) is independent of both of the Payor and the Payee and their respective Affiliates, and (ii) has not acted for either of the Payor or the Payee or their respective Affiliates in any material capacity for at least one year before the date of appointment of such Independent Expert (Engineering).

“**Insolvency Event**” means, in respect of any Person, an event whereby such Person shall (A) become insolvent or generally fail to pay, or admit in writing its inability to pay, debts as they become due (an “**Insolvent Party**”), (B) be subject to a decree or order of a competent Governmental Authority adjudging it to be bankrupt or insolvent, unless such order or decree is vacated within thirty (30) days, or a petition seeking reorganization, arrangement or adjustment of or in respect of it is approved under Applicable Laws relating to bankruptcy, insolvency or relief of debtors, unless such approval is vacated within thirty (30) days; (C) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver or other custodian for such Person or for a substantial part of the property of such Person, or make a general assignment for the benefit of creditors, or commence any process to make a proposal to its creditors including for readjustment of its debt, or apply for or obtain any stay of actions or enforcement against its creditors, in each case under any applicable bankruptcy, insolvency, insolvency moratorium, reorganization or other Applicable Law, process or procedure affecting creditors’ rights in respect of an Insolvent Party, (D) in the absence of such application, consent or acquiescence, permit or suffer to exist the appointment of a trustee, receiver or other custodian for such Person or for a substantial part of the property of any such Person, and such trustee, receiver or other custodian shall not be discharged within thirty (30) days, (E) permit or suffer to exist the commencement of any bankruptcy, debt arrangement or other similar insolvency proceeding under any applicable bankruptcy or insolvency law, or a resolution is passed by the competent Governmental Authority for the receivership, dissolution, winding up or liquidation proceeding in respect of such Person, and, if such case or proceeding is not commenced by such Person, such case or proceeding shall be consented to or acquiesced in by such Person or shall result in the entry of an order for relief which order is not vacated within thirty (30) days or such case or proceeding or shall remain undismissed for thirty (30) days, (F) the publication in one or more widely-circulated daily newspapers in Canada, in accordance with Applicable Laws in Canada, of the declaration of insolvency of such Person, with the effect that a time period for creditors to “prove” or request recognition of their claims (or similar requests) commences or (G) suffer anything analogous or having a similar effect to an event described in (A) to (F) above.

“**IPO Entity**” has the meaning set out in Section 10(c).

“**LDI Vendor**” has the meaning set out in the recitals to this Agreement.

“**Losses**” means any and all damages, claims, losses (including the loss of payments/credits required to be made hereunder) liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees).

“**Material Adverse Effect**” means any change, event, occurrence, condition, circumstance, effect, fact or development that has, or would reasonably be expected to have, a material and adverse effect on:

- (a) the Project (including the ability of the Royalty Entities to explore, develop or operate the Project substantially in accordance with the Mine Plan in effect at the time of the occurrence of the Material Adverse Effect);
- (b) the ability of the Payor to perform its obligations under this Agreement; or
- (c) the legality, validity, binding effect or enforceability of this Agreement, the Royalty or the rights and remedies of the Payee under this Agreement.

“**Mine Plan**” means the mine plan for the Project based on the technical report dated February 2, 2022 entitled “Technical Report on the Lac-des-Iles Quarry, Quebec, Report for NI 43-101” prepared by SLR Consulting (Canada) Inc. and Soutex Inc. and as may be modified and included in the Annual Forecast Report, as the same may be amended, revised, supplemented or replaced from time to time.

“**Minerals**” means any and all minerals and mineral bearing material of every nature and kind, in whatever form or state which are mined, excavated, extracted, recovered in soluble solution or otherwise recovered or produced from the Property, and including ore and any other products resulting from the further milling, processing or other beneficiation of such materials, including concentrate.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (or any successor instrument, rule or policy).

“**Notice of Offer**” has the meaning set out in Section 13(b)(i).

“**Offered Interest**” has the meaning set out in Section 13(b)(i).

“**Offtake Agreement**” means any brokering, sales, marketing and/or processing agreement entered into by any Royalty Entity with an Offtaker with respect to Minerals, which agreement shall be on commercially reasonable arm’s length terms and conditions for products of similar make-up, quantity and quality, and shall include industry standard WSMD, reporting and payment settlement protocols and provisions that require the delivery of settlement sheets evidencing the amount and grade of the Minerals in respect of their sale to the applicable Offtaker.

“**Offtaker**” means any Person at arm’s length to the Royalty Entities and its Affiliates that enters into an Offtake Agreement with a Royalty Entity with respect to Minerals.

“**Offtaker Settlement**” means (A) with respect to Minerals purchased by an Offtaker from a Royalty Entity, the receipt by the Royalty Entity of payment or other consideration from the Offtaker, whether provisional or final, and including amounts received in respect of warehouse

holding certificates, and (B) with respect to Minerals refined, purified or otherwise benefited by an Offtaker on behalf of the Royalty Entity, the receipt by the Royalty Entity of marketable graphite or other Minerals in accordance with the applicable Offtake Agreement.

“**Original Closing**” has the meaning set out in Section 7(a)(i).

“**Original Closing Date**” means April 29, 2022.

“**Original Credit Agreement**” means the senior secured credit agreement dated the Original Closing Date between the Payor Parent, as borrower, the Payor, Northern Graphite Holdings (Namibia) (Pty) Ltd. (formerly Imerys Gecko Holdings (Namibia) (Pty) Ltd.), Northern Graphite Okanjande Mining (Pty) Ltd. (formerly Imerys Gecko Okanjande Mining (Pty) Ltd.), and Northern Graphite Processing (Namibia) (Pty) Ltd. (formerly Imerys Gecko Graphite (Namibia) (Pty) Ltd.), as guarantors, and Sprott Private Resource Streaming and Royalty (Collector) LP, as lender and as administrative agent.

“**Original Purchase Price**” has the meaning set out in Section 6(a)(i).

“**Original Royalty**” has the meaning set out in Section 3(a)(i).

“**Other Rights**” means all licenses, approvals, authorizations, consents, rights (including surface rights, access rights and rights of way), privileges, concessions or franchises held by the Royalty Entities or required to be obtained from any Person (other than a Governmental Authority), for the exploration of the Property or the development and operation of the Project, as such development and operation is contemplated by the Mine Plan.

“**Parties**” means the parties to this Agreement and “**Party**” means any one of the Parties.

“**Payee**” has the meaning set out in the recitals to this Agreement.

“**Payor**” has the meaning set out in the recitals to this Agreement.

“**Payor Parent**” has the meaning set out in the recitals to this Agreement.

“**Permits**” means all material licenses, permits, approvals (including all other environmental approvals), authorizations, consents, rights (including surface rights, access rights and rights of way and access to water and power), privileges, concessions or franchises required to be obtained from the relevant Governmental Authority, to carry on the mining and processing activities contemplated by the Mine Plan.

“**Permitted Encumbrances**” has the meaning set out in Schedule B.

“**Permitted Purpose**” has the meaning set out in Section 10(c).

“**Person**” means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, Governmental Bodies or any other type of organization or entity, whether or not a legal entity.

“**Project**” means the Lac des Iles graphite project in Quebec, including the exploration, mining, development, production, processing, recovery, sale, transportation, storage and delivery

operations and related assets and other assets located on or at or used in connection with the Property or to mine or process the Minerals from the Property, including all Minerals, Permits, Other Rights, tailings, fixtures, mines, facilities, equipment and inventory, existing or to be developed, constructed, and operated at or in respect of the Property, including infrastructure assets, tailings management facilities and other plants.

“Property” means all right, title and interest of any of the Royalty Entities to:

- (a) the Property Interests more particularly described and depicted in Schedule A;
- (b) all water, water rights and the permits and other evidence of authority or approval to appropriate and/or use ground or surface water in connection with the properties and rights referred to above, including the water rights described in Schedule A;
- (c) all Minerals, Permits and Other Rights, all other property, tailings, buildings, structures, facilities and fixtures used, affixed or situated thereon, Utility Commitments and other rights or assets in each case relating to the interests referred to in (a), (b) and (c) above; and
- (d) any of the foregoing subsequently acquired.

“Property Interest” means mineral claims, mining claims, patented claims, fee title, unpatented mining claims, millsite claims, licenses, leases (including mining leases) and surface rights, together with all applications, surveys, easements, servitudes, rights of way, rights, titles or titles or interest of every kind and description to which any Royalty Entity has rights, or otherwise owns or controls, relating to or acquired in connection with one or more of the foregoing, and all accessions and successions thereto, whether created privately or through government action, and all other property interests, real rights, mineral rights and surface rights, whether owned or leased.

“Quarterly Graphite Price” means, in respect of a fiscal quarter, a price per tonne expressed in U.S. dollars, determined by dividing (i) the aggregate gross proceeds (prior to the application of any Deductions) realized by the Royalty Entities from the sale of all Graphite Products (other than Enhanced Graphite Products for which amendments noted in Section 3(l) have been agreed by the Parties) that were subject to an Offtaker Settlement during such quarter, by (ii) the aggregate number of tonnes of Graphite Products that are part of the Quarterly Production during such quarter, provided, if a provisional settlement with respect to pricing for a delivery occurs during one calendar quarter and the final settlement with respect to pricing for such delivery occurs in a subsequent fiscal quarter, the adjustment will be taken into account in determining the Quarterly Graphite Price in the subsequent fiscal quarter.

“Quarterly Production” means the gross number of contained tonnes of Minerals in any shipment delivered to and paid for by an Offtaker during any given fiscal quarter, provided that (i) if delivery and payment are not made in the same fiscal quarter, the Graphite Products shall be deemed to be part of Quarterly Production in the fiscal quarter in which the payment occurs, and (ii) if a provisional settlement for a delivery occurs during one calendar quarter and the final settlement for such delivery occurs in a subsequent fiscal quarter, the adjustment will be taken into account in determining the Quarterly Production in the subsequent fiscal quarter.

“Quarterly Report” means a written report in relation to a fiscal quarter with respect to the Project, to be prepared by or on behalf of the Payor for each quarter, which shall include, for such quarter:

- (a) types, tonnes and grade of Minerals mined;

- (b) types, tonnes and grade of Minerals stockpiled;
- (c) with respect to the processing facilities, the types, tonnes and grade of processed Minerals; recoveries and grades for Minerals with relevant technical and commercial specifications;
- (d) with respect to processing facilities, the type, grade and moisture content of concentrate produced, with relevant technical and commercial specifications, as well as the identification and quantum of any penalty elements;
- (e) the amount of concentrate or other material, with relevant technical and commercial specifications of Minerals contained therein, produced or processed during such quarter, but not delivered to an Offtaker by the end of such quarter;
- (f) the amount of concentrate or other material, with relevant technical and commercial specifications of Minerals contained therein, produced and delivered to an Offtaker, and the names and addresses of each such Offtaker;
- (g) the credit/payment to the Payee and/or estimated credit/payment to the Payee with respect to Graphite Products referred to in subsection (f) on account of the Royalty;
- (h) a reconciliation between any estimated credit/payment specified in a Quarterly Report pursuant to subsection (g) for a preceding quarter and the final credit/payment;
- (i) the amount and a description of operating and capital expenditures;
- (j) an exploration update, including (x) the exploration focus, (y) the number of meters drilled and the applicable drill results, and (z) the exploration expenditures;
- (k) a comparison of the annual forecast production to the actual production on a year to date basis and an updated forecast for the remaining period of the year;
- (l) details of any material health or safety incidents or violations and/or material violations of any Applicable Laws (including Environmental Laws);
- (m) details of any material First Nations or local community disputes or issues that have occurred on the Property or in respect of the Project;

“**Records**” means all of the Royalty Entities’ present and future books, records and data of every kind or nature, including books of account, purchase and sale agreements, Offtake Agreements, settlement sheets, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files, electronically stored data and other data, together with the tapes, disks, diskettes, drives and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of a Royalty Entity with respect to the foregoing maintained with or by any other Person).

“**Release**” means any release, spill, emission, discharge, leaking, pumping, pouring, emitting, emptying, dumping, escape, injection, deposit, disposal, dispersal, leaching or migration into the indoor or outdoor environment (including ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or property.

“Restricted Person” means any Person or entity that:

- (a) is named, identified, described on or included on any of:
 - (i) the lists maintained by the Office of the Superintendent of Financial Institutions Canada with respect to terrorism including the lists made under subsection 83.05(1) of the *Criminal Code*, under the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and under the United Nations Al-Qaida and Taliban Regulations*;
 - (ii) the Denied Persons List, the Entity List or the Unverified List, compiled by the Bureau of Industry and Security, U.S. Department of Commerce;
 - (iii) the List of Statutorily Debarred Parties compiled by the U.S. Department of State;
 - (iv) the Specially Designated Nationals Blocked Persons List compiled by the U.S. Office of Foreign Assets Control;
 - (v) the annex to, or is otherwise subject to the provisions of, U.S. Executive Order No. 13324; or
 - (vi) any other Applicable Law relating to anti-terrorism or anti-money laundering matters;
- (b) is subject to:
 - (i) the United Nations Act (Canada), the Special Economic Measures Act (Canada) and the Freezing of Assets of Corrupt Foreign Officials Act (Canada); or
 - (ii) the International Emergency Economic Powers Act, 50 U.S.C.; or
 - (iii) the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq.; or any other enabling legislation or executive order relating thereto, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56; or
 - (iv) any other trade restrictions under United States law of a similar nature as those included in 1(b)(i), (ii) and (iii) above; or
 - (i) is a Person who is an Affiliate of a Person listed above.

“ROFR Consideration” has the meaning set out in Section 13(b)(i).

“ROFR Exercise Notice” has the meaning set out in Section 13(b)(ii);

“Royalty” has the meaning set out in Section 3(a)(ii).

“Royalty Entities” means the Payor and the Payor Parent.

“Royalty Security” has the meaning set out in Section 3(k).

“**Rules**” has the meaning set out in Section 22(b).

“**Secondary Processing**” means further processing of Graphite Products into Enhanced Graphite Products in an Enhancement Facility.

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval.

“**Stream Agreement**” means the metal purchase and sale agreement dated the Original Closing Date between Payee and the Payor Parent.

“**Stream Equivalent Agreement**” means (i) a streaming or royalty agreement or (ii) a similar agreement, the primary purpose of which is to provide a right to participate in Subject Property Minerals but excluding (x) any joint venture that is a bona fide joint venture not formed in whole or in part to evade the requirements of Section 13 of this Agreement; (y) ordinary course offtake agreements; and (z) any agreement to acquire an equity interest in a Person that is a bona fide agreement to acquire an equity interest in a Person not formed in whole or in part to evade the requirements of Section 13 of this Agreement.

“**Subject Property**” means all right, title and interest of Property Interests set out in Schedule C, known as the Bissett Creek, Ontario graphite project.

“**Subject Property Minerals**” means any and all graphite bearing material of every nature and kind, in whatever form or state which are mined, excavated, extracted, recovered in solution or otherwise recovered or produced from the Subject Property, and including ore and any other products resulting from the further milling, processing or other beneficiation of such materials, including concentrate.

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

“**Taxes**” means all taxes, surtaxes, duties, levies, imposts, impositions, tariffs, fees, assessments, reassessments, withholdings, dues and other charges of any nature, whether disputed or not, imposed by a Governmental Authority, and instalments, or other additions that may become payable in respect thereof, including such amounts imposed or collected on the basis of: income; profits; branch profits; capital; real or personal property; payments, deliveries or transfers of property of any kind to residents or non-residents; purchases, consumption, sales (including Sale Taxes), use, import, export, or provision, of goods and services; documents, their registration or effectiveness; mining; the environment; distributions; equity; and other obligations of the same or of a similar nature to any of the foregoing; together with penalties, fines, additions to tax and interest thereon, and “**Tax**” shall have a corresponding meaning.

“**Third Party Offer**” has the meaning set out in Section 13(b)(i).

“**Third Party Offer Termination Event**” has the meaning set out in Section 13(b)(i).

“**Third Party Offeror**” has the meaning set out in Section 13(b)(i).

“**Transactors**” means: (i) the IPO Entity, (ii) bona fide potential financiers of the Payee or bona fide potential purchasers of the Payee’s interest in this Agreement, or any portion thereof, including a syndication or participation in, or of, such interest, and (iii) in either case, their respective underwriters, advisors, consultants, agents and representatives.

“**Transfer**”, when used as a verb, means to sell, grant, assign, encumber, hypothecate, pledge or otherwise dispose of or commit to dispose of, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sales or spin out transactions. When used as a noun, “**Transfer**” means a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sales or spin out transactions.

“**Utility Commitment**” means any water service commitments and agreements, transmission or electrical service commitments and agreements and other utility commitments and agreements including the infrastructure, rights of way and easements necessary to provide the aforementioned utility services.

“**Valuation Dispute**” has the meaning set out in Section 13(b)(i).

“**Warehoused Products**” means any Minerals that are warehoused by the Payor, and are owned by the LDI Vendor, pursuant to the acquisition of the Project by the Payor under the Acquisition Agreement.

“**Warrants**” means 1,200,000 common share purchase warrants in the capital of the Payor Parent, with an exercise price of C\$1.01 per share, represented by a warrant certificate substantially in the form set forth in Schedule D.

2. **Interpretation.**

- (a) **Interpretation of Certain Matters.** In this Agreement, unless otherwise specifically provided or unless the context otherwise requires:
- (i) The terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.
 - (ii) References to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement.
 - (iii) Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
 - (iv) Where the word “including” or “includes” is used in this Agreement, it means “including without limitation” or “includes without limitation”.
 - (v) References to “tonne” or “tonnes” shall mean metric tonnes (1,000 kgs).
 - (vi) A Person (first Person) is considered to control another Person (second Person) if:
 - (A) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation;

- (B) the first Person directly or indirectly exercises control or direction over the majority of the directors or has the ability to control the management and policies of the second Person;
- (C) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership; or
- (D) the second Person is a limited partnership and the general partner of the limited partnership is the first Person,

and “controls”, “controlling”, “controlled by” and “under common control” have corresponding meanings.

- (vii) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (viii) Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (ix) Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under generally accepted accounting principles applicable to such entity at the relevant time, in effect from time to time (which may be International Financial Reporting Standards), consistently applied, and all determinations of an accounting nature required to be made shall be made in a manner consistent with such applicable generally accepted accounting principles.
- (x) References to a Person in this Agreement refer to such Person and their legal successors, assigns (excluding any Person who acquires any rights of the Royalty Entities through an expropriation event or other involuntary method of a similar nature (and for greater certainty, a direct or indirect take-over bid or other acquisition of any of the Royalty Entities, including by way of exercise of creditor rights, shall not be considered an involuntary method of acquisition)), heirs, executors, administrators, estate, trustees and personal or legal representatives.
- (xi) Reference to (i) this Agreement is to be construed as a reference to this Agreement as it may be amended, modified, restated, supplemented or extended from time to time, and (ii) any other agreement is to be construed as a reference to that agreement as it may be amended, modified, restated, supplemented, extended, replaced or superseded from time to time.
- (xii) A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, any reference to a statute or regulation includes the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation from time to time.
- (xiii) In this Agreement a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Toronto, Canada time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (Toronto, Canada time) on the next Business Day.

- (xiv) Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to United States of America dollars.
 - (xv) The Parties agree that whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis of such determination.
- (b) **Province of Quebec.** For purposes of any assets, liabilities or entities located in the Province of Quebec, and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Quebec, or a court or tribunal exercising jurisdiction in the Province of Quebec:
- (i) all references to “perfection” of or “perfected” liens or security interest shall include a reference to an “opposable” or “set up” hypothec as against third parties;
 - (ii) “personal property” shall include “movable property”;
 - (iii) “real property” or “real estate” shall include “immovable property”;
 - (iv) “tangible property” shall include “corporeal property”;
 - (v) “intangible property” shall include “incorporeal property”;
 - (vi) “security interest”, “mortgage” and “lien” shall include a “hypothec”, “right of retention”, “prior claim”, “reservation of ownership” and a resolatory clause;
 - (vii) any “right of offset”, “right of setoff” or similar expression shall include a “right of compensation”;
 - (viii) “goods” shall include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities;
 - (ix) “agent” shall include “mandatary”;
 - (x) “construction liens” or “mechanics, materialmen, repairmen, construction contractors or other like liens” shall include “legal hypothecs” and “legal hypothecs in favour of persons having taken part in the construction or renovation of an immovable”;
 - (xi) “joint and several” shall include “solidary”;
 - (xii) “gross negligence or wilful misconduct” shall be deemed to be “intentional or gross fault”;
 - (xiii) “beneficial ownership” shall include “ownership on behalf of another as mandatary”;
 - (xiv) “easement” shall include “servitude”;

- (xv) “priority” shall include “rank” or “prior claim”, as applicable;
 - (xvi) “survey” shall include “certificate of location and plan”;
 - (xvii) “fee simple title” shall include “absolute ownership” and “ownership” (including ownership under a right of superficies);
 - (xviii) “accounts” shall include “claims” including “monetary claims”;
 - (xix) “legal title” shall be including “holding title on behalf of an owner as mandatory or prête-nom”;
 - (xx) “ground lease” shall include “emphyteusis” or a “lease with a right of superficies”, as applicable;
 - (xxi) “leasehold interest” shall include a “valid lease”;
 - (xxii) “lease” shall include a “leasing contract”;
 - (xxiii) “guarantee” and “guarantor” shall include “suretyship” and “surety”, respectively; and
 - (xxiv) “purchase money” security interest or debt shall include a reservation of ownership under an instalment sale, the sale with a right of redemption, the right of ownership of a lessor under a leasing contract, and the rights resulting from a lease.
- (c) **Language Clause.** The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*
- (d) **Time of Essence.** Time shall be of the essence of this Agreement.

3. **Royalty**

- (a) **Grant of Royalties.**
 - (i) Effective as of the Original Closing and upon payment by the Payee to the Payor of the Original Purchase Price in accordance with the terms and conditions of the Original Royalty Agreement, the Payor thereby created, granted and conveyed to the Payee, and agreed to pay to the Payee a perpetual royalty in the amount of 9.0% of Gross Revenue (the “**Original Royalty**”), payable on a quarterly basis, determined in accordance with the provisions set forth in this Agreement.
 - (ii) Effective as of the Additional Closing and upon payment by the Payee to the Payor of the Additional Purchase Price in accordance with the terms and conditions of this Agreement, the Payor hereby creates, grants and conveys to the Payee, and

agrees to pay to the Payee an additional perpetual royalty in the amount of 4.0% of Gross Revenue, as such amount may be amended pursuant to Section 3(b) (the “**Additional Royalty**” and collectively with the Original Royalty, the “**Royalty**”), payable on a quarterly basis, determined in accordance with the provisions set forth in this Agreement.

(b) **Additional Royalty Reduction.** Once the Payee has been paid the Additional Royalty in respect of 45,000 tonnes of Graphite Products (the “**Additional Royalty Reduction Threshold**”), the Payor shall provide written notice to the Payee that the Additional Royalty Reduction Threshold has been achieved. Upon the receipt by the Payee of such notice, the amount of the Additional Royalty shall be reduced from 4.0% of Gross Revenue to 0.25% of Gross Revenue without further amendment to this Agreement, and for all Quarterly Production following such notice.

