

Secured Promissory Note

Dated October 19, 2023

RECITALS:

- A. **WHEREAS** pursuant to a share purchase agreement dated as of December 16, 2021 (as amended, restated or otherwise modified, the “SPA”) between, *inter alios*, Bear Creek Mining Corporation (the “**Borrower**”) and Equinox Gold Corp. (as successor to Premier Gold Mines Limited, the “**Lender**”), the Borrower purchased all of the issued and outstanding shares (the “**Subsidiary Shares**”) of 1336991 B.C. Ltd. (the “**Subsidiary**”).
- B. **WHEREAS** pursuant to the SPA the Borrower promised to pay to the Lender an amount equal to US\$25,000,000 for the second cash payment of the purchase price, which amount was decreased by US\$1,400,000 in prior payments and increased by (i) US\$2,530,068 in accrued interest since October 26, 2022 to and including June 30, 2023 (which interest was accruing at a rate equal to 12.5% per annum plus the 90-day average US dollar secured overnight financing rate as administered by the Federal Reserve Bank of New York (or any successor administrator thereto)) and (ii) US\$502,389 in accrued interest from July 1, 2023 until the date hereof (which, as agreed between the parties, was accruing at a rate equal to 7.0% per annum), for an aggregate outstanding amount of US\$26,632,458 (the “**Principal Amount**”) and this promissory note (as amended, restated or otherwise modified, this “**Note**”) serves as evidence of such promise.
- C. **WHEREAS** the Borrower has agreed to grant security in favour of the Lender (or a collateral agent on the Lender’s behalf) in connection with this Note.
- D. **WHEREAS** certain subsidiaries of the Borrower, being 2536062 Ontario Inc. (“**2536062**”), Mercedes Gold Holdings, S.A. de C.V. (“**MGH**”), Minera Mercedes Minerales S. de R.L. de C.V (the “**Mine Owner**”) and Bear Creek Mining S.A.C. (“**Bear Creek Peru**”) have agreed to guarantee the obligations of the Borrower to the Lender pursuant to the terms and conditions of this Note.
- E. **WHEREAS** the Borrower is also indebted to Sandstorm Gold Ltd. (“**Sandstorm**”), Nomad Royalty Company Ltd. (“**Nomad**”), and 1368445 B.C. Ltd. (“**1368445**”). Each of the Lender, Sandstorm, 1368445, and Nomad have agreed that the relative priority of the Borrower’s and Guarantors’ obligations and related mortgages, pledges or other security shall in all respects be determined by the terms and conditions of the amended and restated intercreditor agreement dated on or about the date hereof (as may be amended, restated, modified, supplemented or replaced from time to time, the “**Intercreditor Agreement**”) among Sandstorm (in its capacities as Collateral Agent, Sandstorm Holder and Sandstorm Purchaser (under and as defined in the Intercreditor Agreement)), Nomad (in its capacity as Nomad Stream Agent (under and as defined in the Intercreditor Agreement)), 1368445, the Lender, Premier Gold Mines (Cayman) Ltd. (“**Premier Cayman**”), the Borrower, 2536062, MGH and the Mine Owner.

NOW THEREFORE, in consideration of the foregoing promises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

1. **Defined Terms.**

Certain defined terms are set forth in Schedule A hereto. Capitalized terms used but not otherwise defined in this Note shall have the meanings given to them in the SPA.

2. **Principal.**The Borrower unconditionally promises to pay the Principal Amount and all interest accrued pursuant to Section 3 hereof by the date that is five years following the date hereof (the “**Maturity Date**”) by deposit to the Lender’s account set out in Schedule B hereto (the “**Account**”).

3. **Interest.**Subject to Section 4 hereof, interest on the outstanding principal balance of the Principal Amount shall accrue monthly from the date hereof at a nominal rate of interest equal to 7% per annum, and payable in full on the Maturity Date by deposit to the Account.

4. **Repayment.**The Borrower shall repay the outstanding principal to the Lender as follows:

- (a) commencing on the last day of the month following the month of issuance of this Note and on the last day of each month thereafter, the Borrower shall make monthly interest payments in an amount equal to US\$155,356 to the Lender; and
- (b) on the Maturity Date, the Borrower shall repay to the Lender, in full the unpaid and outstanding principal together with all accrued and unpaid interest thereon.

5. **Conversion.**

The Lender may, at its election and in its sole discretion, upon delivery of a completed notice of conversion (the “**Conversion Notice**”) in the form attached hereto as Schedule I, at any time (including prior to a Change of Control) prior to the close of business on the Maturity Date convert that portion of the Principal Amount, after conversion into Canadian dollars in accordance with this Section 5, described in the Conversion Notice (the “**Principal