(c) **Non-Operative Royalty.**

(i) If, at any time and from time to time, any Royalty Entity holds or hereafter acquires all or any portion of the Property for which the creation, grant and conveyance of the Royalty pursuant to Section 3 is not operative or effective in any respect, the Payor shall, at its cost and expense, promptly

(A) provide written notice thereof to the Payee including all material details;

(B) create, grant and convey (or cause to be created, granted and conveyed) the applicable equivalent Royalty to the Payee in respect of such portion of the Property or such Property Interests;

(C) execute and deliver (or cause to be executed and delivered) all further instruments and documents necessary to give effect to this Agreement in respect thereof (including an amended Agreement reflecting such additional portion of the Property or Property Interest in form and substance satisfactory to the Payee); and

(D) take (or cause to be taken) all further action, that may be necessary or desirable, or that the Payee may reasonably request (including recording such amended Agreement), in order to create, grant, convey, record or otherwise evidence such applicable Royalty.

Any credits/payments owing or accrued on account thereof shall be held in trust for the Payee until such applicable Royalty has been created, granted and conveyed to the Payee and such credits/payments made to the Payee as contemplated by this Section 3(c)(i).

(d) **Time and Manner of Payment.** The Royalty Entities shall make payments of the Royalty to the Payee, quarterly in cash within 10 days of the last day of such fiscal quarter. The cash payments shall be made by wire transfer to an account to be designated by the Payee and notified to the Payor at least three Business Days prior to the payment date. For greater certainty, the Payee shall not be responsible for, and all Royalty credits/payments shall be made free of, any Deductions, all of which shall be for the account of the Royalty Entities. The Payee, at its option, may elect to receive all or a portion of the Royalty as physical deliveries of Graphite Products in accordance with Section 5. If the Payee wishes to receive

the Royalty in any particular quarter as a physical delivery for a particular quarter, the Payee shall give written notice thereof to the Payor at least 30 days prior to the end of such quarter.

- (e) **Late Charge.** If the credit/payment of the Royalty in respect of Quarterly Production in a particular quarter is not made within 30 days after the last day of such quarter, the Payee may give the Payor written notice of such default. Unless the Payee shall have received such credit/payment within five days of receipt of such notice:
- (i) interest on the delinquent credit/payment shall be payable to the Payee at the rate of 12% per annum (compounded monthly), which shall accrue from the day the delinquent credit/payment was due to the date of credit/payment of the Royalty and accrued interest in full; and
 - (ii) the Payee shall have the right to record a lien against the Property and/or seek a prejudgment writ of attachment for additional security against unpaid Royalties and interest thereon.
- (f) **Royalty Statements.** Each payment of the Royalty shall be accompanied by a detailed statement explaining the manner in which the payment was calculated and shall also include the following information:
- (i) number of tonnes of Graphite Products with relevant technical and commercial specifications represented by the payments;
 - (ii) total tonnes of Graphite Products contained in Quarterly Production based on the relevant settlement information with relevant technical and commercial specifications from Offtakers;
 - (iii) the Quarterly Graphite Price used for the calculation of the Royalty;
 - (iv) the aggregate number of tonnes of Graphite Products sold and included in Quarterly Production that have been subject to the Royalty, and in respect of the Additional Royalty, the number of tonnes remaining until the achievement of the Additional Royalty Reduction Threshold;
 - (v) any other pertinent information in sufficient detail to explain the calculation of the payment; and
 - (vi) such other information as the Payee may reasonably request.

Such statement shall be accompanied by copies of the relevant settlement sheets and other settlement information from the Offtaker(s).

- (g) **Insurance Proceeds.** Notwithstanding any other provisions of this Agreement, if the Royalty Entities receive insurance proceeds for any Minerals that are lost or damaged, the Payor shall pay to the Payee, in lieu of the payment of the Royalty on such Graphite Products contained in the Minerals that were lost or damaged, an amount equal to the applicable Royalty percentage of the gross insurance proceeds which are received by the Royalty Entities in respect of such Minerals or Graphite Products. The Payor shall pay such amount within 10 days of any Royalty Entity receiving such insurance proceeds, in cash,

by wire transfer to an account to be designated by the Payee and notified to the Payor in writing at least three Business Days prior to the payment date. The amount of gross proceeds received by the Royalty Entities on account of the Graphite Products contained in the lost or damaged Minerals shall be conclusively determined by the insurance settlement documents or otherwise agreed by the Payor and Payee, acting reasonably.

- (h) **Hedging Activities.** All profits and losses resulting from the Royalty Entities entering into any Hedging Activities are specifically excluded from calculations of the Royalty or Gross Revenue pursuant to this Agreement. All Hedging Activities entered into by the Royalty Entities and all profits or losses associated therewith, if any, shall be solely for the account of the Royalty Entities. The Royalty payable on Graphite Products subject to Hedging Activities shall be determined in the same manner as provided in Sections 3, 4, and 5 with the understanding that the Graphite Products subject to Hedging Activities shall be deemed to be part of Quarterly Production, with the Quarterly Graphite Price, as applicable, for such quarter being used in the calculation of the Royalty.
- (i) **Nature of Interest.** The Parties further agree as follows:
 - (i) The Parties agree that each of the Original Royalty and the Additional Royalty are each intended to be an interest in real property and constitute the grant of a vested present interest in the Property and a covenant running with the land and all successions thereof, whether created privately or through government action. The Royalty shall be applicable to the Property and binding upon the Payor and the successors and assigns of the Property.
 - (ii) The Payee shall have all of the rights and incidents of ownership of a non-participating royalty owner, which incidents are covenants running with the Property and include: (a) the ownership of the non-participating royalty interests which are interests in real property; (b) the right to receive Royalty payments hereunder, free of expenses; and (c) the obligation of the Payor, its successors or assigns, to make the Royalty payments, which obligation shall run with the land.
 - (iii) The Royalty shall attach to any amendments, relocations or conversions of any mining claim, license, lease, concession, permit, patent or other tenure comprising the Property, or to any renewals or extensions thereof or to any replacement or substitution therefor.
 - (iv) All payments due to the Payee on account of the Royalty shall become the property of the Payee at the time of production of Graphite Products and shall be held by the Payor in trust for the Payee until paid to the Payee.
- (j) **Registration Against Title.** The Payor shall, upon request of the Payee, sign and deliver to the Payee, and the Payee may register or otherwise record against titles to the Property, such form of notice or other document as the Payee may reasonably request to evidence the Royalty as an interest in land or to give notice of the existence of the Royalty to third parties. The Royalty shall be the only Encumbrance on the Property, other than the Permitted Encumbrances. The Payor shall be responsible (at its sole cost) for obtaining any and all Permits and Other Rights (including third party notices and consents) necessary in connection with creation of the Royalty and its registration against the Property. The Payor shall provide its written consent or signature to any documents or things reasonably necessary to accomplish the registration of the Royalty against the Property and in order

that Payee may also cause to be registered a restriction on title to the Property restricting the Transfer of the Property, in whole or in part, without the written consent of Payee pursuant to, and in accordance with, Section 19.

- (k) **Royalty Security.** On or prior to the Original Closing Date, each Royalty Entity signed a deed of hypothec (a form of which is attached with this Agreement as Schedule E) in favour of the Payee and which have been registered at the appropriate public registers in order to secure the payment of the Royalty and the performance of all other covenants and obligations under this Agreement, including the obligation of any Transferee to be bound by this Agreement as contemplated in Section 19(a) (the “**Royalty Security**”). The Royalty Security shall be for amounts and at terms and conditions appropriate to cover such secured obligations, provided however that the Royalty Security shall be the only Encumbrance on the Property, other than the Permitted Encumbrances and (i) be subordinate to all secured obligations of the Royalty Entity relating to financings; and (ii) rank in priority to any other royalties, royalty streams of any nature or kind or similar interests in respect of the Property granted by any Royalty Entity to parties other than the Payee which shall be subordinate to the Royalty and the Royalty Security. In the case of either (i) or (ii) above, the Payee shall, and each Royalty Entity shall procure such financier or other party shall negotiate and enter into a subordination or intercreditor agreement with each other, acting in good faith.

- (l) **Enhanced Graphite Products.** In the event that the Payor or an Affiliate of the Payor wishes to use an Enhancement Facility to conduct Secondary Processing into a new form of product, which in the view of the Payor is of a different type and a higher value product than Graphite Products typically sold from projects such as the Project (an “**Enhanced Graphite Product**”), then the Payor may provide notice to the Payee of such proposed Enhancement Facility and the Enhanced Graphite Products. Upon receipt of such notice, the Parties will in good faith discuss amendments to this agreement, in form satisfactory to the Payee, acting reasonably, to address the processing of Graphite Products by the Enhancement Facility, and in particular: (i) determine a suitable benchmark or other pricing mechanic to determine the Fair Market Value for those Graphite Products that are subsequently processed into Enhanced Graphite Products, (ii) determine a Time of Sale or deemed time of sale and other terms of the transfer of such Graphite Products, and (iii) and any other terms to ensure that the Payee is not adversely impacted by such amendments, it being the intention of the Parties that the Royalty not be paid on the increase in Gross Revenue resulting from the Secondary Processing. For greater certainty, in the absence of any such amendments, any Enhanced Graphite Products will be treated as Graphite Products when sold to an Offtaker.

- (m) **Warehoused Products.** In addition to the payments to be made under Section 4, the Payor shall pay the Payee a royalty in the amount of 13.0% of the Fair Market Value of Warehoused Products delivered to the LDI Vendor from time to time, such payment to be made concurrently with the payment made in respect of the Royalty owing for such quarter pursuant to Section 3(a) along with the delivery of documentation evidencing the Fair Market Value of such Warehoused Products; provided that if the Additional Royalty Reduction Threshold has been met before all Warehoused Products have been delivered, such royalty shall be reduced from 13.0% to 9.25% of the Fair Market Value of Warehoused Products delivered to the LDI Vendor from time to time. Warehoused Products subject to the royalty set forth in this Section 3(m) shall be included as Graphite Products for the purposes of calculating the Additional Royalty Reduction Threshold.

4. **Calculation of Gross Revenue from Graphite Products**

- (a) **Gross Revenue.** “Gross Revenue” from Graphite Products for any given calendar quarter means the amount determined by the following formula:

$$\text{Gross Revenue} = (A \times B)$$

where

“A” is the Quarterly Production; and

“B” is the Quarterly Graphite Price.

- (b) **Provisional Settlement.** Where the Royalty Entities receive any payment for Quarterly Production from an Offtaker on a provisional basis during a fiscal quarter, the amount of the Royalty payable shall be based on the gross number of tonnes of Graphite Products covered by such provisional settlement and the Quarterly Graphite Price for such fiscal quarter will be based on the provisional settlements, but shall be adjusted as between the Payor and the Payee to account for the quantity of Graphite Products established by final settlement with the Offtaker.
- (c) **WSMD Procedures.** The Royalty Entities shall ensure that weighing, sampling, moisture determination and assaying procedures are conducted in connection with all shipments delivered to and paid for by Offtakers, and that all weighing, sampling, moisture determination and assaying procedures are conducted in accordance with good practices in the international mining industry. The Payor shall provide, or cause to be provided, to the Payee all Records relevant to the weighing, sampling, moisture determination and assaying of the Graphite Products subject to such sales, together with the applicable statement provided to the Payee pursuant to Section 3(f).

5. **In-Kind Payment of Royalty**

- (a) **In-Kind Payment.** In-kind payment of the Royalty shall be made in accordance with this Section 5.
- (b) **Manner of In-Kind Payment.** The Payor and the Payee, acting reasonably and in good faith, shall assess, review and develop supplementary terms and conditions for the in kind payment of the Royalty to the Payee, including terms and conditions providing for the following:
- (i) the division of the Graphite Products; and
 - (ii) the storage and handling, packaging and labeling, the time and place of delivery, weighing, sampling, pricing (with the goal of preserving, to the extent possible, continuity of pricing of the Graphite Products with reference to the Quarterly Graphite Price) and invoicing, taking into consideration, among other things, the usual and customary shipping and delivery practices of the Seller;

provided that notwithstanding any of the foregoing, the Payee’s right to receive payment in kind of the Royalty delivery shall exist and continue pursuant to and in accordance with this Section 5, whether or not the parties reach agreement on any or all of such terms.

- (c) **Quarterly Pricing Not to Apply.** Notwithstanding the use of the Quarterly Graphite Price in the calculation of Gross Revenue, the Parties agree that receipt of in-kind payment by the Payee in compliance with this Section 5 shall constitute payment of the Royalty, notwithstanding any difference between the spot prices for graphite on the date of delivery and the Quarterly Graphite Price, respectively, applicable to the Graphite Products credited.

6. **Purchase Price**

(a) **Payment of Purchase Price.**

- (i) In consideration for the promises and covenants of the Payor contained in the Original Royalty Agreement, including the grant of the Original Royalty and obligation to make the Royalty payments in respect thereof, the Payee paid to the Payor upon the Original Closing, \$4,000,000 (the “**Original Purchase Price**”) inclusive of all applicable Taxes, in cash by wire transfer of immediately available funds to a bank account in the name of the Payor notified to the Payee at least three Business Days prior to the date of the applicable payment.
 - (ii) In consideration for the promises and covenants of the Payor contained herein, including the grant of the Additional Royalty and obligation to make the Royalty payments in respect thereof, the Payee hereby agrees, subject to the satisfaction or waiver of the conditions set forth in Section 7(b)(iv), to pay to the Payor upon the Additional Closing, \$2,000,000 (the “**Additional Purchase Price**”) inclusive of all applicable Taxes, in cash by wire transfer of immediately available funds to a bank account in the name of the Payor notified to the Payee at least three Business Days prior to the date of the applicable payment.
- (b) **Use of Proceeds.** The Original Purchase Price was used only for the purposes of the payment of the purchase price of the Acquisition. The Additional Purchase Price shall be used only for the purposes of working capital for the Payor and the Payor Parent associated with the re-start of processing and mining at the Project.

7. **Closing Process and Closing Conditions**

(a) **Original Closing.**

- (i) **Original Closing.** The closing for the grant and effectiveness of the Original Royalty and for the payment of the Original Purchase Price (the “**Original Closing**”) was held at the offices of Torys LLP located at 79 Wellington St. West Suite 3000, Toronto, ON M5K 1N2, at 9:00 a.m., Toronto time, on the Original Closing Date, and was subject to the satisfaction or waiver, if permissible, of the conditions set forth in Sections 7(a)(iv) and 7(a)(iv)(H)(i) (other than conditions which by their nature could only be satisfied at the Original Closing and were expected to be satisfied at the Original Closing, such as, without limitation, the delivery of legal opinions and other certificates).
- (ii) **Original Closing Date Deliveries by the Payor.** The Payor delivered to the Payee on the Original Closing Date:

- (A) a certificate of status (certificate of attestation) for each Royalty Entity, issued by the Province of Ontario and dated no earlier than three days prior to the Original Closing Date;
 - (B) a certificate executed by a senior officer of the Royalty Entities, in form and substance satisfactory to the Payee, acting reasonably, dated as of the Original Closing Date, as to (A) the constating documents of the Royalty Entities, (B) the resolutions of the board of directors of the Royalty Entities authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby, (C) the names, positions and true signatures of the Persons authorized to sign this Agreement on behalf of the Payor, and (D) such other matters pertaining to the transactions contemplated hereby or thereby as the Payee may reasonably require;
 - (C) a certificate executed by a senior officer of the Payor, as contemplated in Sections 7(a)(iv)(B) and 7(a)(iv)(G);
 - (D) a certificate evidencing the Warrants;
 - (E) a fully executed copy of the Original Royalty Agreement and the Royalty Security, together with evidence of perfection of the Royalty Security by registration in all public registers as required by Applicable Law or otherwise recommended by the Payee and its counsel and accompanied by lien searches conducted by external legal counsel to the Royalty Entities reflecting the priority of rank of the Royalty Security as set out in Section 3(k);
 - (F) opinion(s) on customary terms, in form and substance satisfactory to the Payee, acting reasonably, dated as of the Original Closing Date, from external legal counsel to the Royalty Entities, including as to (A) the legal status of Royalty Entities, (B) the corporate power and authority of the Royalty Entities to execute, deliver and perform this Agreement and the Royalty Security, (C) the authorization, execution and delivery of this Agreement and the Royalty Security, (D) the enforceability of this Agreement and the Royalty Security, (E) no breach of Applicable Law, and (F) any other customary matters relating to this Agreement and the transactions contemplated by the Original Royalty Agreement; and
 - (G) a title insurance policy, or a binding commitment to issue a title insurance policy, in respect of the Property, containing endorsements reasonably required by the Payee and subject only to title qualifications that the Payee reasonably considers acceptable.
- (iii) **Original Closing Date Deliveries by the Payee.** The Payee delivered to the Payor on the Original Closing Date:
- (A) a certificate of status for the Payee, issued by the Province of Ontario and dated no earlier than three days prior to the Original Closing Date;
 - (B) a certificate executed by a senior officer of the Payee, in form and substance satisfactory to the Payor, acting reasonably, dated as of the

Original Closing Date, as to (A) its constating documents, (B) the resolutions of the board of directors of the Payee authorizing the execution, delivery and performance of this Agreement, (C) the names, positions and true signatures of the Persons authorized to sign this Agreement on behalf of the Payee, and (D) and such other matters pertaining to the transactions contemplated hereby as the Payor may reasonably require;

- (C) a certificate executed by a senior officer of the Payee, confirming the matters set forth in Section 77(a)(iv)(H)(i)(B);
- (D) an opinion on customary terms, in form and substance satisfactory to the Payor, acting reasonably, dated as of the Original Closing Date, from external legal counsel to the Payee, including as to (1) the legal status of the Payee, (2) the corporate power and authority of the Payee to execute, deliver and perform this Agreement, (3) the authorization, execution and delivery of this Agreement, (4) the enforceability of this Agreement, and (5) no breach of any Applicable Law; and
- (E) the Original Purchase Price, delivered in the manner provided by Section 6(a).

(iv) **Original Closing Conditions in Favour of the Payee.** The conditions to the Original Closing in favour of the Payee were as follows:

- (A) delivery of the items in Section 7(a)(ii);
- (B) the Payor Parent having confirmed in writing, to the satisfaction of the Payee, acting reasonably, that the Payor or its Affiliates would have on the Original Closing Date sufficient cash available (together with the Original Purchase Price) to complete the Acquisition, that the Acquisition has closed in escrow or that the parties to the Acquisition Agreement were otherwise proceeding to close forthwith pending payment of the related purchase price to be satisfied, in part, by the delivery of the Original Purchase Price and that the transactions contemplated by the Acquisition Agreement would be completed substantially in accordance with its terms on the Original Closing Date;
- (C) the conditions to closing under each of the Stream Agreement and the Original Credit Agreement having been satisfied;
- (D) the Coincident Equity Raise having been completed;
- (E) the Warrants having been issued in the name of the Payee (or as nominated by the Payee);
- (F) the receipt of any necessary approvals of the TSX Venture Exchange in connection with the issuance of the Warrants and the entry into the Original Royalty Agreement;
- (G) as of the Original Closing Date:

1. all of the representations and warranties made by the Payor in the Original Royalty Agreement as of the date thereof being true and correct in all material respects (or true and correct in all respects in the case of representations and warranties that are qualified by materiality) on and as of the Original Closing Date as if made on such date;
 2. the Royalty Entities having performed in all material respects all of their obligations under the Original Royalty Agreement required to be performed on or prior to the Original Closing Date;
 3. no Material Adverse Effect having occurred since the execution of the Original Royalty Agreement;
 4. no Material Adverse Effect as defined in the Acquisition Agreement having occurred since the execution thereof; and
 5. the Payor having delivered to the Payee a certificate dated as of the Original Closing Date of a senior officer, in form and substance satisfactory to the Payee acting reasonably, confirming the foregoing;
- (H) no provision of any Applicable Laws or any action by any Governmental Authority having competent jurisdiction prohibiting the Original Closing or adversely affecting in any material respect the Payee's rights, obligations or benefits under the Original Royalty Agreement, and no judgment, injunction, order or decree issued by any Governmental Authority having competent jurisdiction prohibiting the Original Closing or adversely affecting in any material respect the Payee's rights, obligations or benefits under the Original Royalty Agreement.
- (i) **Original Closing Conditions in Favour of the Royalty Entities.** The conditions to the Original Closing in favour of the Royalty Entities were as follows:
- (A) delivery of the items in Section 7(a)(iii);
 - (B) as of the Original Closing Date, all of the representations and warranties made by the Payee in the Original Royalty Agreement as of the date thereof being true and correct in all material respects (or true and correct in all respects in the case of representations and warranties that are qualified by materiality) on and as of the Original Closing Date as if made on such date, except as would not have a material adverse effect on the ability of the Payee to perform its obligations under this Agreement; and
 - (C) no provision of any Applicable Law or any action by any Governmental Authority having competent jurisdiction prohibiting the Original Closing or adversely affecting in any material respect the Royalty Entities' rights, obligations or benefits under the Original Royalty Agreement, and no judgment, injunction, order or decree issued by any Governmental Authority having competent jurisdiction prohibiting the Original Closing

or adversely affecting in any material respect the Royalty Entities' rights, obligations or benefits under the Original Royalty Agreement.

(b) **Additional Closing.**

- (i) **Additional Closing.** The closing for the grant and effectiveness of the Additional Royalty and for the payment of the Additional Purchase Price (the "**Additional Closing**") shall be held at the offices of Torys LLP located at 79 Wellington St. West Suite 3000, Toronto, ON M5K 1N2, at 9:00 a.m., Toronto time, on the Additional Closing Date, subject to the satisfaction or waiver, if permissible, of the conditions set forth in Sections 7(b)(iv) and 7(b)(iv)(E)(v) (other than conditions which by their nature can only be satisfied at the Additional Closing and are expected to be satisfied at the Additional Closing, such as, without limitation, the delivery of legal opinions and other certificates).
- (ii) **Additional Closing Date Deliveries by the Payor.** The Payor shall deliver to the Payee on the Additional Closing Date:
- (A) a certificate of status (certificate of attestation) for each Royalty Entity, issued by the Province of Ontario and dated no earlier than three days prior to the Additional Closing Date;
 - (B) a certificate executed by a senior officer of the Royalty Entities, in form and substance satisfactory to the Payee, acting reasonably, dated as of the Additional Closing Date, as to (A) the constating documents of the Royalty Entities, (B) the resolutions of the board of directors of the Royalty Entities authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby, (C) the names, positions and true signatures of the Persons authorized to sign this Agreement on behalf of the Payor, and (D) such other matters pertaining to the transactions contemplated hereby or thereby as the Payee may reasonably require;
 - (C) a certificate executed by a senior officer of the Payor, as contemplated in Sections 7(b)(ii)(B) and 7(b)(iv)(D);
 - (D) a fully executed copy of this Agreement; and
 - (E) opinion(s) on customary terms, in form and substance satisfactory to the Payee, acting reasonably, dated as of the Additional Closing Date, from external legal counsel to the Royalty Entities, including as to (A) the legal status of Royalty Entities, (B) the corporate power and authority of the Royalty Entities to execute, deliver and perform this Agreement and the Royalty Security, (C) the authorization, execution and delivery of this Agreement and the Royalty Security, (D) the enforceability of this Agreement and the Royalty Security, (E) no breach of Applicable Law, and (F) any other customary matters relating to this Agreement and the transactions contemplated by this Agreement in relation to the Additional Royalty.

(iii) **Additional Closing Date Deliveries by the Payee.** The Payee shall deliver to the Payor on the Additional Closing Date:

- (A) a certificate of status for the Payee, issued by the Province of Ontario and dated no earlier than three days prior to the Additional Closing Date;
- (B) a certificate executed by a senior officer of the Payee, in form and substance satisfactory to the Payor, acting reasonably, dated as of the Additional Closing Date, as to (A) its constating documents, (B) the resolutions of the board of directors of the Payee authorizing the execution, delivery and performance of this Agreement, (C) the names, positions and true signatures of the Persons authorized to sign this Agreement on behalf of the Payee, and (D) and such other matters pertaining to the transactions contemplated hereby as the Payor may reasonably require;
- (C) a certificate executed by a senior officer of the Payee, confirming the matters set forth in Section 7(b)(iv)(E)(v)(B); and
- (D) the Additional Purchase Price, delivered in the manner provided by Section 6(a).

(iv) **Additional Closing Conditions in Favour of the Payee.** The conditions to the Additional Closing in favour of the Payee are as follows:

- (A) delivery of the items in Section 7(b)(ii);
- (B) the conditions to closing under the Amended Credit Agreement shall have been satisfied;
- (C) the receipt of any necessary approvals of the TSX Venture Exchange in connection with the entry into this Agreement;
- (D) as of the Additional Closing Date:
 - 1. all of the representations and warranties made by the Payor in this Agreement as of the date hereof being true and correct in all material respects (or true and correct in all respects in the case of representations and warranties that are qualified by materiality) on and as of the Additional Closing Date as if made on such date;
 - 2. the Royalty Entities having performed in all material respects all of their obligations under this Agreement required to be performed on or prior to the Additional Closing Date;
 - 3. no Material Adverse Effect having occurred since the execution of this Agreement; and
 - 4. the Payor having delivered to the Payee a certificate dated as of the Additional Closing Date of a senior officer, in form and

substance satisfactory to the Payee acting reasonably, confirming the foregoing;

- (E) no provision of any Applicable Laws or any action by any Governmental Authority having competent jurisdiction shall prohibit the Additional Closing or adversely affect in any material respect the Payee's rights, obligations or benefits under this Agreement, and no judgment, injunction, order or decree issued by any Governmental Authority having competent jurisdiction shall prohibit the Additional Closing or adversely affect in any material respect the Payee's rights, obligations or benefits under this Agreement.
- (v) **Additional Closing Conditions in Favour of the Royalty Entities.** The conditions to the Additional Closing in favour of the Royalty Entities are as follows:
 - (A) delivery of the items in Section 7(b)(iii);
 - (B) as of the Additional Closing Date, all of the representations and warranties made by the Payee in this Agreement as of the date hereof being true and correct in all material respects (or true and correct in all respects in the case of representations and warranties that are qualified by materiality) on and as of the Additional Closing Date as if made on such date, except as would not have a material adverse effect on the ability of the Payee to perform its obligations under this Agreement; and
 - (C) no provision of any Applicable Law or any action by any Governmental Authority having competent jurisdiction prohibiting the Additional Closing or adversely affecting in any material respect the Royalty Entities' rights, obligations or benefits under this Agreement, and no judgment, injunction, order or decree issued by any Governmental Authority having competent jurisdiction prohibiting the Additional Closing or adversely affecting in any material respect the Royalty Entities' rights, obligations or benefits under this Agreement.

8. Taxes

- (a) **Taxes Payable by Royalty Entities.** Except as required by Applicable Law or expressly contemplated herein, all payments on account of the Royalty and any other payment or transfer of property of any kind made under this Agreement to the Payee (including with respect to the granting and conveyance of the Royalty) shall be made free and clear, without any present or future deduction, withholding, charge or levy on account of Taxes (other than Excluded Taxes) and without setoff or counterclaim. The Royalty Entities shall be liable for all such Taxes directly or indirectly imposed on the Payee and shall indemnify and save the Payee harmless from any such Taxes imposed on the Payee.
- (b) **Gross-up.** All Taxes, if any, as are required by Applicable Law to be so deducted, withheld, charged or levied by the Royalty Entities on any such credit/payment or other payment or transfer of property (to the extent not recoverable by the Payee), shall be paid by the Royalty Entities crediting/paying to the Payee or on its behalf, in addition to such credit/payment, such additional credits/payments as are necessary to ensure that the net

credit/payment received by the Payee (net of any such Taxes, including any Taxes required to be deducted, withheld, charged or levied on any such additional amount) equals the full credit/payment or transfer that the Payee would have received had no such deduction, withholding, charge or levy been required. For the purposes of Section 8(a) and this Section 8(b), Taxes shall exclude Excluded Taxes.

- (c) **Withholding by Payee.** To the extent required by Applicable Law, the Payee may deduct, withhold, charge or levy, any Taxes imposed by any Governmental Authority on the Payee or any of its Affiliates, or otherwise required to be withheld, in respect of any payment made by the Payee to the Payor or any of its Affiliates under this Agreement. The Payee shall make and pay to the appropriate Governmental Authority any such withholdings, deductions, charges or levies in the full amount required to be withheld, deducted, charged or levied and paid by them under any Applicable Law, and shall provide reasonable documentation of such withholding, deduction, charge or levy and payment to the Payor.
- (d) **Cooperation.** The Parties agree to reasonably cooperate to: (i) facilitate tax planning with respect to payments on account of the Royalty; (ii) ensure that no more Taxes, duties or other charges are payable than is required under Applicable Law; and (iii) obtain a refund or credit of any Taxes which have been overpaid.
- (e) **Refunds.** If the Payee determines, in its sole discretion, acting reasonably, that it has received a refund of any Taxes as to which it has been indemnified by the Payor or with respect to which the Payor has paid additional amounts pursuant to Section 8(b), it shall pay to the Payor an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Payor under Section 8(b) with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Payee and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Payor, upon the request of the Payee, agrees to repay the amount paid over to the Payor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Payee if the Payee is required to repay such refund to such Governmental Authority. If the Payor determines in good faith that a reasonable basis exists for contesting any Taxes for which a payment has been made hereunder, the Payee shall use its commercially reasonable efforts to co-operate with the Payor in challenging such Taxes, at the Payor's cost and expense, if so requested by the Payor; provided that the Payee does not reasonably determine that such challenge could be prejudicial to it. This paragraph shall not be construed to require the Payee to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Payor or any other Person, to arrange its affairs in any particular manner or to claim any available refund.

9. Reporting Obligations

- (a) **Reports.** The Payor shall deliver or cause to be delivered to the Payee:
 - (i) within 45 days after the end of each fiscal quarter, a Quarterly Report in respect of the Project;
 - (ii) within 90 days after the end of each fiscal year, an Annual Report; and
 - (iii) at least 30 days before the beginning of each fiscal year, an Annual Forecast Report.

- (b) **Geological Reports.** Except if the Payor Parent is a reporting issuer in Canada, and such materials are filed on SEDAR+ promptly after they become available, the Payor shall promptly deliver to the Payee a copy of any technical reports prepared in accordance with NI 43-101 (or equivalent standard identified thereunder) or updated mineral reserve and mineral resource estimates produced that pertain to the Property.
- (c) **Development and Mine Plans.** The Payor has delivered to the Payee a copy of the current Mine Plan for the Project. If, at any time, the Mine Plan is subject to a material amendment, within 15 days after such amendment or amendments is or are made, the amended Mine Plan shall be provided by the Payor to the Payee.
- (d) **Other Notices.** The Payor shall deliver to the Payee:
 - (i) promptly after the Payor has knowledge or becomes aware thereof, written notice of all actions, suits and proceedings before any Governmental Authority or arbitrator, pending or threatened, against or directly affecting the Project or the Property, including any actions, suits, claims, notices of violation, hearings, investigations or proceedings with respect to the ownership, use, maintenance and operation of the Project or the Property, including those relating to Environmental Laws;
 - (ii) promptly after the Payor has knowledge or becomes aware thereof, written notice of any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect; and
 - (iii) such other statements, lists of property and accounts, budgets, forecasts, projections, reports, or other information respecting the Project or the Property as the Payee may from time to time reasonably request.

Each notice pursuant to clauses (i) and (ii) above shall be accompanied by a written statement by an authorized senior officer of the Payor setting forth all material information relating to the occurrence referred to therein, including any action which the Royalty Entities have taken or propose to take with respect thereto.

10. **Books and Records; Audits; Inspections**

- (a) **Books and Records.** The Payor shall ensure that the Royalty Entities each keep true, complete and accurate Records of all material financial transactions, operations and activities with respect to the Project and the Property, including the mining, treatment, processing, transportation and sale of Minerals and in which complete entries will be made, in accordance with IFRS applied on a consistent basis, reflecting all material financial transactions of each of the Royalty Entities relating to the Project and the Property.
- (b) **Audits.** Upon not less than 20 days' notice, the Payee and its authorized representatives shall be entitled, at its own cost and expense, to perform audits or other reviews and examinations of the Records of the Royalty Entities relevant to the payment of the Royalty pursuant to this Agreement and to otherwise confirm compliance by the Royalty Entities with the terms of this Agreement. The Payor shall ensure that the Royalty Entities each provide the Payee with complete access to all the Royalty Entities' Records at the Royalty Entities' offices during usual business hours. The Payee and its Affiliates may avail themselves of such right once per calendar year, unless any *bona fide* concern arises out of

the exercise of such audit or review right, or there is a dispute or a default under this Agreement which is continuing or remains unresolved and the exercise of such audit, review and examination right shall not unreasonably interfere with the operations of the Payor. If any such audits reveal a material breach of any provision of this Agreement or that credits/payments on account of the Royalty in the prior 12-month period have been underpaid by more than 5.0%, the Payor shall reimburse the Payee for its costs and expenses incurred in such audit.

- (c) **Inspections.** Upon no less than five (5) Business Days' notice to the Royalty Entities and subject at all times to the workplace rules and supervision of the Payor, as applicable, and provided any rights of access do not unreasonably interfere with any exploration, development, mining or processing work conducted on the Property, the Payor shall grant to the Payee and its Affiliates, at reasonable times the right to access (including with any of the Payee's advisors and representatives) the Property, the processing plant, infrastructure and other facilities of the Project, in each case for the purpose (each a "**Permitted Purpose**") of (i) monitoring the Payor's mining and processing operations on the Project, (ii) any reasonable audit, accounting, tax or similar purpose pertaining to the corporate obligations of the Payee or its Affiliates, or (iii) site visits in respect of a Financing or Sale Transaction. The Royalty Entities shall permit the relevant Transactors to accompany the Payee or its Affiliates, as the case may be, on any site visit contemplated by (iv) above. Where this right of access is exercised in connection with any Permitted Purpose other than (iii) above, such access shall include access (on a commercially reasonable efforts basis) to the relevant senior employees of the Royalty Entities and employees of the Royalty Entities' consultants. The Royalty Entities acknowledge that, the Payee may in the future desire to: (A) include the Payee's interest in the Royalty or this Agreement in, directly or indirectly, an entity (the "**IPO Entity**") whose common shares or other common equity may be sold through an initial public offering (whether on a primary or secondary basis), (B) obtain financing and may, in connection therewith, grant a security interest in the Payee's interest in the Royalty or this Agreement, or (C) sell, grant a participation in, or syndicate all or a portion of the Payee's interest in the Royalty or this Agreement through a process that may involve one or more potential purchasers, participants, or syndicate members (such transactions in (A)-(C) being a "**Financing or Sale Transaction**"). The Payee may avail itself of the right of access under this Section 10(c) a maximum of once per calendar year, except (I) where reasonably necessary to confirm compliance with this Agreement or to investigate any discrepancies identified, (II) where the Payee reasonably desire to bring Transactors to visit the Project, in connection with a Financing or Sale Transaction.
- (d) **Technical Reports.** If any Royalty Entity prepares a technical report under NI 43-101 (or similar report) in respect of the Property, upon the request of the Payee, the Payor shall use commercially reasonable efforts to cause the author(s) of such report to provide, at the sole cost and expense of the Payee, (i) a copy of such report to be addressed to the Payee 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 Payee or any of its Affiliates, and (iii) such other consents in connection with the use of or reliance upon such report by the Payee or any of its Affiliates from time to time in its public disclosure as may be reasonably required by the Payee. Notwithstanding the foregoing, if the Payee or any of its Affiliates is required by Applicable Law to prepare a technical report under NI 43-101 (or similar report) in respect of the Property and chooses to prepare its own technical report (or similar report), the Payor shall cooperate with and allow the Payee and its authorized representatives to access technical information pertaining to the Property

and complete site visits at the Property so as to enable the Payee or its Affiliates, as the case may be, to prepare the technical report (or similar report) in accordance with NI 43-101 (or any other applicable Canadian and/or US securities laws and/or stock exchange rules and policies governing the disclosure obligations of the Payee or any of its Affiliates) at the sole cost and expense of the Payee.

- (e) **Additional Requirements.** Access to the Property and associated facilities pursuant to Sections 10(b), 10(c) and 10(d) shall be subject to the following: (i) any such access shall be at the sole risk and expense of the Payee, its representatives and its invitees; (ii) any such access shall not unreasonably interfere with the Royalty Entities' activities and operations; (iii) the Payee shall comply, and request that its representatives and invitees comply, with the policies and procedures that the Royalty Entities apply to their own representatives and invitees; (iv) the Payee shall give the relevant Royalty Entities prompt notice of any injuries, property damage or environmental harm that may occur during such tour; and (v) the Payee shall indemnify the Royalty Entities from any Losses (excluding loss of profit and consequential or punitive damages) suffered or incurred by any Royalty Entity as a consequence of injury to the Payee, its representatives or its invitees incurred during such access, provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct of any Royalty Entity.

11. **Maintenance of Existence and Property**

- (a) **Maintenance of Existence.** The Payor shall at all times do or cause to be done all things necessary to maintain its corporate or other entity existence and to obtain and, once obtained, maintain all Permits necessary to carry on its business and own its assets in each jurisdiction in which it carries on business or in which its assets are located.
- (b) **Maintenance of Property.** The Payor shall at all times do or cause to be done all things necessary to maintain the Property in good standing, including paying or causing to be paid all Taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenance fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof and otherwise maintaining the Property in accordance with Applicable Laws.
- (c) **No Interest Letter.** Upon any Royalty Entity entering into any debt financing arrangements or granting security, directly or indirectly, in the Property, the applicable Royalty Entities shall cause the lender(s) to deliver to the Payee, a letter addressed to the Payee in form and substance reasonably acceptable to the Payee which acknowledges the existence of the Royalty and the intention and agreement between the Parties that the Royalty constitutes an interest in and covenant running with the land and an agreement from such lender(s) not to challenge the validity, enforceability of, or compliance with, the Royalty or this Agreement.
- (d) **Abandonment.** The Payor shall not abandon any licenses, patented or unpatented claims comprising part of the Property or any other interest in the Property unless it first complies with this Section 11(d) (provided that in the case of leased properties, the Payor shall only be required to comply with this Section 11(d) to the extent permitted under the applicable lease or sublease). If the Payor wishes to abandon any of the licenses, patented or unpatented claims comprising part of the Property or any other interest in the Property ("**Abandonment Property**"), the Payor shall first give notice of such intention to the

Payee at least 90 days in advance of the proposed date of abandonment. If, not less than 10 days before the proposed date of abandonment, the Payor receives from the Payee written notice that the Payee wishes to acquire the Abandonment Property, the Payor shall, without additional consideration but subject to compliance with Applicable Laws, convey the Abandonment Property in good standing free of Encumbrances other than Permitted Encumbrances for nominal consideration to the Payee or an assignee thereof, and shall thereafter have no further obligation to maintain title to the Abandonment Property. If the Payee does not give such notice to the Payor within the prescribed period of time, the Payor may abandon the Abandonment Property and shall thereafter have no further obligation to maintain title to the Abandonment Property; provided, however, that if any Royalty Entity reacquires a direct or indirect interest in any of the Abandonment Property at any time following such abandonment, the production of Minerals from such property shall be subject to the Royalty and this Agreement. The Payor shall give prompt written notice to the Payee of any such reacquisition.

- (e) **Title Opinions.** If any Royalty Entity prepares, or causes to be prepared, any title opinion or report in respect of all or any portion of the Property, the Payor shall promptly deliver a copy of such opinion or report to the Payee.
- (f) **Right of Payee to Cure Defects.** At any time, and from time to time, the Payee may, at its own expense (but subject to clause (ii) of this paragraph), undertake such investigation of the title and status of the Property as it shall deem necessary. If that investigation should reveal defects in the title, the Payor shall forthwith proceed to cure such title defects to the satisfaction of the Payee. If the Payor fails to do so: (i) the Payee may proceed to cure such title defects; (ii) any costs and expenses incurred (including attorney's fees and costs) by the Payee shall be promptly reimbursed by the Payor; and (iii) the Payee may lien the Property for such amounts until the Payor reimburses the Payee in full.

12. **Management of Mining Operations**

- (a) **Operational Decisions.** Subject to the provisions of this Section 12, all decisions concerning methods, the extent, times, procedures and techniques of any exploration, construction, development and mining operations related to the Property shall be made by the Payor in its sole and absolute discretion.
- (b) **Performance of Mining Operations.** The Payor shall ensure that all exploration, construction, development and mining operations and other activities in respect of the Property will be performed in a commercially reasonable manner in compliance with Applicable Laws, Permits and Other Rights, and in accordance with good mining, processing, engineering and environmental practices prevailing in the industry. The Payor shall use all commercially reasonable and lawful efforts to obtain and, once obtained, maintain all Permits necessary to commence and continue exploration, development and mining operations on the Property. The Payor shall use all commercially reasonable efforts to ensure that all Minerals from the Property will be processed in a prompt and timely manner.
- (c) **Offtake Agreements.** The Royalty Entities shall not sell or deliver Minerals other than pursuant to an Offtake Agreement, provided that subject to Section 3(1), the Royalty Entity shall be permitted to transfer Minerals to an Affiliate of a Royalty Entity to further process and upgrade Graphite Products into Enhanced Graphite Products for sale to an Offtaker pursuant to an Offtake Agreement.

- (d) **Maintenance of Mining Rights.** The Payor shall use all commercially reasonable and lawful efforts to maintain and apply for and obtain any and all available renewals and extensions of the Property, Permits, Other Rights and any and all other necessary rights in respect of the Project and the Property and, other than as expressly permitted by this Agreement, not abandon any of the Project and the Property (including Utility Commitments) or allow or permit any of the Property, Permits, Other Rights or such other necessary rights referred to above to terminate or lapse.
- (e) **Compliance with Applicable Laws.** The Payor shall comply, and shall cause all operations and activities conducted at, on or in respect of the Project and the Property to comply, with all Applicable Laws, all Permits and the terms and conditions of Other Rights.
- (f) **Reclamation Obligations.** The Payor shall timely and fully perform, pay and observe, or cause to be performed, observed and paid, any and all liabilities and obligations required by any Applicable Laws, Permits or the terms and conditions of Other Rights or by any Governmental Authority for the reclamation, restoration or closure of any facility or land used in connection with the Royalty Entities' operations or activities at, on or in respect of the Project or the Property or required under this Agreement. The Payor shall not undertake, cause, suffer, or permit any condition or activity at, on or in the vicinity of the Property which constitutes or results in a violation of Environmental Laws. If any Royalty Entity (i) fails to comply with Environmental Laws or (ii) undertakes any activity giving rise to liability under Environmental Laws (except as permitted or authorized by any Permit or by Applicable Law), the Payor shall promptly remedy and correct such failure to comply, satisfy such liability and otherwise take all necessary or desirable action to cure (whether through remediation, payment of penalties or otherwise) such non-compliance or liability and satisfy all obligations in connection therewith.
- (g) **Stockpiling off Property.** The Royalty Entities may temporarily stockpile, store or place Minerals off the Property provided that the Payor shall at all times do or cause to be done all things necessary to ensure that:
 - (i) such Minerals are appropriately identified as to ownership and origin; and
 - (ii) such Minerals are secured from loss, theft, tampering and contamination.
- (h) **Commingling.** The Payor shall ensure that the Royalty Entities do not process other minerals which are not Minerals through their processing plants, or commingle such other minerals with, Minerals mined, produced, extracted or otherwise recovered from the Property, unless (i) the applicable Royalty Entity has adopted and employs reasonable practices and procedures for weighing, determining moisture content, sampling and assaying and determining recovery factors (a "**Commingling Plan**"), such Commingling Plan to ensure the division of other minerals and Minerals for the purpose of determining the quantum of Minerals and other information necessary to calculate the Royalty payments to be made under this Agreement; (ii) the Payee shall not be disadvantaged as a result of the processing of other minerals in priority to, or concurrently with, Minerals (referred to herein as "**Displacement**"), or the parties, acting reasonably, shall have entered into an agreement to compensate the Payee for any such Displacement providing for a commensurate royalty or stream interest in such other minerals or another form of compensation (a "**Compensation Agreement**"); (iii) the Payee has approved the Commingling Plan and the Compensation Agreement if applicable, such approval not to be unreasonably withheld; and (iv) the Royalty Entities keep all Records required by the

Commingling Plan. The Payor agrees to revisit the Commingling Plan and the Compensation Agreement if the Payee determines that circumstances have changed, in order to ensure that the Commingling Plan continues to provide for the accurate measurement of Minerals and the Compensation Agreement reasonably compensates the Payee for any Displacement.

- (i) **Waste Materials.** All tailings, residues, waste rock, spoiled leach materials, and other waste materials (collectively, “**waste materials**”) resulting from the Royalty Entities’ operations and activities at and on the Property shall be the sole property of the Royalty Entities, but shall remain subject to the Royalty should the same be processed or reprocessed, as the case may be, in the future and result in the production of Minerals. In the event waste materials from the Property are processed or reprocessed, as the case may be, the Royalty payable thereon shall be determined using the best engineering and technical practices then available.

13. **Royalty and Stream Interests**

- (a) **General Prohibition.** The Payor shall not, and shall cause the other Royalty Entities to not, without the Payee’s prior written consent, create, grant, convey or otherwise agree to any royalty or stream interest, or enter into any agreements that are similar to a royalty agreement or a stream agreement, including, without limitation, a pre-paid mineral purchase agreement, in each case in respect of or with reference to, all or any portion of the Subject Property Minerals or the Subject Property, except as expressly permitted by and subject to this Section 13.

- (b) **Right of First Refusal**

- (i) **Right of First Refusal.** If the Royalty Entities or any of their Affiliates receives a *bona fide* written offer that it is willing to accept (a “**Third Party Offer**”) from any Person dealing at arm’s length with the Royalty Entities and their Affiliates to enter into a Stream Equivalent Agreement in or with reference to Subject Property Minerals (the “**Offered Interest**”), the recipient of such Third Party Offer may only accept the Third Party Offer conditional on and subject to this right of first refusal. The Royalty Entities shall ensure that the recipient entity promptly gives notice of the Third Party Offer (the “**Notice of Offer**”) to the Payee and complies with this Section 13(b)(i). The Notice of Offer must contain a copy of the Third Party Offer and disclose the identity of the Person making the Third Party Offer (including the name of any corporate or economic group to which it may belong to the extent within the knowledge of the Payor after due inquiry) (the “**Third Party Offeror**”). If the Third Party Offer provides for any non-cash consideration to be paid to such recipient entity in respect of the Offered Interest, the Notice of Offer must specify such recipient entity’s good faith estimate of the cash equivalent value of such non-cash consideration. In addition, the Royalty Entities shall ensure that such recipient entity concurrently provides to the Payee copies of any material written information provided to the Third Party Offeror in respect of the Offered Interest. If the Offered Interest is being offered for sale to the Third Party Offeror together with or in conjunction with other assets of such recipient entity, the Payee will, in accordance with Section 13(b)(ii), be entitled to purchase only the Offered Interest, and the Notice of Offer must specify such recipient entity’s good faith estimate of the cash equivalent value being offered by the Third Party Offeror for the Offered Interest. If the Payee does not agree with any one or

more of the foregoing estimates (a “**Valuation Dispute**”) such estimate shall conclusively be determined by a firm of chartered accountants appointed by such recipient entity and acceptable to the Payee, acting reasonably, and the costs of such determination shall be borne by the Payee unless the estimate so determined is less than the disputed estimate of the Payor, and in such case, the costs of such determination shall be borne by the Payor. Within five (5) Business Days of receiving such determination, such recipient entity shall elect to either accept or reject such determination by providing written notice to the Payee (failing which such recipient entity shall be deemed to have rejected such determination). If such recipient entity elects to accept such determination in accordance with the foregoing, such determination shall be binding upon such recipient entity and the Payee, in which case all time periods referred to in Section 13(b)(ii) shall be extended by the time taken to obtain such final determination and make such election. If such recipient entity elects (or is deemed to have elected) to reject such determination in accordance with the foregoing, then the Payee shall have no further rights with respect to such Notice of Offer, and the recipient entity will not be permitted to complete the transaction contemplated by the Third Party Offer (a “**Third Party Offer Termination Event**”), and the rights of the Parties pursuant to this Section 13(b) will continue in respect of any subsequent Third Party Offer received by the Payor or any of its Affiliates. Upon the Notice of Offer being given, and provided that a Valuation Dispute has not occurred, or if a Valuation Dispute has occurred, such Valuation Dispute has been resolved without resulting in a Third Party Offer Termination Event, the Payee will have the right to purchase all, but not less than all, of the Offered Interest at the purchase price contained in the Notice of Offer (the “**ROFR Consideration**”), and otherwise upon the same terms and conditions as are contained in the Third Party Offer, *mutatis mutandis*.

- (ii) If the Payee desires to exercise its right to purchase all of the Offered Interest as contemplated by Section 13(b)(i), the Payee will give notice of such desire (the “**ROFR Exercise Notice**”) to such recipient entity within sixty (60) calendar days of having been given the Notice of Offer. The giving of the ROFR Exercise Notice shall initiate a sixty (60) calendar day period during which the Payee and the recipient entity shall negotiate expeditiously and in good faith to agree definitive documentation with respect to a legally binding agreement between the Payee and such recipient entity for the sale to the Payee of the Offered Interest in accordance with the terms set out in the Third Party Offer (provided that the purchase price will be the ROFR Consideration) which sale transaction will be completed on the date provided in such definitive documentation (or on such other date as such Payee and such recipient Royalty Entity shall agree) by delivery of the Offered Interest by such recipient entity to the Payee against payment by the Payee to such recipient entity of the ROFR Consideration by wire transfer, certified cheque or bank draft. Any dispute between the parties with respect to compliance with, or any failure to agree on definitive documentation as contemplated by, this Section 13(b) shall be resolved in accordance with Section 22 hereunder.
- (iii) If the Payee does not give the ROFR Exercise Notice in accordance with the provisions of Section 13(b)(ii) then the right of the Payee to purchase the Offered Interest will terminate and such recipient entity may sell all, but not less than all, of the Offered Interest to the Third Party Offeror in accordance with the terms of the Third Party Offer at any time within ninety (90) calendar days after the expiry of the applicable sixty (60) calendar day period specified in Section 13(b)(ii). If

the Offered Interest is not so sold within such ninety (90) calendar day period on such terms, the rights of the Parties pursuant to this Section 13(b) will again take effect with respect thereto.

14. **Insurance Matters**

- (a) **Maintenance of Insurance.** The Payor shall ensure that insurance is maintained with reputable insurance companies with respect to the Project and the operations conducted at, on and in respect thereof against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar operations in Canada. Without limiting the foregoing, such insurance shall include workers compensation insurance in amounts required by Applicable Laws, and commercial general liability insurance in such amounts as will, in the Payee's reasonable judgment, adequately protect the Royalty Entities, the Payee, the Royalty, and the Property from any Losses which may reasonably be expected to arise with respect to this Agreement or the Property and that can be covered by commercial general liability insurance.
- (b) **Shipment of Minerals.** The Payor shall ensure that each shipment of Minerals 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 Minerals is transferred to the Offtaker.
- (c) **Loss Payee.** The Payor shall cause the Payee to be named a loss payee (as its interests may appear) on all insurance policies of the Royalty Entities covering loss of or damage to the Minerals.
- (d) **Notice of Loss or Damage.** The Payor shall promptly provide the Payee with written notice of any material loss or damage suffered to the Property or any Minerals and whether any Royalty Entity plans to make any insurance claim.

15. **Representations and Warranties of the Payee**

The Payee, acknowledging that the Royalty Entities are entering into this Agreement in reliance thereon, hereby makes the representations and warranties to the Royalty Entities as set out in Schedule F.

16. **Representations and Warranties of the Payor**

The Royalty Entities, acknowledging that the Payee is entering into this Agreement in reliance thereon, hereby jointly and severally make the representations and warranties to the Payee as set out in Schedule G.

17. **Indemnities**

The Royalty Entities agree to indemnify and save the Payee and its Affiliates and the directors, officers, employees and agents of the foregoing harmless from and against any and all Losses suffered or incurred by any of them as a result of, in respect of, or arising as a consequence of the Payee entering into this Agreement and the matters contemplated therein, including:

- (a) any breach or inaccuracy of any representation or warranty of the Royalty Entities contained in this Agreement, including the representations and warranties set forth in

Schedule G hereto, or in any document, instrument or agreement delivered pursuant hereto or thereto;

- (b) any breach, including breach due to non-performance, by the Royalty Entities of any covenant or agreement to be performed by the Royalty Entities contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto or thereto;
- (c) operation of the Project;
- (d) the failure of any of the Royalty Entities to comply with any Applicable Law, including any Applicable Law relating to environmental matters and reclamation obligations, with respect to the Project;
- (e) the physical environmental condition of the Project and matters of health and safety related thereto or any action or claim brought with respect thereto (including conditions arising before the date of this Agreement); and
- (f) any actual or threatened withdrawal by any Governmental Authority of any Permit under Environmental Laws which is necessary for the construction or operation of the Project, or any actual or threatened challenge by any Person to any Permit under Environmental Laws which is necessary for the development or operation of the Project,

provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct of such indemnified persons. This Section 17 shall survive termination of this Agreement.

18. **Term**

The term of this Agreement shall commence on the date of the Original Royalty Agreement and shall be perpetual.

19. **Restricted Transfer Rights of the Royalty Entities**

- (a) **Prohibited Transfers.** The Royalty Entities may not Transfer, in whole or in part, directly or indirectly, its rights and obligations under this Agreement or all or any portion of the Property unless the Transferee (i) has first entered into an agreement, in form and substance satisfactory to the Payee, agreeing to be bound by this Agreement, and (ii) is not a Restricted Person.
- (b) **Transfers of Interests in Payor.** For greater certainty, (i) an amalgamation, merger or consolidation of the Payor with or into another body corporate, including by way of a plan of arrangement, or (ii) where the majority of the Payor's shares are listed on a public securities exchange, a transfer of shares of the Payor, including a transfer of all of the shares pursuant to a takeover bid and subsequent acquisition transaction (including compulsory acquisition) or plan of arrangement, is not prohibited; provided, however, that in the case of clause (i), any successor entity to the Payor shall have acknowledged in an agreement, in form and substance satisfactory to the Payee, acting reasonably, that it is bound by this Agreement.
- (c) **Effect of Prohibited Transfer.** Any Transfer made in violation of this Section 19 shall be null and void and of no force or effect whatsoever.

20. **Transfer Rights of the Payee**

- (a) **Transfers.** The Payee shall have the right to Transfer or encumber, in whole or in part, its rights and obligations under this Agreement to any Person other than (i) a Restricted Person, or (ii) [REDACTED: CONFIDENTIAL INFORMATION], without the consent of the Payor, upon the delivery of notice of such Transfer to the Payor. [REDACTED: CONFIDENTIAL INFORMATION] In all cases, provided that such Person has agreed in writing to be bound by such Transferred obligations under this Agreement, the Payee, as applicable, shall be released from such Transferred obligations under this Agreement.
- (b) **Encumbrances.** Notwithstanding anything in this Agreement, the Payee shall have the right to Transfer by way of Encumbrance, in whole or in part, its rights and obligations under this Agreement to one or more lenders providing financing to the Payee or any of its Affiliates without notice to, or the consent of, the Payor. If such transferee enforces such Encumbrance, it will provide notice to the Payor and upon delivery of such notice, which notice shall also confirm that such transferee agrees to be bound by such transferred obligations under this Agreement, such Transferee shall become a party to this Agreement with all of the rights and obligations of the Payee.

21. **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Subject to Section 22, each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

22. **Disputes and Arbitration**

- (a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof (a “**Dispute**”) may be referred, upon written notice (a “**Dispute Notice**”) by any Party to the chief executive officer of each of the Payor and the Payee for prompt resolution. If the Dispute cannot be resolved by the chief executive officers within 30 days of delivery of the Dispute Notice, any Party may refer the Dispute to be settled by binding arbitration in accordance with the process described in Section 22(b), except for any Disputes which are specifically required under this Agreement or Disputes that the Parties agree to be referred to the Independent Expert (Engineering), in which case such Dispute shall be resolved in accordance with the process described in Section 22(c).
- (b) Subject to such matters to be resolved in accordance with Section 22(c), any Party may refer a Dispute which has not been resolved by the chief executive officers in accordance with Section 22(a), to binding arbitration in accordance with the Arbitration Rules of the ADR Institute of Canada, Inc. (the “**Rules**”) but, subject to the agreement of both Parties, the ADR Institute of Canada, Inc. (the “**ADRIC**”) is not required to administer the arbitration (the “**Arbitration**”). Unless otherwise agreed to in writing by the Parties:
 - (i) The Arbitration shall be heard and determined by three (3) arbitrators. The arbitrator or arbitrators, as the case may be, shall be retired judges or senior legal practitioners with significant experience in commercial disputes and the Parties shall each appoint one (1) arbitrator within ten (10) days of the referral to Arbitration. The third arbitrator, who shall chair the arbitration panel, shall be

jointly appointed by the two arbitrators selected by the Parties within ten (10) days of their appointment;

- (ii) The Arbitration shall take place in Toronto, Ontario;
 - (iii) The Arbitration shall be conducted in English;
 - (iv) Subject to Article 34 of Schedule 2 to the *International Commercial Arbitration Act* (Ontario), all decisions of the Arbitration panel will be final and binding on the Parties and not subject to appeal; and
 - (v) All matters relating to the Arbitration, including all documents created in the course of or for the purposes of the Arbitration and any interim or final decision, order or award in the Arbitration, shall be kept confidential and shall not be disclosed by any Party to any third party (excluding their respective legal counsel and where necessary, financial advisors) without the prior written consent of the other Party, or unless required by Applicable Law.
- (c) All Disputes under this Agreement which have not been resolved by the chief executive officers in accordance with Section 22(a) and which are either specifically required to, or in the opinion of the Parties should, be resolved by a determination of the Independent Expert (Engineering), may be referred to such Independent Expert (Engineering) as the Parties may agree which process shall be conducted as follows:
- (i) the Parties will cooperate with the Independent Expert (Engineering) and promptly provide it with such information and documentation as requested by it for the purpose of its determination;
 - (ii) the Independent Expert (Engineering) may establish rules and procedures for the conduct of the determination process, including holding meetings with or requiring written submissions of the Parties;
 - (iii) the Independent Expert (Engineering) will be required to render its determination, in writing, within 30 days after it has received all relevant information and input from the Parties, and include in its determination an explanation of all methodologies used in making its determination;
 - (iv) the costs of the Independent Expert (Engineering) in making its determination will be borne by the Party which does not prevail in the dispute; and
 - (v) the final determination by the Independent Expert (Engineering) with respect to the matter before it will be final and binding on the Parties and will not be subject to appeal on any basis, including on a question of law or mixed fact and law, and in acting the Independent Expert (Engineering), will be acting as experts and not as arbitrators.
- (d) The Parties may not commence legal proceedings in any court in connection with a Dispute with the exception that a Party may, in its sole discretion, apply at any time to a court of competent jurisdiction for urgent interlocutory relief, or to enforce an interim or final decision, order or award from an Arbitration.

23. **Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sent or delivered to the respective Parties at their respective addresses or e-mail addresses set forth below (or at or to such other address, number or e-mail address as shall be designated by any Party in a written notice to the other Parties):

If to the Payor:

Graphite Nordique Inc.
c/o Northern Graphite Corporation
1000 Innovation Drive, Suite 500
Ottawa, Ontario
K2K 3E7

Attention: Hugues Jacquemin
Email: hjacquemin@northerngraphite.com

with copies to (which shall not constitute notice):

DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1E2

Attention: Vaughn MacLellan
E-mail: vaughn.maclellan@dlapiper.com

If to the Payee:

Sprott Private Resource Streaming and Royalty (B) Corp.
200 Bay Street, Suite 2600
Toronto, Ontario
M5J 2J1

Attention: **[REDACTED: CONFIDENTIAL INFORMATION]**
E-mail: **[REDACTED: CONFIDENTIAL INFORMATION]**

with copies to (which shall not constitute notice):

Torys LLP
79 Wellington Street West
30th Floor
Box 270, TD South Tower
Toronto, Ontario
M5K 1N2

Attention: Braden Jebson

E-mail: bjebson@torys.com

Any notice and communications shall be effective:

- (a) if delivered by hand, sent by certified or registered mail or sent by an overnight courier service, when received; and, provided that if such date is a day other than a Business Day, where the recipient Party is located, then such notice shall be deemed to have been given and received on the first Business Day, where the recipient Party is located, following the date of such delivery; and
- (b) if sent by e-mail transmission and successfully transmitted at or before 5:00 p.m. on a Business Day, where the recipient Party is located, then on that Business Day, and if transmitted after 5:00 p.m. on that day or on a day that is not a Business Day, then on the first Business Day, where the recipient Party is located, following the date of transmission.

24. **General Provisions**

- (a) **Further Assurances.** Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect the transactions contemplated herein, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.
- (b) **Obligations of Royalty Entities.** The Payor Parent agrees to take all action necessary to cause each and every other Royalty Entity to observe, comply with and perform its covenants and obligations in this Agreement. To the extent that any covenants or obligations in this Agreement are stated to be covenants or obligations of the Royalty Entities or any of them, the Payor Parent shall take all action necessary to cause such Royalty Entity to observe, comply with and perform such covenants or obligations, including causing such Royalty Entity to agree in writing in favour of the Payee to be bound by this Agreement.
- (c) **Confidentiality.** The Payee shall not, without the express written consent of the Payor, which consent shall not be unreasonably withheld, disclose any data or information concerning the operations of the Royalty Entities obtained in connection with this Agreement which is not already in the public domain (the “**Confidential Information**”); provided, however, the Payee may disclose Confidential Information without the consent of the Payor: (i) if required by Applicable Law or requested by a Governmental Authority having jurisdiction over the Payee or its Affiliates; (ii) to the Payee’s Affiliates and to any representatives, consultants or advisers of the Payee or its Affiliates for the purpose of providing services to the Payee or its Affiliates where such disclosure is necessary for the performance of such services; and (iii) to any Person to whom the Payee, in good faith, anticipates Transferring an interest in this Agreement as contemplated by Section 20(a) or 20(b) and such Person’s Affiliates and the representatives, consultants and advisers of such Person or its Affiliates. In the case of disclosure pursuant to clause (ii) or (iii), the Payee shall be responsible to ensure that the recipient of the Confidential Information does not disclose the Confidential Information to the same extent as if it were bound by the same non-disclosure obligations of the Payee hereunder. For greater certainty and notwithstanding the foregoing, the Payee shall be entitled to disclose without the consent of the Payor (i) publicly available data or information concerning the operations of the Royalty Entities, once such information has been publicly disclosed by any of the Royalty Entities, (ii) information regarding payments received or to be received hereunder.

- (d) **No Partnership.** Except with respect to the Royalty, for which the Payor shall have fiduciary duties to the Payee, nothing herein shall be construed to create, expressly or by implication, a joint venture, agency relationship, fiduciary relationship, mining partnership, commercial partnership or other partnership relationship between the Parties.
- (e) **Severability.** If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of this Agreement which shall be construed as if this Agreement had been executed without the invalid portion.
- (f) **Rule Against Perpetuities.** If an arbitrator, court or tribunal of competent jurisdiction determines that the term of this Agreement violates the rule against perpetuities, the rule against unreasonable restraints on the alienation of property or any other similar rule, then the term of this Agreement shall automatically be amended to coincide with the maximum term permitted by the rule against perpetuities, the rule against unreasonable restraints on the alienation of property or any other similar rule, as applicable, and this Agreement shall not be terminated solely as a result of such violation. The Parties irrevocably release and waive the applicability of the rule against perpetuities to the Royalty (including in respect of Section 3(c)). Each of the Royalty Entities and the Payee agrees and covenants, for itself and its successors and assigns, that it will not commence any action or arbitration proceeding to declare the Royalty ineffective, invalid or void based on the rule against perpetuities, and that it will not in any action or arbitration proceeding commenced by the other Party, or its successors and assigns, as applicable, assert as an affirmative defense against any claim for relief for enforcement of this Agreement that this Agreement is ineffective, invalid or void based on the rule against perpetuities.
- (g) **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, among the Parties.
- (h) **Amendment and Restatement.** This Agreement amends and restates the Original Royalty Agreement. All obligations and liabilities of the Payor and Payor Parent to the Payee under the Original Royalty Agreement shall be construed as obligations and liabilities of the Payor and the Payor Parent, as applicable, to the Payee under this Agreement. Nothing in this Agreement shall constitute a release or novation of any obligations and liabilities outstanding under the Original Royalty Agreement or any Royalty Security. The Payor and the Payor Parent hereby confirm to the Payee that, except as specifically stated herein, the Original Royalty Agreement as amended by this Agreement shall continue in full force and effect in accordance with the provisions thereof, and in particular but without limitation: (a) the Royalty Security continues in full force and effect in accordance with its terms notwithstanding this Agreement; and (b) the secured obligations or liabilities described in the Royalty Security include obligations and liabilities arising under or in relation to this Agreement and the Royalty Security extends thereto. All obligations and liabilities of the Payor and the Payor Parent under the Original Royalty Agreement and the Royalty Security shall be continuing with only the terms thereof being modified as provided in this Agreement, and this Agreement shall not evidence or result in a novation of such obligations or liabilities.
- (i) **Amendments.** This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

- (j) **Waiver.** The failure by any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision unless such waiver is acknowledged in writing, nor shall such failure affect the validity of this Agreement or any part thereof or the right of a Party to enforce each and every provision. No waiver of a breach of this Agreement shall be held to be a waiver of any other or subsequent breach.
- (k) **Specific Performance.** The Payor acknowledges that any breach of this Agreement may cause the Payee irreparable harm for which damages are not an adequate remedy. The Payor agrees that, in the event of any such breach, in addition to other remedies at law or in equity that the Payee may have, the Payee shall be entitled to seek specific performance.
- (l) **Cumulative Performance.** The rights and remedies of the Payee under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by Applicable Law.
- (m) **No Beneficiaries.** This Agreement is intended for the benefit of the Parties and their respective successors and permitted assigns and, except for the indemnified Persons referred to in Section 17, is not for the benefit of, nor may any provision in this Agreement be enforced by, any other Person. With respect to any indemnified Person who is not a party to this Agreement, the Payee, shall obtain and hold the rights and benefits of Section 17 in trust for and on behalf of such indemnified Person.
- (n) **Costs and Expenses.** Except as provided for otherwise in this Agreement and subject to the provisions of the Amended Credit Agreement, all costs and expenses incurred by the Payee in connection with this Agreement and the transactions contemplated hereby shall be paid or reimbursed by the Payor by wire transfer of immediately available funds, including but not limited to, third party expert and consultant fees, travel expenses and outside legal and professional fees, incurred prior to or after the date hereof in connection with, or incidental to, this Agreement and the transactions contemplated hereby, whether or not this Agreement is terminated prior to the Additional Closing Date.
- (o) **Payments.** All payments under this Agreement shall be paid in US dollars, unless specifically noted to be payable in another currency.
- (p) **Counterparts.** This Agreement may be executed in one or more counterparts and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or electronic format shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

GRAPHITE NORDIQUE INC.

By: (signed) “*Hugues Jacquemin*”
Name: Hugues Jacquemin
Title: President

NORTHERN GRAPHITE CORPORATION

By: (signed) “*Hugues Jacquemin*”
Name: Hugues Jacquemin
Title: Chief Executive Officer

**SPROTT PRIVATE RESOURCE
STREAMING AND ROYALTY (B) CORP.**

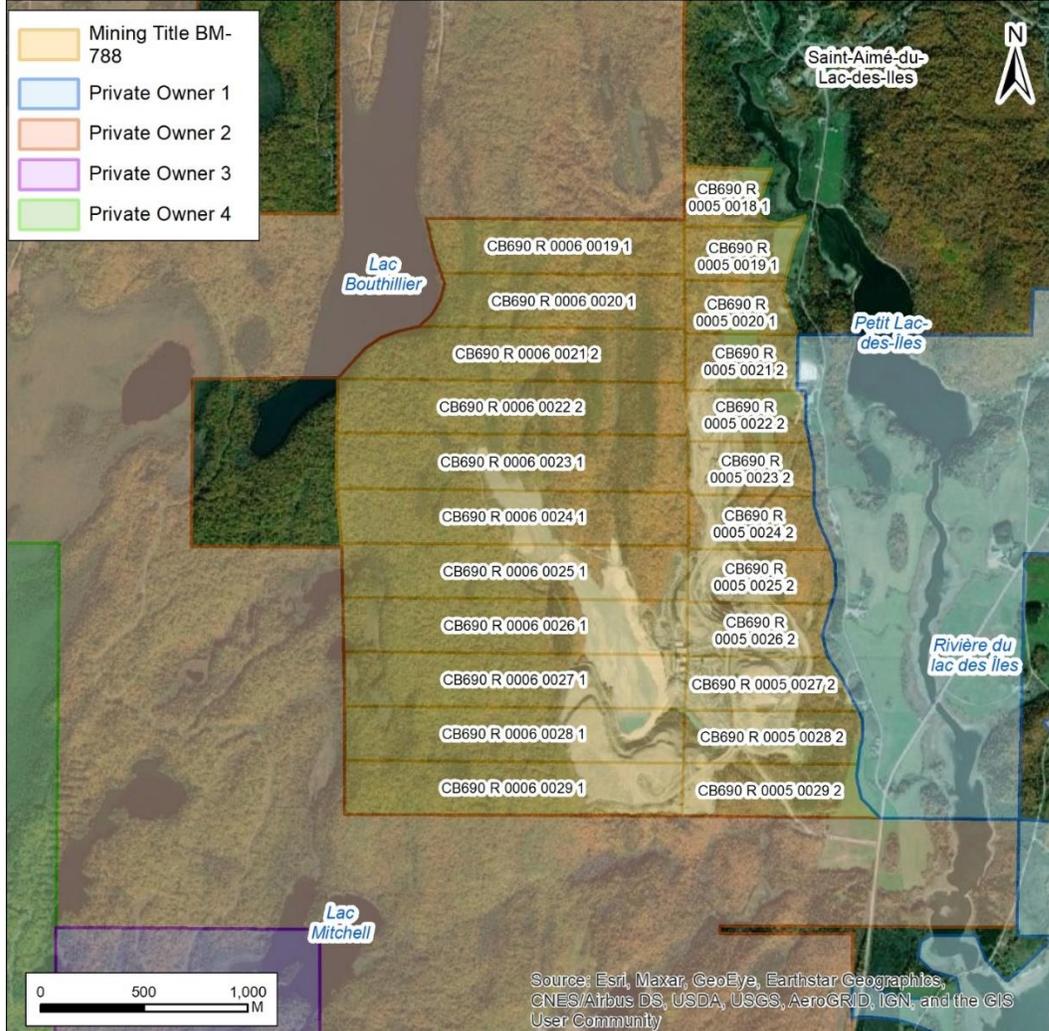
By: (signed) “*Michael Harrison*”
Name: Michael Harrison
Title: Chief Executive Officer

SCHEDULE A

DESCRIPTION OF THE LDI PROPERTY

Laurentides Region of the Antoine-Labelle Regional County Municipality, Quebec, Canada

Mining Lease BM-788, approximately 652.6 ha in area and covering 23 contiguous smaller claims (listed on the map below) as part of NTS sheet 31J05



SCHEDULE B
PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means any Encumbrance in respect of the Project or Property constituted by the following:

- (a) any Encumbrance existing on or after the date hereof in favour of or held on behalf of the Payee, including for greater certainty the Original Royalty;
- (b) any Encumbrance existing as of the Original Closing Date other than those not disclosed in breach of a representation and warranty of a Royalty Entity provided herein;
- (c) any Encumbrance imposed by law that was incurred in the ordinary course of business, including, without limitation, construction, carriers’, materialmans’, suppliers’, contractors’, subcontractors’, workers’, repairmans’, builders’, warehousemen’s and mechanics’ liens and other similar Encumbrances arising in the ordinary course of business, in each case for sums not yet due or being contested in good faith by appropriate proceedings and for which appropriate reserves in accordance with IFRS have been established to the extent required by IFRS;
- (d) any Encumbrance arising by operation of Applicable Law securing Taxes, assessments, royalties, rents and other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which appropriate reserves in accordance with IFRS have been established to the extent required by IFRS;
- (e) any reservations, or exceptions contained in the original grants of land or by applicable statute or the terms of any lease in respect of any Property, or comprising the Property;
- (f) Encumbrances as a result of any judgment or order rendered or claim filed against any of the Royalty Entities which is being contested in good faith by proper legal proceedings (and as to which any enforcement proceedings shall have been suspended by operation of law or stayed pending an appeal or other proceeding) and for which appropriate reserves in accordance with IFRS have been established to the extent required by IFRS;
- (g) title defects, encroachments or irregularities which are minor in nature with respect to the Property, minor discrepancies in the legal description or acreage of or associated with the Property or any adjoining properties which would be disclosed in an up to date survey and any pre-existing registered easements and servitudes, and pre-existing registered restrictions or pre-existing covenants that run with the land, in either case which do not materially detract from the value of, or materially impair the use of, the Property for the purpose of conducting and carrying out mining operations thereon;
- (h) rights of way for, or reservations of rights of others for, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances, surface access rights, restrictions, servitudes or easements, which do not in the materially detract from the use of the affected property for the purpose for which it is used in the operation of the business;

- (i) any rights of set-off or bankers' Encumbrances of any Person with respect to any deposit account of the Royalty Entities arising in the ordinary course of business and not constituting a financing transaction;
- (j) security deposits pertaining to the Project with any Governmental Authority and utilities in the ordinary course of business;
- (k) a right of title retention, rights resulting from a lease or purchase money security interests, including any conditional or instalment sales agreements, provided that any such purchase money security interest is limited to the specific asset that has been acquired and which has given rise to said encumbrance, in connection with the acquisition by the Royalty Entities of goods pertaining to the Project in the ordinary course of business;
- (l) Encumbrances securing the indebtedness issued or incurred in the ordinary course of business in connection with workers' compensation, employment insurance and other similar legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements to the extent required by law;
- (m) Encumbrances securing indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by a Royalty Entity by appropriate proceedings diligently conducted;
- (n) the extension or renewal or refinancing of any Permitted Encumbrance (other than an Encumbrance dealt with in paragraph (p)(p) below);
- (o) any Encumbrances granted in connection with the Original Credit Agreement and the Amended Credit Agreement; and
- (p) any Encumbrance created with the Payee's prior written consent.

SCHEDULE C

DESCRIPTION OF SUBJECT PROPERTY

Mining Leases

Mining Lease No. 109550 (being renewal of Mining Lease No. 106693) covering the lands in the County of Renfrew, Ontario described therein.

Mining Lease No. 109335 covering the lands in the County of Renfrew, Ontario described therein.

Mineral Claims

Southern Ontario Mining Division – 400757

Legacy Claim Id	Township / Area	Tenure ID	Tenure Type	Anniversary Date	Tenure Status	Tenure Percentage
4259855	MARIA	105622	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	106008	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	120037	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	165217	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	176731	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	183502	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	223324	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	227339	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	231862	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	244002	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	298549	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	298550	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	298551	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	298552	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	300099	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	300114	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	300115	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	338310	Single Cell Mining Claim	2024-03-18	Active	100
4259855	MARIA	345503	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	105622	Single Cell Mining Claim	2024-03-18	Active	100

4259856	MARIA	153925	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	171070	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	172694	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	172695	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	190037	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	190038	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	227337	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	227338	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	227339	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	239956	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	293960	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	322571	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	322572	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	345502	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	345503	Single Cell Mining Claim	2024-03-18	Active	100
4259856	MARIA	345504	Single Cell Mining Claim	2024-03-18	Active	100
4259861	MARIA	106986	Single Cell Mining Claim	2024-03-18	Active	100
4259861	MARIA	129282	Single Cell Mining Claim	2024-03-18	Active	100
4259861	MARIA	163231	Single Cell Mining Claim	2024-03-18	Active	100
4259861	MARIA	192773	Single Cell Mining Claim	2024-03-18	Active	100
4259861	MARIA	309376	Single Cell Mining Claim	2024-03-18	Active	100
4259861	MARIA	309377	Single Cell Mining Claim	2024-03-18	Active	100
4259862	MARIA	129282	Single Cell Mining Claim	2024-03-18	Active	100
4259862	MARIA	129371	Single Cell Mining Claim	2024-03-18	Active	100
4259862	MARIA	130754	Single Cell Mining Claim	2024-03-18	Active	100
4259862	MARIA	329681	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	103573	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	122581	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	161077	Single Cell Mining Claim	2024-03-18	Active	100

4259863	MARIA	161078	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	180538	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	180539	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	234429	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	271806	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	329681	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	341532	Single Cell Mining Claim	2024-03-18	Active	100
4259863	MARIA	341533	Single Cell Mining Claim	2024-03-18	Active	100

SCHEDULE D

FORM OF WARRANT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE [♦], 2022.

WITHOUT PRIOR WRITTEN APPROVAL OF THE 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 THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [♦], 2022.

THE WARRANTS EVIDENCED BY THIS CERTIFICATE ARE EXERCISABLE AT ANY TIME AND FROM TIME TO TIME UNTIL 5:00 P.M. (TORONTO TIME) ON [♦], 2024 SUBJECT TO THE PROVISIONS HEREOF.

WARRANT CERTIFICATE TO PURCHASE COMMON SHARES

OF

NORTHERN GRAPHITE CORPORATION

(existing under the laws of Ontario)

Number - 2022-LW-[♦]

Number of Warrants represented
by this certificate: [♦]

THIS CERTIFIES that, for value received, [Insert name and address] (the “Holder”), is the registered holder of [♦] common share purchase warrants (the “Warrants”), each of which entitles the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the “Warrant Certificate”), to purchase from Northern Graphite Corporation (the “Corporation”), one common share in the capital of the Corporation (a “Common Share”), at any time and from time to time until 5:00 p.m. (Toronto time) (the “Time of Expiry”) on [♦], 2024 (the “Expiry Date”) on payment of \$1.01 per Common Share (the “Exercise Price”).

1. Exercise of Warrants

- (a) Election to Exercise. The rights evidenced by this Warrant Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to exercise (“**Election to Exercise**”) in substantially the form attached hereto as Schedule “A”, properly completed and executed, together with payment of the Exercise Price by bank draft or certified cheque or such other form as is acceptable to the Corporation, acting reasonably, payable to or to the order of the Corporation in the amount of the Exercise Price multiplied by the number of Common Shares specified in the Election to Exercise at the office of the Corporation, at Northern Graphite Corporation, Administrative Office c/o 5601 Carrison Drive, Manotick, ON K4M 1K7 or such other address in Canada as the Holder may be notified of in writing by the Corporation. In the event that the rights evidenced by this Warrant Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Common Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Common Shares in respect of which the Holder has not exercised the rights evidenced by this Warrant Certificate.
- (b) Exercise. The Corporation shall, as promptly as practicable, and in no event later than three business days after it receives a duly executed Election to Exercise and funds equal to the aggregate Exercise Price for the number of Common Shares specified in the Election to Exercise

(the "**Exercise Date**"), issue that number of Common Shares specified in the Election to Exercise, as fully paid and non-assessable shares. The Holder hereby acknowledges that the Warrants and the Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, Canada, or any other jurisdiction, and that the Warrants may not be exercised by or on behalf of a person in the "United States" (as such term is defined in Regulation S under the U.S. Securities Act) or a "U.S. person" (as such term is defined in Regulation S under the U.S. Securities Act) nor may the Common Shares be offered or sold in the United States.

- (c) Share Certificates. As promptly as practicable after the Exercise Date and, in any event, within three business days of receipt of the Election to Exercise, the Corporation shall issue and deliver (or cause to be issued and delivered) to the Holder, registered in such name or names as the Holder may direct, or if no such direction has been given, in the name of the Holder, or certificate or certificates for the number of Common Shares to which the Holder is entitled based on the number of Common Shares specified in the Election to Exercise. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease automatically and with no further action required, and the person or persons in whose name or names any share certificate or certificates shall then be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Common Shares represented thereby.
- (d) Fractional Common Shares. No fractional Common Shares shall be issued upon exercise of the Warrants, and in such case, the number of Common Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number.

2. **Anti-dilution**

- (a) Corporate Changes. Subject to section 4 hereof, if, on or prior to the Time of Expiry on the Expiry Date, the Corporation shall be a party to any reorganization, merger, amalgamation, dissolution or sale of all or substantially all of its assets, whether or not the Corporation is the surviving entity, the number of Common Shares issuable upon exercise of the Warrants evidenced by this Warrant Certificate shall be adjusted so as to apply to the securities to which the holder of that number of Common Shares subject to the unexercised Warrants would have been entitled by reason of such reorganization, merger, amalgamation, dissolution or sale of all or substantially all of its assets (the "**Event**"), and the Exercise Price shall be adjusted to be the amount determined by multiplying the Exercise Price in effect immediately prior to the Event by the number of Common Shares subject to the unexercised Warrants immediately prior to the Event, and dividing the product thereof by the number of securities to which the holder of that number of Common Shares subject to the unexercised Warrants would have been entitled to by reason of such Event.
- (b) Subdivision or Consolidation of Common Shares.
 - (i) If, on or prior to the Time of Expiry on the Expiry Date, the Corporation shall subdivide its outstanding Common Shares into a greater number of Common Shares or issue any Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than any stock dividends constituting dividends paid in the ordinary course), the Exercise Price in effect immediately prior to such subdivision or dividend shall be proportionately reduced, and conversely, in case the outstanding Common Shares shall be consolidated into a smaller number of Common Shares, the Exercise Price in effect immediately prior to such consolidation shall be proportionately increased (any such subdivision, dividend or consolidation being hereinafter referred to as a "**Capital Reorganization**").

- (ii) Upon each adjustment of the Exercise Price in paragraph 2(b)(i) above, the Holder shall thereafter be entitled to acquire upon exercise of the Warrants evidenced by this Warrant Certificate, at the Exercise Price resulting from such adjustment, that number of Common Shares (calculated to the nearest tenth of a Common Share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Common Shares which may be acquired hereunder immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.
- (c) Change or Reclassification of Common Shares. If, on or prior to the Time of Expiry on the Expiry Date, the Corporation shall change or reclassify its outstanding Common Shares into a different class of securities, the rights to acquire Common Shares upon exercise of the Warrants evidenced by this Warrant Certificate shall be adjusted as follows so as to apply to the successor class of securities:
 - (i) the number of the successor class of securities which the Holder shall be entitled to acquire shall be that number of the successor class of securities which a holder of that number of Common Shares subject to the unexercised Warrants immediately prior to the change or reclassification would have been entitled to by reason of such change or reclassification; and
 - (ii) the Exercise Price shall be determined by multiplying the Exercise Price in effect immediately prior to the change or reclassification by the number of Common Shares subject to the unexercised Warrants immediately prior to the change or reclassification, and dividing the product thereof by the number of Common Shares determined in paragraph 2(c)(i) hereof.
- (d) Offering to Shareholders. If, on or prior to the Time of Expiry on the Expiry Date, the Corporation shall fix a record date or if a date of entitlement to receive is otherwise established (any such date being hereinafter referred to in this paragraph 2(d) as the “**record date**”) for the issuance of rights, options or warrants to all or substantially all the holders of the outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares or securities convertible into or exchangeable for Common Shares at a price per share or, as the case may be, having a conversion or exchange price per share less than 95% of the Fair Market Value (as hereinafter defined) on such record date (any such event being hereinafter referred to as a “**Rights Offering**”), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number arrived at by dividing the aggregate subscription or purchase price of the total number of additional Common Shares offered for subscription or purchase or, as the case may be, the aggregate conversion or exchange price of the convertible or exchangeable securities so offered by such Fair Market Value, and the denominator of which shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered (or, as the case may be, into which the convertible or exchangeable securities so offered are convertible or exchangeable). Common Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed. To the extent that any rights or warrants are not so issued or any such rights or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number of Common Shares or conversion or exchange rights contained in convertible or exchangeable securities actually issued upon the exercise of such rights or warrants, as the case may be.

- (e) Special Distribution. If, on or prior to the Time of Expiry on the Expiry Date, the Corporation shall fix a record date (any such date being hereinafter referred to in this paragraph 2(e) as the “**record date**”) for the distribution to all or substantially all the holders of the outstanding Common Shares of:
- (i) shares of any class, whether of the Corporation or any other corporation;
 - (ii) rights, options or warrants;
 - (iii) evidences of indebtedness; or
 - (iv) other assets or property;

and if such distribution does not constitute (A) a Capital Reorganization, (B) a Rights Offering, or (C) a dividend paid in the ordinary course (any such non-excluded event being hereinafter referred to as a “**Special Distribution**”) the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction: (I) the numerator of which shall be the amount by which (1) the amount obtained by multiplying the number of Common Shares outstanding on such record date by the Fair Market Value on such record date, exceeds (2) the Fair Market Value to the holders of such shares of such Special Distribution; and (II) the denominator of which shall be the total number of Common Shares outstanding on such record date multiplied by such Fair Market Value. Any Common Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such Special Distribution is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued.

- (f) Carry Over of Adjustments. No adjustment of the Exercise Price shall be made if the amount of such adjustment shall be less than 1% of the Exercise Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 1% of the Exercise Price.
- (g) Adjustment to Number of Common Shares. If any adjustment in the Exercise Price shall occur as a result of: (i) the fixing by the Corporation of a record date for an event referred to in paragraph 2(d); or (ii) the fixing by the Corporation of a record date for an event referred to in either of paragraph 2(e)(i) or paragraph 2(e)(ii), then the number of Common Shares issuable upon any subsequent exercise of a Warrant shall be simultaneously adjusted by multiplying the number of Common Shares issuable upon the exercise of a Warrant immediately prior to such adjustment by a fraction which shall be the reciprocal of the fraction employed in the adjustment of the Exercise Price. To the extent that any adjustment in subscription rights occurs pursuant to this paragraph 2(g) as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in paragraph 2(e), the number of Common Shares issuable upon exercise of a Warrant shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the number of Common Shares which would be issuable based upon the number of shares actually issued immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right. To the extent that any adjustment in Common Shares occurs pursuant to this paragraph 2(g) as a result of the fixing by the Corporation of a record date for the distribution of exchangeable or convertible securities or rights, options or warrants referred to in paragraph 2(e), the number of Common Shares issuable upon exercise of the Warrant shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the number which would be

purchasable pursuant to this paragraph 2(g) if the Fair Market Value of such securities or such rights, options or warrants had been determined for purposes of the adjustment pursuant to this paragraph 2(g) on the basis of the number of shares issued immediately after such expiration.

- (h) Effective Date of Adjustment. Any adjustment to the number of Common Shares shall be effective as of the date thereof, whether or not the Warrants have been exercised.
- (i) Notice of Adjustment. Upon any adjustment of the number of Common Shares issuable upon exercise of the Warrants evidenced by this Warrant Certificate and upon any adjustment of the Exercise Price, then and in each such case the Corporation shall give written notice thereof to the Holder, which notice shall state the Exercise Price and the number of Common Shares or other securities issuable upon exercise of the Warrants evidenced by this Warrant Certificate resulting from such adjustment, and shall set forth in reasonable detail the method of calculation and the facts upon which such calculation is based.
- (j) Other Notices. If, prior to the Time of Expiry on the Expiry Date:
 - (i) the Corporation shall declare any dividend upon its shares payable in Common Shares;
 - (ii) the Corporation shall offer for subscription *pro rata* to the holders of its Common Shares any additional shares of any class or other rights, options or warrants;
 - (iii) there shall be any Capital Reorganization or reclassification of the capital stock of the Corporation, or amalgamation or merger of the Corporation with, or sale of all or substantially all of its assets to, another corporation; or
 - (iv) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, in any one or more of such cases, the Corporation shall give to the Holder (A) at least 10 days' prior written notice of the date on which a record date shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such Capital Reorganization, reclassification, merger, amalgamation, sale, dissolution, liquidation or winding-up and (B) in the case of any such Capital Reorganization, reclassification, merger, sale, dissolution, liquidation or winding-up, at least 10 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (A) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Shares shall be entitled thereto, and such notice in accordance with the foregoing clause (B) shall also specify the date on which the holders of Common Shares shall be entitled to exchange their shares for securities or other property deliverable upon such Capital Reorganization, reclassification, merger, amalgamation, sale, dissolution, liquidation or winding-up, as the case may be.

- (k) Common Shares to be Reserved. The Corporation will at all times keep available, and reserve if necessary, out of its authorized shares, solely for the purpose of issue upon the exercise of the Warrants, such number of Common Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all Common Shares issuable upon exercise of Warrants will, upon issuance, be duly authorized and issued as fully paid and non-assessable Common Shares. The Corporation will take all such actions as may be necessary to ensure that all such Common Shares may be so issued without violation of any applicable requirements of any exchange upon which the Common Shares may be listed. The Corporation will take all such actions as are within its power to ensure that all such Common Shares may be so issued without violation of any applicable law.

- (l) Issue Tax. The issuance of certificates for Common Shares upon the exercise of Warrants shall be made without charge to the Holder, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the Holder.
- (m) Fair Market Value. For the purposes of any computation hereunder, the “**Fair Market Value**” at any date shall be the weighted average sale price per share for the Common Shares for the 20 consecutive trading days ending immediately before such date on the TSX Venture Exchange.
- (n) Material Events: If prior to the Expiry Date the Corporation takes any action affecting the Common Shares, other than in respect of an event provided for in this section 2, which would materially affect the rights of the Holder hereunder, the Exercise Price, the number of Common Shares or other securities which are to be received upon the exercise of the Warrants will be adjusted in such manner, if any, and at such time, as shall be determined by the board of directors of the Corporation.

3. Replacement

Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Warrant Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Warrant Certificate), the Corporation will issue to the Holder a replacement certificate containing the same terms and conditions as this Warrant Certificate.

4. Expiry Date

The Warrants shall expire and all rights to purchase Common Shares hereunder shall cease and become null and void at the Time of Expiry on the Expiry Date.

5. Transfer of Warrants

The Holder acknowledges that the Warrants evidenced hereby are non-transferable under the policies of the TSX Venture Exchange (“**TSXV**”). Accordingly, the Warrants evidenced hereby may not be transferred by the Holder without the approval of the TSXV. In the event that TSXV approval is received for any transfer of the Warrants evidenced hereby, subject to compliance by the Holder with any applicable resale restrictions and any other applicable laws and regulatory requirements, the Corporation acknowledges and agrees that the Warrants evidenced hereby may be assigned or transferred by the Holder at the Holder's option. It is the sole responsibility of the Holder to ensure that all such restrictions, laws and regulatory requirements have been observed, including the policies of the TSXV and the terms and conditions of any approval received by the TSXV permitting the transfer of the Warrants. Upon any such permitted assignment or transfer, the Holder shall furnish the Corporation with this Warrant Certificate together with a warrant transfer form (“Warrant Transfer Form”) in substantially the form attached hereto as Schedule “B”, and such other documents and information regarding the transferee as the Corporation may reasonably require to register these Warrants in the name of the transferee and, upon satisfaction of such requirements, the Corporation shall execute and deliver a new Warrant certificate in the name of the transferee named in such Warrant Transfer Form for the number of unexercised Warrants and this Warrant Certificate shall be promptly cancelled.

6. Covenant

The Corporation hereby covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such other act, deed and assurance as the Holder shall reasonably require for the better accomplishing and effectuating of the intentions and provisions of this Warrant Certificate.

7. Resale Restrictions, Legending of Certificates

Any Common Shares issued upon exercise of the Warrants evidenced by this Warrant Certificate will, if applicable, bear the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE [✦], 2022.

WITHOUT PRIOR WRITTEN APPROVAL OF THE 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 THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [✦], 2022.

8. Not a Shareholder

Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Corporation.

9. Governing Law

The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants. Any and all disputes arising under this Warrant Certificate, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the Province of Ontario and the Holder shall be deemed to have irrevocably attorned to the jurisdiction of the courts of such Province.

10. Successors

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors. In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume the due and punctual performance and observance of each and every covenant and condition of this Warrant Certificate to be performed and observed by the Corporation.

11. Notices

All notices or other communications to be given under this Warrant Certificate shall be delivered by hand or by electronic transmission and, if delivered by hand, shall be deemed to have been given on the delivery date and, if sent by electronic transmission, on the date of transmission if sent before 5:00 p.m. on a business day, excluding statutory holidays observed in the Province of Ontario, or, if such day is not a business day, on the first business day following the date of transmission.

Notices to the Corporation shall be addressed to:

Northern Graphite Corporation
Administrative Office
c/o 5601 Carrison Drive
Manotick, ON K4M 1K7
Office phone: (613) 692-7704

Attention: Gregory Bowes

Email: gbowes@northerngraphite.com

Notices to the Holder shall be addressed to the Holder at the address listed on the warrant register of the Corporation.

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

[Signature Page Follows]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer or director.

DATED as of [•], 2022.

NORTHERN GRAPHITE CORPORATION

Per: _____
Authorized Signatory

SCHEDULE "A"

ELECTION TO EXERCISE

TO: Northern Graphite Corporation
Administrative Office
c/o 5601 Carrison Drive
Manotick, ON K4M 1K7
Office phone: (613) 692-7704

Capitalized terms used herein have the meanings ascribed thereto in the Warrant Certificate (the "Certificate") dated [•], 2022, to which this schedule is attached.

The undersigned Holder hereby irrevocably elects to exercise the Warrants granted by the Corporation pursuant to the Certificate for the number of Common Shares (or other property or securities contemplated in the Certificate) as set forth below:

- (a) Number of Common Shares to be acquired _____
- (b) Exercise Price (per Common Share) \$ _____
- (c) Aggregate Exercise Price \$ _____

The Holder hereby tenders a certified cheque, bank draft or cash for such aggregate Exercise Price and directs the Common Shares to be registered and certificates therefor to be issued as directed below.

The undersigned hereby represents and warrants that the undersigned (i) at the time of exercise of the Warrants represented by this Certificate is not in the United States (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) and is not exercising the Warrants on behalf of a person in the United States (ii) is not a "U.S. person" (as such term is defined in Regulation S under the U.S. Securities Act) and is not exercising the Warrants represented by this Certificate on behalf of a U.S. person, and (iii) did not execute or deliver this Election to Exercise in the United States and (iv) is eligible to receive such Common Shares in accordance with all applicable securities and other laws.

Direction as to Registration

Name of Registered Holder: _____

Address of Registered Holder: _____

- PLEASE CHECK THIS BOX IF THE CERTIFICATES REPRESENTING THESE SECURITIES ARE TO BE DELIVERED AT THE OFFICE OF THE CORPORATION, FAILING WHICH THE CERTIFICATES WILL BE MAILED TO THE ADDRESS(ES) SET FORTH ABOVE.**

DATED this _____ day of _____, 20__.

Per: _____

Name: _____

Title: _____

SCHEDULE "B"

WARRANT TRANSFER FORM

TO: Northern Graphite Corporation
Administrative Office
c/o 5601 Carrison Drive
Manotick, ON K4M 1K7
Office phone: (613) 692-7704

Certificate of Transferor

The undersigned holder of the within Warrant Certificate hereby sells, assigns and transfers to _____ **[name of Transferee]**, _____ **[number of Warrants]** of Northern Graphite Corporation (the "**Corporation**") registered in the name of the undersigned on the records of the Corporation represented by the attached Warrant Certificate and irrevocably appoints _____, the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

DATED this _____ day of _____, 20____.

Signature Guaranteed

Signature of Transferor

Certificate of Transferee

The undersigned certifies as follows (check only one):

- A [] The undersigned is not in the United States, is not acquiring the Warrants for the account or benefit of a person in the United States or a U.S. Person, was not offered the Warrants in the United States and was not in the United States when it agreed to acquire the Warrants; or
- B [] Submits herewith evidence that the transfer of Warrants to the undersigned does not require registration under the United States Securities Act of 1933, as amended, or any applicable securities laws, it being understood that such evidence must be satisfactory in form and substance to the Corporation.

DATED this _____ day of _____, 20____.

Signature of Transferee

INSTRUCTIONS:

1. Signature of the Holder must be the signature of the person whose name appears on the face of the Warrant Certificate.
2. If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

3. Warrants shall only be transferable in accordance with applicable laws and are subject to the terms and conditions contained in the certificate to which this Warrant Transfer Form is scheduled.
4. The signature of the Transferor on this Warrant Transfer Form must be guaranteed by a Canadian chartered bank, Canadian trust company, or a member of a recognized Medallion Guarantee program. The guarantor, in the case of a bank or trust company, must affix a stamp bearing the actual words: "**SIGNATURE GUARANTEED**".

SCHEDULE E FORM OF HYPOTHEC

DEED OF HYPOTHEC

ON THIS ● day of ●, ●,

BEFORE ●, the undersigned Notary, practising in the City and District of ●, Province of Quebec,

APPEARED:

SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY (B) CORP., a legal person existing under the laws of Ontario and having an office at 200 Bay Street, Suite 2600, Toronto, Ontario M5J 2J1, herein acting and represented by ●, hereunto duly authorized by a power of attorney dated ●, a certified copy, extract or duplicate of which is attached hereto as Appendix “A”, after having been acknowledged true and signed for identification by the said representative with and in the presence of the undersigned Notary,

(hereinafter called the “**Secured Party**”):

AND:

NORTHERN GRAPHITE CORPORATION, a legal person existing under the laws of Ontario, having its registered office at 6000, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1E2, herein acting and represented by ●, hereunto duly authorized by resolutions of its board of directors dated ●, a certified copy, extract or duplicate of which is attached hereto as Appendix “B”, after having been acknowledged true and signed for identification by the said representative with and in the presence of the undersigned Notary,

(hereinafter called the “**First Grantor**”)

AND:

GRAPHITE NORDIQUE INC., a legal person existing under the laws of Ontario, having its registered office at 6000, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1E2, herein acting and represented by ●, hereunto duly authorized by resolutions of its board of directors dated ●, a certified copy, extract or duplicate of which is attached hereto as

Appendix “C”, after having been acknowledged true and signed for identification by the said representative with and in the presence of the undersigned Notary,

(hereinafter called the “**Second Grantor**”, and together with the First Grantor and each of their respective successors and permitted assigns, including, without limitation, any Person resulting from the amalgamation or continuation thereof, collectively, the “**Grantors**” and individually, a “**Grantor**”)

WHEREAS as continuing collateral security for the due payment, *inter alia*, of the Secured Obligations (as hereinafter defined), each Grantor has agreed to hypothecate all of its present and future immovable property;

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Capitalized terms used herein and defined in the Royalty Agreement (as hereinafter defined) shall have the meaning ascribed to them in the Royalty Agreement unless otherwise defined herein and, as used herein, the following terms have the following meanings unless there is something in the subject matter or context inconsistent therewith:

“**Adverse Encumbrance**” means any hypothec, security interest, lien, encumbrance, charge, right or prior claim (other than the Permitted Charges) whether ranking prior to, equal with or after the security hereby created, or any seizure or attachment, which affects the whole or any portion of the Charged Property.

“**Applicable Law**” means, with respect to any Person, any federal, provincial, state, local, municipal or foreign law, statute, treaty, rule or regulation or final, non-appealable determination of any arbitrator or any court or other Governmental Authority, in each case having legally binding effect upon and applicable to such Person or to any of its property.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, mining permit, development permit

or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**Charged Property**” means the universality of all of the immovable property, rights and assets of each Grantor, present and future, of whatsoever nature and wheresoever situated, including, without limitation:

- (a) all present and future:
 - (i) Immovables;
 - (ii) Insurance Policies;
 - (iii) Leases;
 - (iv) Proceeds;
 - (v) Related Property; and
 - (vi) Rents; and
- (b) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing.

As used in this Hypothec, the term “**Charged Property**” shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

“**Event of Default**” shall have the meaning ascribed thereto in Section 4.1.

“**Governmental Authority**” means any federal, provincial, state, regional, municipal or foreign court, government or governmental agency, board, tribunal, authority, instrumentality or regulatory body and includes Her Majesty the Queen in right of Canada or any Province or Territory thereof.

“**Hypothec**” means this deed and all amendments, replacements, restatements, supplements and substitutions thereto.

“**Immovables**” means, collectively, all immovable property(ies) of each Grantor now owned or hereafter acquired including, but not limited to, the immovable property(ies) described in the First Schedule of this Hypothec and any other property which becomes immovable by effect of Applicable Law, along with all of each Grantor's present and future rights, members and appurtenances associated with said immovable properties and infrastructures including, without limitation, all works, constructions, infrastructures, appurtenances, tailing ponds, plants, workshops and other installations, structures, fixtures, equipment and ancillary improvements located thereon or thereunder and related thereto and/or used in the

exploitation of the mining activities of such Grantor, without exception or reserve of any kind, and together with and subject to any servitudes, rights-of-way or privileges appurtenant or belonging thereto, together with the universality of property consisting of all other immovable property and rights of each Grantor, present and future (any immovable property acquired by the Grantor in the future shall be specifically hypothecated upon the publication of a notice or summary, as the case may be, at the appropriate registry office, the whole at each Grantor's expense), along with all property permanently physically attached or joined thereto or united thereto by accession (including the heating and air conditioning apparatus and watertanks) and which become immovable by the effect of law, and all real rights relating to or attaching to any such immovables. For greater certainty, all references in this Hypothec to "Immovables" shall include all Mining Rights.

"Insurance Policies" means all present and future insurance policies maintained by each Grantor in respect of the Charged Property (or a portion thereof) or the life of any individual and all insurance proceeds or indemnities in respect of the Charged Property or the life of any individual payable thereunder from time to time.

"Leases" means, collectively, all present and future leases, offers to lease, sub-leases and other agreements relating to the occupancy, use or enjoyment of the whole or any portion of the Immovables and **"Lease"** means any one of them.

"Material Project Authorizations" means, in relation to the Project, any Project Authorization, the breach, loss or termination of which would, or would reasonably be expected to, result in a Material Adverse Effect relating to the Project.

"Mining Lease" has the meaning set forth in the First Schedule of this Hypothec.

"Mining Rights" means all mining properties, mining claims, mining leases (including, without limitation, the Mining Lease), mining concessions, licences, permits, authorizations and all other mining rights and titles, rights to mineral substances and rights to carry out work above, on or underneath land for the purposes of exploration, appraisal, development and extraction of mineral substances, owned or held now or in the future by each Grantor, including without limitation all mining rights granted pursuant to the *Mining Act* (Quebec) and those Mining Rights described in the First Schedule of this Hypothec.

"Other Rights" means all licenses, approvals, authorizations, consents, rights (including surface rights, access rights and rights of way), privileges, concessions or franchises held by a Grantor or required to be obtained from any Person (other than a Governmental Authority) for the development and operation of the Project, as contemplated by the current or then applicable Mine Plan.

“Permitted Charges” means, collectively, the following:

- (a) the security presently existing or hereafter created in favour or for the benefit of the Secured Parties and/or the Secured Party;
- (b) Permitted Encumbrances;
- (c) inchoate or statutory liens for taxes, assessments or governmental charges which have not been assessed and are not delinquent, or if assessed, are being contested in good faith by appropriate proceedings and provided that in any such case, the effect of such proceedings is to stay any enforcement or the Secured Party has been provided with security satisfactory to it in an amount sufficient to satisfy such liens;
- (d) minor title defects or irregularities not in the aggregate materially and adversely affecting the use of the property to which they relate; and
- (e) other encumbrances which are, from time to time, expressly permitted in writing by the Secured Party.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, limited liability company, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

“Proceeds” means identifiable or traceable movable property, present or future, in any form derived directly or indirectly from any dealing with the Charged Property or the proceeds therefrom including any payment or right to a payment or insurance representing an indemnity or compensation for loss of or damage to the Charged Property or any part thereof or proceeds therefrom.

“Project Authorizations” means all Authorizations and Other Rights (including environmental Authorizations) necessary for (a) the development and mining operations of the Project, and (b) the ongoing operation of commercial production transactions.

“Related Property” means the following: (a) any indemnity or proceeds of expropriation or reimbursement of all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable in respect of any of the Charged Property as well as any and all interest thereon and penalties imposed in respect thereof now or hereafter payable; and (b) any present and future rights whatsoever attached to the Immovables or any other Charged Property, as well as all present and future fruits and revenues thereof.

“Rents” means any and all present and future rents, income, revenues and/or any other amounts produced by or in respect of the Immovables including, for greater certainty, any and all amounts owing and to become owing by any lessee or other person under any Lease as well as all present and future claims and security therefor and rights to collect and

receive same.

“**Royalty Agreement**” means the Royalty Agreement dated as of on or about the date hereof, among, Graphite Nordique Inc., as Payor, Northern Graphite Corporation, as Payor Parent, and Sprott Private Resource Streaming and Royalty (B) Corp., as Payee, as the same may be amended, modified, supplemented, revised, restated or replaced from time to time.

“**Secured Obligations**” shall mean, collectively, all indebtedness, liabilities and obligations of each Grantor to the Secured Party arising under the Royalty Agreement and this Hypothec, or in connection therewith or relating thereto (including, without limitation, the Royalty and all interest on the delinquent credit/payment payments in respect thereto, as the case may be), whether now existing or hereafter arising, as principal or surety, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred, together with all expenses (including reasonable legal fees on a solicitor and client basis) incurred by the Secured Party, its receiver, receiver-manager or agent in the preparation, perfection and enforcement of security and other agreements held by the Secured Party in respect of such indebtedness, liabilities and obligations and interest thereon.

“**Secured Party**” means the Secured Party defined above, and its successors and assigns.

Section 1.2 Severability

If any one or more of the provisions contained in this Hypothec shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Secured Party, be severable from and shall not affect any other provision of this Hypothec, but this Hypothec shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Hypothec.

Section 1.3 Interpretation and Headings

Each Grantor acknowledges that this Hypothec is the result of negotiations between the parties and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation or negotiation. The words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to the whole of this Hypothec including, without limitation, these additional provisions, and not to any particular Section or other portion thereof or hereof and extend to and include any and every document supplemental or ancillary hereto or in implementation hereof. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Words importing the neuter gender include the masculine and feminine genders where the context so requires. The

headings do not form part of this Hypothec and have been inserted for convenience of reference only. Any reference to “including” shall mean “including without limitation” whether or not expressly provided.

Section 1.4 Effective Date

This Hypothec shall take effect upon execution of this Hypothec by the parties hereto notwithstanding that all or any part of the principal amount secured by this Hypothec has not been advanced.

Section 1.5 Currency

Unless otherwise specified in this Hypothec, all dollar references in this Hypothec are expressed in Canadian dollars.

**ARTICLE 2
CHARGE**

Section 2.1 Hypothec

(a) To secure the payment and performance of the Secured Obligations and of the expenses and charges incurred by the Secured Party to obtain payment of the Secured Obligations or to conserve the Charged Property, each Grantor hereby hypothecates the Charged Property in favour of the Secured Party for the principal sum of **SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000.00)**, together with interest thereon from the date hereof at the rate of twenty-five percent (25%) per annum, calculated semi-annually and not in advance.

(b) The hypothec granted hereunder does not constitute and shall not constitute nor be construed as a floating hypothec within the meaning of Article 2715 of the *Civil Code of Quebec*.

Section 2.2 Continuing Security

The hypothec created herein is continuing security and will subsist notwithstanding any fluctuation or repayment of the obligations hereby secured. Each Grantor shall be deemed to obligate itself again, as provided in Article 2797 of the *Civil Code of Quebec*, with respect to any future obligation hereby secured.

Section 2.3 Representations, covenants, etc.

(a) Each Grantor hereby makes and reiterates all of the declarations, representations, warranties and covenants of, or applicable to, such Grantor set forth in the Royalty Agreement, *mutatis mutandis*.

(b) Furthermore, each Grantor hereby declares, represents, warrants and covenants that as of the date of this Hypothec, and at all times during which this Hypothec is in effect with respect to such covenants:

- (i) Each Grantor is and shall be the sole and absolute owner of the Charged Property by good and marketable title free and clear of all Adverse Encumbrances;
- (ii) No Grantor has any Rent which is secured by registered hypothec;
- (iii) The description in the First Schedule of this Hypothec of the Immovables set forth therein accurately represents all Immovables currently or to be imminently owned by the Grantors in the Province of Quebec. Each Grantor is the sole legal and beneficial owner of the Immovables described in the First Schedule of this Hypothec as owned by such Grantor;
- (iv) Each Grantor undertakes in favour of the Secured Party to give notices in writing promptly and in reasonable detail to the Secured Party forthwith of any material change in any representations and warranties mentioned in this Section 2.3. Each Grantor shall not effect or permit any change unless all registrations and filings have been made or all other actions taken that are required in order for the Secured Party to continue at all times following such change to have valid and opposable first ranking hypothecs (subject only to Permitted Charges) in respect of all of the Charged Property;
- (v) Each Grantor will pay all fees and expenses, legal and notarial or otherwise, and costs of publication or registration, incurred by or on behalf of the Secured Party in respect of the Royalty Agreement, this Hypothec and all amendments thereto and renewals and discharges thereof, and notices of address, and will pay all appraisal fees relating to the Charged Property as well as all costs, disbursements and expenses in connection with the enforcement of any of the Secured Party's rights hereunder or under the Royalty Agreement and in connection with the recovery or conservation of the Charged Property, which costs, disbursements and expenses include, without limitation, the following:
 - A) all costs and expenses of maintenance, operation, administration, conservation and/or collection of the Charged Property;
 - B) the usual charges of all independent managers for the maintenance, operation, administration and/or collection of the Charged Property; and
 - C) reasonable compensation for any person or firm engaged, employed or consulted by or on behalf of the Secured Party who acts in connection with the

maintenance, operation, administration, conservation and/or collection of any of the Charged Property;

- (vi) Each Grantor will maintain the Charged Property in good repair (as is customary by those carrying on an enterprise similar to that of such Grantor) and prevent any use thereof which might diminish the value thereof or the Secured Party's hypothec thereon, and from time to time at the request of the Secured Party give the Secured Party's officers, employees and agents access thereto for the purpose of inspection;
- (vii) Each Grantor will at all times do or cause to be done all things necessary or proper to preserve and keep in full force and effect its corporate existence and its ability to carry on its business and will not merge or amalgamate with any other entity without the prior written consent of the Secured Party;
- (viii) the present and future air conditioning, heating, plumbing, refrigerating and lighting fixtures, elevators, equipment, appliances and accessories therefor and any other like property in respect of the Immovables belong to the applicable Grantor owning such Immovables and ensure the utility of such Immovables and/or the enterprise carried on by such Grantor and form an integral part thereof, having been physically attached thereto for permanency, and will not be removed without the prior written consent of the Secured Party;
- (ix) No Grantor has, whether orally or in writing cancelled, accepted the surrender of or modified any Lease which has been delivered or communicated to the Secured Party;
- (x) there have not been and no Grantor has received or permitted any payment of any Rent in advance or by anticipation, save for Rent of the current month and the last month of any Lease;
- (xi) in the event that any Grantor acquires any immovable property in the Province of Quebec subsequently to the date hereof, it shall provide the Secured Party, prior to such acquisition, with such legal description and other information as may be necessary or useful in order to permit the Secured Party to register the hypothec created hereunder against the immovable property to be so acquired;
- (xii) no Grantor shall, without the written consent of the Secured Party (such consent not to be unreasonably withheld):
 - A) cancel, modify or accept surrender of any Lease;

- B) reduce any Rents or any other amount payable under any Lease;
 - C) receive or permit the payment of any Rent in advance or by anticipation, save for Rent for any month then current and the last month of any Lease;
 - D) modify any Lease either orally or in writing;
 - E) consent to any assignment of any interest of any lessee in any Lease, which would have the effect of relieving any lessee or sub-lessee thereunder of liability for payment of Rent and performance of the obligations under such Lease; or
 - F) commit or permit a breach of any one or more of the covenants or obligations of the lessor contained in any Lease;
- (xiii) in the event of any default under any Lease, the applicable Grantor shall immediately advise the Secured Party in writing of such default;
 - (xiv) the Second Grantor is the sole lessee under the Mining Lease. The Mining Lease has been duly executed by all parties thereto and constitutes enforceable obligations of such parties, and is in good standing and in full force and effect, unamended. The Grantors are not aware of any circumstance that would lead to the termination of the Mining Lease by a Governmental Authority; and
 - (xv) all works, constructions, installations, structures, erections, appurtenances, fixtures and other improvements located and to be located on the Mining Lease, thereabove or thereunder are and will be for mining uses, in particular the establishment of tailings yards, workshops, plants and other facilities required for mining activities.

ARTICLE 3
ADDITIONAL PROVISIONS WITH RESPECT TO THE
HYPOTHEC ON RENTS

Section 3.1 Debt Collection

The Secured Party hereby authorizes each Grantor to collect all Rents forming part of the Charged Property as the same fall due and payable according to the terms of each of the documents evidencing such Rents.

Section 3.2 Withdrawal of Authorization to Collect

The Secured Party may, at its sole discretion, upon the occurrence and during the continuance of an Event of Default, withdraw the authorization granted above, by giving notice as prescribed by Applicable Law, whereupon the Secured Party shall immediately be entitled to collect all Rents referred to in such notice.

Where any of the Rents are subject to the provisions of the *Financial Administration Act* (Canada), each Grantor hereby sells, assigns and transfers the same absolutely to the Secured Party so that, upon a withdrawal of authorization as referred to above, the Secured Party shall be free to complete the formalities required to make such assignment fully enforceable.

Section 3.3 Accounts and Records

Should the Secured Party serve a notice withdrawing the authorization granted to any Grantor to collect the Rents as provided for above, each Grantor hereby agrees that all accounts and records maintained by the Secured Party with respect to any such Rents received and their application by the Secured Party shall be prima facie conclusive and binding unless proven to be wrong or incorrect.

Section 3.4 Powers in Connection with Collection of Rents

Without limiting or otherwise restricting the Secured Party's rights as set forth herein or under Applicable Law, upon the occurrence and during the continuance of an Event of Default, the Secured Party is irrevocably authorized in connection with the collection of the Rents, as each Grantor's agent and mandatary, to:

- (a) grant delays, take or abandon any security;
- (b) grant releases and discharges, whole or partial, with or without consideration;
- (c) endorse all cheques, drafts, notes and other negotiable instruments issued to the order of any Grantor in payment of the Rents;
- (d) take conservatory measures and appropriate proceedings to obtain payment of the Rents;
- (e) negotiate and settle out of Court with the debtors of the Rents, their trustee if there is a bankruptcy or insolvency, or any other legal representative, the whole as it deems appropriate; and
- (f) deal with any other matter relating to the Rents, in its discretion, without the intervention or the consent of any Grantor;

the Secured Party shall not however be liable for any damages or prejudice

which may result from its fault, other than its intentional fault, wilful misconduct or gross negligence.

Section 3.5 Collection of Debts by Grantor

If, despite the withdrawal of authorization by the Secured Party in accordance with the terms hereof, any Rents are paid to any Grantor, such Grantor shall be deemed to have received such amounts for the account and on behalf of the Secured Party and shall pay all such amounts to the Secured Party forthwith upon receipt.

Section 3.6 Further Assurances

If, as and when requested by the Secured Party, each Grantor shall remit to the Secured Party all documents which are useful or necessary for the purposes set forth in this ARTICLE 3, shall sign any useful or necessary documents without delay, and, as the case may be, shall collaborate in the collection by the Secured Party of the Rents.

Section 3.7 Waiver

Each Grantor hereby waives any obligation the Secured Party may have to inform any Grantor of any irregularity in the payment of any Rents.

Section 3.8 Limitation of Secured Party's Liability

The Secured Party shall not be liable or accountable for any failure to collect, realize, dispose of, enforce or otherwise deal with the Rents or any part thereof and shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Secured Party, any Grantor or any other Person in respect of the Rents and shall not be liable or responsible for any loss or damage whatsoever which may accrue in consequence of any such failure whether resulting from the negligence of the Secured Party or any of its officers, employees, mandataries, solicitors, attorneys, receivers or otherwise other than by way of their gross negligence, wilful misconduct or intentional fault.

**ARTICLE 4
EVENTS OF DEFAULT**

Section 4.1 Events of Default

The occurrence of any of the following events shall constitute an “**Event of Default**”:

- (a) any Grantor fails to pay any amount of Royalty due by the due date thereof or interest due under the Royalty Agreement within two (2) Business Days of the due date thereof, or any fees or other Secured Obligations within five (5) Business Days of the due date thereof;
- (b) there is a breach of any other term, condition or provision of the

Royalty Agreement, or any of the provisions of this Hypothec, and such breach remains unremedied for a period of 15 Business Days after the earlier of (i) written notice by the Secured Party to the Grantors, and (ii) any Grantor becoming aware of such breach;

(c) any Grantor makes any representation or warranty under the Royalty Agreement which is incorrect or incomplete when made or deemed to be made (except to the extent any such representation or warranty expressly relates to an earlier date, and in such case, shall be true and correct on and as of such earlier date) or, to the extent such representation or warranty is not already qualified by materiality, such representation or warrant is incorrect or incomplete in any material respect when made or deemed to be made and such incorrectness or incompleteness is not remedied for a period of 15 Business Days after the earlier of (i) written notice of such incorrectness or incompleteness by the Secured Party to the Grantors, and (ii) any Grantor becoming aware of such breach;

(d) any Grantor ceases or threatens to cease to carry on its business or admits its inability, or fails, to pay its debts generally as they become due;

(e) any Grantor becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of the Charged Property, and such involuntary proceeding is not contested by the applicable Grantor diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance;

(f) other than pursuant to a corporate reorganization not otherwise prohibited pursuant to the terms of the Royalty Agreement, an order is made or a resolution is passed for the winding up, liquidation or dissolution of any Grantor;

(g) the security created under this Hypothec is repudiated or contested by any Grantor in whole or in part;

(h) the security created under this Hypothec ceases to be in full force and effect, or is invalidated or rendered unenforceable by any act, regulation or governmental action or is determined to be invalid by a court or other judicial entity or, in the case of the Security, to not constitute a first ranking priority Encumbrance in the Charged Property, subject only to Permitted Charges and such security has not been replaced by a legal, valid and binding replacement deed of hypothec, in form and substance reasonably satisfactory to the Secured Party and its legal counsel, within 10 days, provided, however, that such grace periods shall only be afforded if (i) legal counsel to the Secured Party has advised that such security is capable of being replaced without material prejudice to the Secured Party and (ii) each Grantor is actively cooperating with the Secured Party to replace such deed of hypothec;

(i) a final judgment, order, writ of execution, garnishment or

attachment or similar process for an amount in excess of \$1,000,000 is issued or levied against any Grantor or any material portion of the Charged Property and all such judgments or decrees have not been vacated, discharged, stayed, bonded or insured pending appeal within 30 days from the entry thereof;

(j) any Person holding an Encumbrance or any other Person takes possession of a material portion of the Charged Property or by appointment of a receiver, receiver and manager, or otherwise;

(k) except as specifically permitted in this Hypothec, any Grantor takes or seeks to take any action to (i) abandon all or any material portion of the Charged Property, (ii) put any Project on care and maintenance, or (iii) otherwise suspend development or mining operations at the Project (other than temporary suspensions for sound operational reasons not to exceed three (3) months);

(l) any Governmental Authority directly or indirectly condemns, expropriates, nationalizes, seizes or appropriates any Grantor or any material property which relates to, forms part of, or is material to the ongoing operations in respect of, access to or exploitation of, the Charged Property which, pursuant to the Mine Plan, is scheduled to be mined; or

(m) any Grantor fails to obtain, or loses the right to, or benefit of, a Material Project Authorization;

ARTICLE 5 REMEDIES

Section 5.1 Acceleration

Upon the occurrence and during the continuance of an Event of Default, the entire Secured Obligations shall, at the option of the Secured Party in its sole discretion, immediately become due and payable, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Secured Party's rights and remedies under this Hypothec and otherwise under Applicable Law shall immediately become enforceable and the Secured Party shall, in addition to any other rights, recourses and remedies it has, forthwith be entitled to exercise any and all hypothecary rights prescribed by the *Civil Code of Quebec*.

Section 5.2 Agent

The Secured Party may appoint any one or more agents who shall be entitled to exercise the powers and rights vested in the Secured Party pursuant to this Hypothec and under Applicable Law.

Section 5.3 Secured Party May Act on Advice of Professionals

The Secured Party may execute any of the powers imposed or

conferred upon it under this Hypothec, and perform any duties required of it, by or through attorneys or agents and, in relation to this Hypothec, may act on the opinion or advice of or information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert, whether obtained by the Secured Party or by any Grantor or otherwise, and shall not be responsible for any loss occasioned by acting or not acting thereon, unless occasioned by its intentional fault, wilful misconduct or gross negligence, and shall be entitled to take legal or other advice and employ such assistance as may be necessary to the proper discharge of its duties, and to pay proper and reasonable compensation to such agents and attorneys for all such legal and other advice or assistance as aforesaid.

Section 5.4 Secured Party's Right to Perform Obligations

If any Grantor shall fail, refuse or neglect to make any payment or perform any act required hereunder, then while any Event of Default exists, and without notice to or demand upon any Grantor and without waiving or releasing any other right, remedy or recourse the Secured Party may have as a result of or in relation to such Event of Default, the Secured Party may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Grantors, and shall have the right to take all such action and undertake such expenditures as it may deem necessary or appropriate. If the Secured Party shall elect to pay any sum due with reference to the Charged Property, the Secured Party may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created hereunder, the Secured Party shall not be bound to inquire into the validity of any apparent or threatened adverse title, hypothec, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. Each Grantor shall indemnify the Secured Party for all losses, expenses, damages, claims and causes of action, including reasonably incurred legal fees (on a solicitor and client basis), incurred or accruing by reason of any acts performed by the Secured Party pursuant to the provisions of this Section 4.4. All sums paid by the Secured Party pursuant to this Section 4.4, and all other sums expended by the Secured Party for which it shall be entitled to be indemnified, shall be added to the Secured Obligations, shall be secured by this Hypothec and shall be paid by the Grantors to the Secured Party upon demand.

Section 5.5 Mise en demeure

Except as otherwise expressly provided herein or in the Royalty Agreement, no notice or *mise en demeure* of any kind shall be required to be given to any Grantor by the Secured Party for the purpose of putting any Grantor in default, each Grantor being in default by the mere lapse of time allowed for the performance of an obligation or by the mere happening of an event constituting an Event of Default.

Section 5.6 Exercise of Recourses

In exercising any of the rights, recourses or remedies available hereunder, the Secured Party may at its discretion, in respect of all or any part of the Charged Property or any other security held by the Secured Party, exercise such rights, recourses and remedies as are available hereunder or under Applicable Law, as it elects to exercise, without prejudicing the other rights, recourses and remedies available to the Secured Party in respect of all or part of the Charged Property or any other hypothec or other security held by the Secured Party. The Secured Party may exercise any of such rights, recourses and remedies in respect of all or any part of the Charged Property (or any other security held by the Secured Party), simultaneously or successively. It is further understood that the Secured Party shall be entitled to exercise and enforce all of the rights and remedies available to it, free from any control of any Grantor provided, however, that the Secured Party shall not be bound to realize any specific security nor exercise any right or remedy as aforesaid and shall not be liable for any loss which may be occasioned by any failure to do so.

Section 5.7 Surrender

If a prior notice of the Secured Party's intention to exercise a hypothecary right is given to any Grantor, such Grantor shall, and shall cause any other Person in possession of the Charged Property subject to such prior notice, to immediately surrender same to the Secured Party and shall execute, and cause to be executed all deeds and documents required to evidence such surrender to the Secured Party.

Section 5.8 Extension of Time and Waiver

Neither any extension of time given by the Secured Party to any Grantor or any Person claiming through any Grantor, nor any amendment to this Hypothec or other dealing by the Secured Party with a subsequent owner of the Charged Property will in any way affect or prejudice the rights of the Secured Party against any Grantor or any other Person or Persons liable for payment of the Secured Obligations. The Secured Party may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Secured Party will extend to, or affect, any subsequent Event of Default or the rights of the Secured Party arising from such Event of Default. Any such waiver must be in writing and signed by the Secured Party. No failure on the part of the Secured Party or any Grantor to exercise, and no delay by the Secured Party or any Grantor in exercising, any right pursuant to this Hypothec will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right.

Section 5.9 Cancellation of Hypothec and Release

The Secured Party will have a reasonable period of time after full payment and satisfaction of the Secured Obligations to prepare and execute

a cancellation of this Hypothec. All reasonable legal and other expenses for the preparation, execution, delivery and registration of the cancellation shall be paid by the Grantors upon demand. The Grantors shall register such cancellation. The Secured Party may release in its discretion and at any time any Person or any part or parts of the Charged Property from all or any part of the Secured Obligations or the security either with or without any consideration and without releasing any other part of the Charged Property or any other Person from this Hypothec or from any of the covenants contained in this Hypothec, and without being accountable to any Grantor for the value of the Charged Property released or for any money except that actually received by the Secured Party. Every part or lot into which the Charged Property is or may hereafter be divided will form part of the Charged Property and secure the entire Secured Obligations. The Secured Party may grant renewals, extensions, indulgences, releases and discharges may take security from and give the same up, may abstain from taking security from, may accept compositions and proposals, and may otherwise deal with each Grantor and all other Persons and security as the Secured Party may see fit without prejudicing the rights of the Secured Party hereunder.

ARTICLE 6
ADDITIONAL RIGHTS OF THE SECURED PARTY

Section 6.1 Additional Rights

Each Grantor agrees that upon the occurrence and during the continuance of an Event of Default, the following provisions shall apply to supplement the provisions of any Applicable Law and without limiting any other provisions of this Hypothec dealing with the same subject matter:

(a) The Secured Party shall be the irrevocable mandatary and agent of each Grantor, with power of substitution, in respect of all matters relating to the enforcement of all rights, recourses and remedies of the Secured Party. The Secured Party shall, as regards all of the powers, authorities and discretions vested in it hereunder, have the absolute and unfettered discretion as to the exercise thereof whether in relation to the manner or as to the mode or time for their exercise.

(b) Without limiting the generality of Section 5.1(a), each Grantor agrees that the Secured Party may but is not obliged to, at the expense of the Grantors, for the purposes of protecting or realizing upon the value of the Charged Property or its rights:

(i) cease or proceed with, in any way the Secured Party sees fit, any enterprise of any Grantor, and the administration of the Charged Property, including, without limitation, the generality of the foregoing:

A) sign any credit agreement, security document, lease, service contract, construction contract, management

contract, development contract, maintenance contract or any other agreement, contract, deed or other document in the name of and on behalf of any Grantor in connection with the Charged Property or any enterprise of any Grantor and renew, cancel or amend from time to time any such agreement, contract, deed or other document;

- B) maintain, repair, renovate, operate, alter, complete, preserve or extend any part of the Charged Property in the name of any Grantor including undertaking or completing any construction work at the Grantors' expense;
- C) consent to or terminate in the name of any Grantor any servitude or other real right affecting the Charged Property;
- D) reimburse for and on behalf of each Grantor any third person having a claim against any part of the Charged Property;
- E) borrow money or lend its own funds for any purposes related to the Charged Property; and
- F) receive the revenues, rents, fruits, products and profits from the Charged Property and endorse any cheque, securities or other instrument;

(ii) dispose of any part of the Charged Property likely to rapidly depreciate or decrease in value;

(iii) use the information it has concerning any Grantor or any information obtained during the exercise of its rights except as may be otherwise provided in the Royalty Agreement or any confidentiality agreement;

(iv) fulfil any of the undertakings of any Grantor or of any other Person;

(v) use, administer and exercise any other right pertaining to the Charged Property;

(vi) do all such other things and sign all documents in the name of any Grantor as the Secured Party may deem necessary or useful for the purposes of exercising its rights, recourses and remedies hereunder or under Applicable Law; and

(vii) exercise any and all rights, privileges, entitlements and options pertaining to any Mining Right as if the Secured Party were the absolute owner of such Mining Right.

(c) In the event of the exercise by the Secured Party of any right, recourse or remedy following the occurrence of an Event of Default:

(i) the Secured Party shall only be accountable to the Grantors to the extent of its commercial practice and within the delays normally observed by the Secured Party and the Secured Party shall not be obliged to with respect to the Charged Property or any enterprise operated by or on behalf of any Grantor;

- A) make inventory, take out insurance or furnish any security;
- B) advance any sums of money in order to pay any expenses not even those expenses that may be necessary or useful; or
- C) maintain the use for which the enterprise of any Grantor or any Charged Property is normally intended, make it productive or continue its use;

and shall not be held liable for any loss whatsoever other than as a result of its gross negligence, wilful misconduct or intentional fault;

(ii) any and all sums of money remitted to or held by the Secured Party may be invested at its discretion, without the Secured Party being bound by any legislative provisions relating to the investment or administration of the property of others; the Secured Party is not obliged to invest or pay interest on amounts collected even where such amounts exceed the amounts due by the Grantors;

(iii) the Secured Party may itself, directly or indirectly, become the owner of the whole or any part of the Charged Property to the extent not prohibited by Applicable Law;

(iv) the Secured Party may, at the time it exercises its rights, renounce to a right belonging to any Grantor, make settlements and grant discharges and mainlevées, even without consideration;

(v) in the event the Secured Party exercises its hypothecary right of taking in payment and any Grantor requires the Secured Party to sell the whole or any part of the Charged Property, each Grantor acknowledges that the Secured Party shall not be required to renounce to its hypothecary right of taking in payment unless, prior to the expiration of the time limit to surrender, the Secured Party (i) shall have received security, which the Secured Party deems satisfactory, to the effect that the sale will be made at a price sufficient to enable the Secured Party to be paid its claim in full, (ii) shall have been

reimbursed the costs it shall have incurred, and (iii) shall have been advanced all amounts necessary for the sale of the Charged Property;

(vi) in the event that the Secured Party sells the whole or any part of the Charged Property, it will not be required to obtain any prior appraisal from a third party; and

(vii) the sale of the Charged Property may be made with legal warranty on the part of each Grantor or, at the option of the Secured Party, with total or partial exclusion of warranty.

(d) The Secured Party shall only be bound to exercise reasonable prudence and diligence in the execution of its rights and performance of its obligations under the terms of this Hypothec or under Applicable Law and the Secured Party shall not be responsible for prejudice that may result from its fault or that of its agents or representatives, with the exception of its gross negligence, wilful misconduct or intentional fault.

(e) The Secured Party shall not be responsible in respect of any obligations undertaken in the exercise of its powers under the terms of this Hypothec or under Applicable Law, even in any case where the Secured Party may have exceeded its powers, or by reason of any delay, omission or any other act made in good faith by the Secured Party or its representatives with the exception of obligations undertaken or acts made further to gross negligence, wilful misconduct or intentional fault.

ARTICLE 7 THE SECURED PARTY

Section 7.1 Protection of Persons Dealing with the Secured Party

No Person dealing with the Secured Party or its agents need inquire whether the hypothec hereby constituted has become enforceable or whether the powers which the Secured Party is purporting to exercise have become exercisable.

Section 7.2 Delegation of Powers

The Secured Party may delegate the exercise of its rights or the performance of its obligations hereunder to another Person. In that event, the Secured Party may furnish that Person with any information it may have concerning any Grantor or the Charged Property. The Secured Party shall not be responsible for damages resulting from such delegation or from any fault committed by such delegate.

Section 7.3 Successors

The rights of the Secured Party hereunder shall benefit any successor of the Secured Party, including any Person resulting from the amalgamation of the Secured Party with any other Person.

Section 7.4 Liability of Secured Party

The Secured Party shall only be accountable for reasonable diligence in the performance of its duties and the exercise of its rights hereunder, and shall only be liable for its own gross negligence, intentional fault and wilful misconduct.

Section 7.5 Unfettered Discretion to Exercise Powers

The Secured Party, except as herein otherwise provided, shall, with respect to all rights, powers and authorities vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it shall be in no way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

**ARTICLE 8
MISCELLANEOUS****Section 8.1 General Indemnity**

Each Grantor shall protect, defend, indemnify and save harmless the Secured Party and its shareholders, directors, officers, employees and agents from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable legal fees and expenses), imposed upon or incurred by or asserted against the Secured Party by reason of holding this Hypothec or any interest therein or receipt of any Rents, or any other action or failure to act in relation to the Charged Property or the exercise of any rights or recourses of the Secured Party.

Section 8.2 Amendments and Waivers

No amendment or waiver of any provision of this Hypothec shall be effective unless in writing and signed by the party against whom enforcement is sought.

Section 8.3 Waivers

No course of dealing on the part of the Secured Party, its officers, employees, consultants or agents, nor any failure or delay by the Secured Party with respect to exercising any right, power or privilege of the Secured Party shall operate as a waiver thereof.

Section 8.4 Payment to Third Parties

If the Secured Party is at any time or from time to time required to make a payment in connection with the security constituted by this Hypothec, such payment and all reasonable costs of the Secured Party (including legal fees and other expenses) shall be immediately payable by

the Grantors to the Secured Party.

Section 8.5 Notices

All notices and communications hereunder shall be given to the addresses and otherwise made in accordance with the provisions of the Royalty Agreement.

Section 8.6 Governing Law

This Hypothec shall be governed by and construed in accordance with the Applicable Law of the Province of Quebec and the Applicable Law of Canada.

Section 8.7 Paramountcy

In the event of inconsistency or contradiction between the provisions of this Hypothec and those of the Royalty Agreement, the provisions of the Royalty Agreement shall prevail, except that in all cases the provisions hereof shall prevail insofar as they relate to the creation and enforcement of the hypothec created hereby.

Section 8.8 Royalty Security

This Hypothec shall be deemed to be a “Royalty Security” as such term is defined in the Royalty Agreement.

Section 8.9 Language

The parties hereto confirm that they have requested that this Hypothec and all related documents be drafted in English. *Les parties aux présentes ont exigé que le présent acte et tous les documents connexes soient rédigés en anglais.*

**ARTICLE 9
SCHEDULES**

Section 9.1 First Schedule

The following is the First Schedule referred to in this Hypothec:

DESCRIPTION OF IMMOVABLES

First Grantor

Nil

Second Grantor

Project site

The Lac-des-îles Graphite Mine, consisting of the lands, including the soil

and underground, that are subject to the Mining Lease, as well as all present and future buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession.

Mining Rights

Mining Lease registered at the Mining Register under number BM-788, known and designated at the land register as the land file opened at the RRRSRD of the registration division of Labelle under serial number 76-A-431, as amended, renewed and supplemented (the “**Mining Lease**”).

WHEREOF ACTE:

THUS DONE AND PASSED, at the City of ●, Province of Quebec, and remaining of record in the office of the undersigned Notary, under the minute number

AND AFTER all parties have declared to the undersigned Notary that they had taken cognizance of the present Deed, that they had exempted the said Notary from reading same or causing same to be read and that they accept the use of technologies to execute these presents as authorized by Order 2020-4304 of the Minister of Justice dated the thirty-first day of August Two thousand twenty (31 August 2020), as extended by Order 2021-4556 of the Minister of Justice dated the twentieth day of August Two thousand twenty-one (20 August 2021), the parties identified and acknowledged as true the annexes thereof and signed remotely in the presence of the undersigned Notary.

**SPROTT PRIVATE RESOURCE
STREAMING AND ROYALTY (B) CORP.**

Per: ●

NORTHERN GRAPHITE CORPORATION

Per: ●

GRAPHITE NORDIQUE INC.

Per: ●

●, Notary

SCHEDULE F
REPRESENTATIONS AND WARRANTIES OF THE PAYEE

1. **Organization and Powers.** The Payee is duly organized, validly existing and in good standing under the laws of the Province of Ontario and has all requisite power and authority to execute and deliver, and perform its obligations under this Agreement.
2. **Authorization; No Conflict.** The execution and delivery by the Payee of, the performance of its obligations under, and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary action of the Payee, as applicable, and do not and will not:
 - (a) violate the terms of its constating documents; or
 - (b) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving notice or lapse of time or both), any written or oral contract, agreement, license, concession, indenture, mortgage, debenture, note or other instrument to which it is a party, subject or otherwise bound (including with respect to its assets) except in each case as would not have a material adverse effect on its ability to perform its obligations under this Agreement; or
 - (c) violate in any material respect any Applicable Law to which it is subject or otherwise bound (including with respect to its assets).
3. **Execution; Binding Obligation.** This Agreement has been duly and validly executed and delivered by the Payee, and constitutes a legal, valid and binding obligation of the Payee, enforceable against it in accordance with its terms, except to the extent enforcement may be affected by Applicable Laws and regulations relating to bankruptcy, reorganization, insolvency and creditors' rights and by the availability of injunctive relief, specific performance and other equitable remedies.
4. **Consents.** The Payee is not required to give any notice to, make any filing with or obtain any authorization, consent, order or approval of any Person in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein, except, in each case, as would not have a material adverse effect on its ability to perform its obligations under this Agreement.
5. **Residency.** The Payee is not a non-resident of Canada for the purposes of the Income Tax Act (Canada).

SCHEDULE G

REPRESENTATIONS AND WARRANTIES OF THE PAYOR

No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. The representations and warranties of the Royalty Entities set out in this Schedule G are made subject to and modified by the exceptions and qualifications (if any) noted in the correspondingly numbered section of the Disclosure Schedule. No disclosure in any particular section of the Disclosure Schedule (including the listing of a document or item in any Disclosure Schedule or the inclusion of a copy thereof in such Disclosure Schedule) shall be adequate to disclose an exception or qualification to a representation or warranty in any other sections of this Agreement or in any other section of the Disclosure Schedule unless the applicability of such disclosure to the other representations and warranties is clear and obvious on its face. Each section of the Disclosure Schedule shall be numbered to correspond to the paragraph of this Schedule G to which such section relates.

1. **Organization and Powers.** Each Royalty Entity is:
 - (a) duly organized, validly existing and in good standing under the laws of the Province of Ontario, and has all requisite power and authority to execute and deliver, and perform its obligations under this Agreement;
 - (b) qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the nature and location of its assets requires such qualification or licensing except where such failure to qualify or be licensed or in good standing would not have a Material Adverse Effect; and
 - (c) has all requisite power and authority to own and lease its assets and carry on its business.
2. **Authorization; No Conflict.** The execution and delivery by each Royalty Entity of, the performance of its obligations under, and the consummation of the transactions contemplated by this Agreement, have been duly authorized by all necessary corporate or other action of each Royalty Entity and do not and will not:
 - (a) violate the terms of the constating documents of each Royalty Entity;
 - (b) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving notice or lapse of time or both), any written or oral contract, agreement, license, concession, indenture, mortgage, debenture, note or other instrument to which any Royalty Entity is a party, including any contract, agreement, license, concession, indenture, mortgage, debenture, note or other instrument with any Governmental Authority, subject or otherwise bound (including with respect to its assets) in each case except as would not have a Material Adverse Effect;
 - (c) violate in any material respect any Applicable Law to which any Royalty Entity is subject or otherwise bound (including with respect to its assets); or
 - (d) except as contemplated by this Agreement, result in, or require, the creation or imposition of any Encumbrance upon or with respect to any of the assets or properties of any Royalty Entity.

3. **Solvency.** Each Royalty Entity is Solvent and will not be rendered Insolvent by the execution and delivery of this Agreement.
4. **Debt Obligations.** Except as disclosed to the Payee, each Royalty Entity has no outstanding indebtedness or guarantee in favour of any Person and is under no obligation to create or issue indebtedness or a guarantee in favour of any Person.
5. **Execution; Binding Obligation.** This Agreement has been duly and validly executed and delivered by each Royalty Entity. This Agreement constitutes a legal, valid and binding obligation of each Royalty Entity, enforceable against each Royalty Entity in accordance with its terms, except to the extent enforcement may be affected by Applicable Laws and regulations relating to bankruptcy, reorganization, insolvency and creditors' rights and by the availability of injunctive relief, specific performance and other equitable remedies.
6. **Consents.** No Royalty Entity is required to give any notice to, make any filing with or obtain any authorization, consent, order or approval of any Person in connection with the execution, delivery or performance of the obligations of each Royalty Entity under this Agreement or the consummation of the transactions contemplated herein, except for recordings or filings in connection with the registration of this Agreement.
7. **No Defaults.** No event has occurred or circumstance exists that (with or without the giving of notice or lapse of time or both) has contravened, conflicted with or resulted in, or may contravene, conflict with or result in, a violation or breach of, or give any Royalty Entity or any other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate or modify, any contract, lease, license, concession, authorization, agreement, indenture, mortgage, debenture, note, instrument, or order to which it is a party or by which it or its properties and assets may be bound, and, to the knowledge of each Royalty Entity, each other Person that is party thereto is in compliance in all material respects with the terms and requirements thereof, in each case, except as would not have a Material Adverse Effect.
8. **No Changes or Events.** Other than as disclosed to the Payee, each Royalty Entity has not, in respect of the Project, the Property or the assets purchased under the Acquisition Agreement (collectively, the "**Purchased Assets**"):
 - (a) Created an Encumbrance upon any of the Purchased Assets, other than any Permitted Encumbrances;
 - (b) Sold, assigned, transferred, leased or otherwise disposed of any of its properties or assets, except in the ordinary course;
 - (c) Purchased, leased or otherwise acquired any properties or assets in excess of \$100,000 in the aggregate, except in the ordinary course;
 - (d) Waived, cancelled or written off any right, claim, or account receivable in excess or \$100,000 in the aggregate;
 - (e) Terminated, discontinued, closed or disposed of any plant, facility or business operation;
 - (f) Had a supplier terminate (or communicate to any Royalty Entity the intention or threat to terminate) its relationship with any Royalty Entity, or reduce (or communicate to any Royalty Entity the intention or threat to reduce) substantially the quantity of products or

services it sells to any Royalty Entity, except in the ordinary course in excess of \$100,000 in the aggregate and suppliers whose termination or relationship or reduction do not or will not have a Material Adverse Effect;

- (g) Had any customer terminate (or communicate to any Royalty Entity the intention or threat to terminate) its relationship with any Royalty Entity or reduce (or communicate to any Royalty Entity the intention or threat to reduce) substantially the quantity of products or services if purchased from any Royalty Entity in excess of \$100,000 in the aggregate, except in the ordinary course and customers whose termination of relationship or reduction do not have or will not have a Material Adverse Effect;
- (h) Made any material change in the method of billing customers or the credit terms made available by any Royalty Entity to its customers;
- (i) Made any material change in the method and practice of collecting accounts receivable;
- (j) Made any material change in the method and practice of paying obligations and liabilities with respect to the business of any Royalty Entity;
- (k) Increased any form of compensation or other benefit payable or to become payable to employees of any Royalty Entity, except increases made in the ordinary course or as required under any employment contract or collective agreement or Applicable Law;
- (l) Made, incurred or become aware of any other change, fact, event, circumstance, condition or omission that may have had a Material Adverse Effect; or
- (m) Authorized, agreed or otherwise become committed to do any of the foregoing.

9. **Material Contracts.** Except as disclosed by each Royalty Entity to the Payee,

- (a) Except for such Material Contracts as the Royalty Entities have terminated since the completion of the Acquisition in the ordinary course of business, the Material Contracts (as defined under the Acquisition Agreement) are in full force and effect, unamended, and there are no outstanding material or alleged defaults, breaches or violations under any such Material Contract on the part of any Royalty Entity or any other party thereto which, individually or in the aggregate, would have a Material Adverse Effect;
- (b) Except for such Material Contracts as the Royalty Entities have terminated since the completion of the Acquisition in the ordinary course of business, no Royalty Entity nor any of their Subsidiaries have provided or received any written notice of any intention to terminate any Material Contract. To each Royalty Entities knowledge, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any continuing Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder, and there have been no material disputes, whether actual, pending or threatened, under any Material Contract; and
- (c) Other than has been disclosed to the Payee, each Royalty Entity is not party to any contract or bound by:

- (i) any contract involving aggregate consideration in excess of \$100,000 and which cannot be cancelled without penalty or without more than sixty (60) days' notice;
- (ii) any contract that requires it to purchase or sell a stated portion of the requirement or outputs of the Project or the business of any Royalty Entity or that contain "take or pay" provisions;
- (iii) any contract that provides for the indemnification of any Person or the assumption of any Tax, environmental or other liability of any Person;
- (iv) any contract that relates to the acquisition or disposition of any business, a material amount of shares, securities or assets of any other Person or any real property (whether by amalgamation, sale of shares, sale of assets or otherwise);
- (v) any broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising contact;
- (vi) any contract with a Governmental Authority;
- (vii) any contract that limits or purports to limit its ability to compete in any line of business or with any Person or in any geographic area during any period of time;
- (viii) any joint venture, partnership or similar contract; or
- (ix) any other contract in relation to any Royalty Entity which, if not assigned to such Royalty Entity would result in a Material Adverse Effect on any Royalty Entity.

10. **Litigation.** There are no material actions, suits, investigations, claims or proceedings pending or, to the best of the knowledge of each Royalty Entity, threatened against or directly affecting any Royalty Entity, the Project or the Property, by or before any Governmental Authority.
11. **Financial Statements.** The financial statements of Payor Parent disclosed to the Payee (a) present fairly in all material respects the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial condition, results of operations and cash flows of the business of each Royalty Entity as at the end of and for the period covered by those financial statements, and (b) were prepared in accordance with IFRS and audited in accordance with Canadian GAAS. The Payor has not had financial statements to date.
12. **Insurance.** The properties, assets and operations of the Payor are insured with reputable insurance companies (which are not Affiliates of any Royalty Entity), in such amounts, with such deductibles and covering such risks as is customarily carried by companies engaged in similar businesses and owning similar properties in the localities where the Payor operates.
13. **Permits and Licenses.** Each Royalty Entity, as applicable, holds all material Permits required for the conduct of the Project and no chance, fact, event, circumstance, condition or omission exists that is likely to result in the revocation, cancellation, suspension or limitation of any of those Permits or prevent the renewal of any of those Permits.
14. **Title to Property; Liens.** Each Royalty Entity, as applicable, (i) has valid possessory and record title to all Property Interest included within the Property, (ii) has good and marketable title to such other real property interests included within the Property and not otherwise included under part (i)

of this paragraph, and (iii) has good and valid title to or hold a valid leasehold interest in such properties and assets, which are not real property interests, and comprise part of the Project. Other than Permitted Encumbrances, there are no Encumbrances upon or with respect to any of the properties and assets included in the Property. Without limiting the foregoing:

- (a) no Person other than the Royalty Entities has any rights to participate in, mine, prospect, explore, develop, or operate the Property and the Project, as the case may be;
- (b) the Property comprises all of the real property, mineral and surface interests held by the Royalty Entities in respect of the Project;
- (c) the Property and all related Other Rights constitutes all real property, mineral, surface interests and ancillary rights necessary for, as applicable, the exploration, mining and development of the Project, as currently being conducted;
- (d) none of the Property or Minerals therefrom are subject to an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an agreement, option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty; and
- (e) no Encumbrance on the Property would have a Material Adverse Effect or otherwise materially adversely affect the ability of any Royalty Entity to enjoy the anticipated benefits of the Property.

15. **Property.** Except as disclosed under this Agreement:

- (a) The Purchased Assets are sufficient for the continued conduct of the business of each Royalty Entity, including those relating to the Project and the Property, after the Closing and the Closing Date in substantially the same manner as conducted before the Closing Date and the Closing and constitute all of the rights, property and assets necessary to conduct the business of each Royalty Entity, including those relating to the Project and the Property, as currently conducted;
- (b) All material moveable Property that is currently used in the business of any Royalty Entity is in good operating condition and repair having regard to normal aging, wear and tear, its use, age and scheduled maintenance; and
- (c) All of the infrastructure that is currently used for the Project is in good operating condition and repair having regard to normal aging, wear and tear, its use, age and scheduled maintenance, is free from material structural defects (other than as caused by normal aging processes) and none of the infrastructure used for the Project is currently under construction or renovation or under any commitments in respect thereof.

16. **Intellectual Property.** There are no claims by any Royalty Entity relating to breaches, violations, infringements or interferences with any intellectual property, whether as part of the Purchased Assets or otherwise, by any other Person.

17. **Inventories.** The Inventories (as defined under the Acquisition Agreement) forming part of the assets acquired under the Acquisition Agreement and as reflected in the financial statements of the Royalty Entities are free from any extraordinary defects in workmanship and material, have been

accurately valued (based on quantities determined by a physical inventory count) on a basis consistent with prior practice, and the valuation thereof accurately reflects inventory that is damaged, obsolete, defective, unsuitable for its intended use or otherwise unsaleable in the ordinary course at normal prices, and are in good and merchantable condition and are usable or saleable in the ordinary course.

18. **Mining Lease**

- (a) The Payor and Payor Parent are, as applicable, exclusively entitled to its rights and benefits pursuant to the Mining Lease and the Project and have not assigned or conveyed any rights in same to any Person.
- (b) All interests held by the Payor and Payor Parent, as applicable, with respect to the Mining Lease and the Project (including all leases, use agreements, servitude and accessory agreements) are free and clear of all Encumbrances (other than Permitted Encumbrances).
- (c) All payments required to be made by the Payor and Payor Parent, as applicable, pursuant to the Mining Lease or in connection with the Project (including any related leases, use agreements, servitude and accessory agreements) have been paid and the Payor and Payor Parent, as applicable, are not in default in meeting any of their respective obligations thereunder, other than a default which does not have a Material Adverse Effect.
- (d) The Payor and Payor Parent, as applicable, have good and marketable rights, title and interests in and to the Mining Lease, such rights, title and interests having been validly perfected and published by registration in all public registers in accordance with Applicable Laws, including by notice and recordation of the Mining Lease at the Public Register of Real and Immovable Mining Rights (GESTIM) and kept at the *Ministère des Ressources naturelles et de la Faune* (Quebec).

19. **Maintenance of Property.** All mining claim maintenance fees, recording fees, Taxes and all other amounts have been paid when due and payable and all other actions and all other obligations as are required to maintain the Property have been taken and complied with in all material respects.

20. **Authorizations.** Each Royalty Entity, as applicable, has obtained or been issued all Authorizations (including environmental Authorizations) and Other Rights necessary for (i) the construction, development and mining operations of the Project and (ii) the commencement and ongoing operation of commercial production transactions, other than, in each case, such authorizations (including environmental authorizations) and Other Rights (A) that are not necessary on the date this representation and warranty is made or deemed made for the conduct of development activities as such activities are currently being conducted, but that are expected to be obtained, in the ordinary course of business, by the time they are necessary for the conduct of development activities and the eventual commencement and ongoing commercial production, as applicable, or (B) the failure of which to be obtained would not be material to the development of the Project or the commencement and ongoing operation of commercial production (including commercial production transactions). There are no facts or circumstances that might reasonably be expected to adversely affect the issuance or obtaining of any such material authorizations (including environmental authorizations) or Other Rights.

21. **Compliance with Applicable Laws.** Each Royalty Entity and the Project are and have been in compliance in all material respects with all Applicable Laws. Without limiting the generality of the foregoing, each Royalty Entity and the Project are and have been in compliance in all material

respects with all applicable Environmental Laws, and there are no actions, suits, claims, notices of violation, hearings, investigations or proceedings pending or, to the best of the knowledge of each Royalty Entity, threatened against or affecting any Royalty Entity with respect to the ownership, use, maintenance and operation of the Project, relating to any applicable Environmental Laws, where any adverse determination with respect thereto or liability imposed therein could have a Material Adverse Effect.

22. **Environmental Matters.**

- (a) The Royalty Entities are and have been in material compliance with Environmental Laws;
- (b) The Royalty Entities have operated their respective business at all times and have generated, received, handled, used, stored, treated, shipped and disposed of all contaminants, wastes, and Hazardous Substances in material compliance with Environmental Laws;
- (c) There have been no spills, releases, deposits, presence or discharges of Hazardous Substances into or in the earth, air or any body of water, whether surface or otherwise, or any municipal or other sewer or drain or drinking or water systems, by the Royalty Entities or, to the knowledge of each Royalty Entity, at, to or from the Property, in violation of Environmental Laws, which could reasonably be expected to result in material liability under Environmental Law;
- (d) No material orders, notifications, directives, demands, claims, instructions, directions or notices have been issued to the Royalty Entities and remain outstanding by any Governmental Authority pursuant to any Environmental Laws relating to the business or assets of the Royalty Entities, including the Properties; and
- (e) Each Royalty Entity has made available to the Payee all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information in the possession of the Royalty Entities with respect to environmental, health and safety matters related to the Royalty Entities or the Properties.

23. **Employment.**

- (a) There are no written employment contracts with any employees of any Royalty Entity which are not terminable on the giving of reasonable notice in accordance with Applicable Law or contractual notice which is consistent with industry standards, nor are there any employment contracts or benefit plans providing for cash, other compensation, benefits or contingent rights upon the Closing or the Closing Date;
- (b) There are no strikes, slowdowns, work stoppages or applications or petitions for union certification, nor any unfair labour practice, labour relations, or material employment standards, material human rights, material occupational health and safety, material workers' compensation, accessibility, privacy or pay equity or other material labour actions, claims or disputes pending or in effect or, to the knowledge of any Royalty Entity, threatened in respect of any Royalty Entity or the Project;
- (c) There are no outstanding loans made by any Royalty Entity to any employee of a Royalty Entity;

- (d) To the knowledge of each Royalty Entity, as of the date hereof there is no senior manager or key employee and no group of employees have announced any plans to any Royalty Entity to terminate his, her or their employment with any Royalty Entity;
- (e) To the knowledge of each Royalty Entity, each independent contractor has been properly classified by the Royalty Entity, as applicable, as an independent contractor and no Royalty Entity has received, nor are there any pending or, to the knowledge of any Royalty Entity, threatened notices from any Person disputing such classification. Each Royalty Entity is not engaged with any personnel agency, and there are no outstanding, pending or to the knowledge of each Royalty Entity, threatened claims, complaints, investigations or orders relating to the employment of any personnel agency employees;
- (f) No employee of any Royalty Entity is an illegal or undocumented worker, and all employees, independent contractors, agents, mandatories or consultants have all work permits, visas, authorizations or status, as the case may be, required to perform work or provide services in Canada;
- (g) There are no outstanding assessments, penalties, fines, liens, charges, surcharges or other amounts due or owing pursuant to any workers' compensation legislation in respect of any Royalty Entity and each Royalty Entity has not been reassessed in any material respect under such legislation during the past three years and, to the knowledge of each Royalty Entity, no audit of any Royalty Entity is currently being performed pursuant to any applicable workers' compensation legislation, and there are no claims or potential claims which may materially adversely affect the accident cost experience of the business of each Royalty Entity;
- (h) All orders and inspection reports under applicable *Commission des normes, de l'équité, de la santé et de la sécurité du travail* legislation ("CNESST") relating to each Royalty Entity has been provided to the Payee, and each Royalty Entity has complied in all material respects with any orders issued under CNESST and there are no appeals of any orders under CNESST currently outstanding;
- (i) Each Royalty Entity has materially complied, and are materially in compliance, with all Applicable Laws regarding employment standards, human rights, labour relations, occupational health and safety, workers' compensation, accessibility, privacy or pay equity; and
- (j) No officer, director, employee, independent contractor, agent, mandatory and consultant of any Royalty Entity has any agreement or arrangement as to (i) change of control; (ii) payment of any amount which is triggered by, or expected to be triggered by, the transactions contemplated by this Agreement or the Acquisition Agreement; (iii) retention payment; or (iv) severance or termination payment required to terminate his/her or their employment or his/her or their service agreement.

24. **Collective Agreements.**

- (a) With the exception of any collective agreements disclosed by each Royalty Entity to the Payee, each Royalty Entity is not party to any collective agreement with any bargaining agent or union which applies to any employee of any Royalty Entity;

- (b) Each Royalty Entity has not engaged in an unfair labour practices, and there is no unfair labour practice complaint, grievance or arbitration proceeding pending or, to the knowledge of any Royalty Entity, threatened against any Royalty Entity, or which could have an adverse effect on the business of any Royalty Entity, including the Project; and
- (c) All amounts due and owing or accrued due but not yet owing under any collective agreement for all salary, wages, overtime, vacation pay, sick days with pay, bonuses, commissions or other incentive payments, pension benefits or other employee benefits have been paid or, if accrued, are reflected in the books and records of each Royalty Entity.

25. **Benefit Plans.**

- (a) Current and complete copies of all benefit plans relating to any Royalty Entity have been made available to the Payee, together with all material related documentation;
- (b) Any benefit plans relating to any Royalty Entity is administered in compliance with the terms of such benefit plan and all Applicable Laws. All employer and employee payments, contributions and premiums required to be remitted, paid to or in respect of each benefit plan have been paid or remitted in a timely fashion in accordance with its terms and all Applicable Laws;
- (c) No benefit plan relating to any Royalty Entity provides for benefit increases, payments or the acceleration of, or an increase in, securing or funding obligations that are contingent upon, or will be triggered by, the entering into of this Agreement, the Acquisition Agreement or the completion of the transactions under each of the Agreement and the Acquisition Agreement; and
- (d) No Royalty Entity has a formal plan or made a promise to improve or change the benefits provided under any benefit plan relating to such Royalty entity.

26. **First Nations Matters.**

- (a) There is no written claim, complaint or other proceeding threatened by or on behalf of any First Nation or any other person or group asserting or otherwise claiming an aboriginal right (including aboriginal title) or any other aboriginal or Métis interest of which the Royalty Entities have received written notice with respect to the Property, including with respect to aboriginal rights or the duty to consult, or any Other Right or authorization issued by any Governmental Authority in respect of, or otherwise related to, the Royalty Entities;
- (b) Neither the Royalty Entities have received any notice, whether written or oral, from any Governmental Authority, First Nation or any Person representing or purporting to represent a First Nation of the exercise or assertion of aboriginal rights or assertion of aboriginal title in the area of the Property or with respect to the Royalty Entities' interests in the Property; and
- (c) No Person, including any Person representing or purporting to represent a First Nation or has asserted to the Royalty Entities any right or interest of any kind whatsoever relating to any of the Property, and there are no agreements, written or verbal, between any Royalty Entity and any First Nation.

27. **No Subordination.** There is no agreement, indenture, contract or instrument to which any Royalty Entity is a party or by which it or any of its properties or assets may be bound that requires the Royalty to be subordinate to any other Encumbrance on the Property. Upon recording the Royalty against the Property, the Royalty shall be senior to any and all other Encumbrances.
28. **Mineral Reserves and Resources.** The most recent estimated measured, indicated and inferred mineral resources and proven and probable mineral reserves for the Project, have been prepared and disclosed in accordance with accepted mining industry practices and in accordance with the requirements prescribed by National Instrument 43-101 (or equivalent standard identified thereunder) and the companion policy thereto (as in effect on the date of publication of the relevant report or information); each Royalty Entity has no knowledge that the mineral resources or mineral reserves (or any other material aspect of any technical reports) are inaccurate in any material respect; and, to the knowledge of the Royalty Entities, there has been no material reduction in the aggregate amount of estimated mineral resources and mineral reserves for the Property, from the amounts last disclosed publicly by the Payor or Payor Parent.
29. **GST/HST and QST Registrations and Quebec Residence.** The Payor is duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) with respect to GST/HST and under Division I of Chapter VII of Title I of the *Act respecting the Quebec sales tax* with respect to the QST, and its registration numbers are: **[REDACTED: CONFIDENTIAL INFORMATION]**.
30. **Brokers and Finders.** Each Royalty Entity has not employed any broker or finder or incurred any liability for any brokerage fee, commission, finders' fee or any other similar payment in connection with the transactions contemplated by this Agreement that could give rise to any claim against the Payee for brokerage fees, commissions, finders' fees or any other similar payments.
31. **Disclosure.** All information relating to the Property provided to the Payee or any of its representatives or advisors, or made available to the Payee or any its representatives or advisors, is true, accurate and complete in all material respects.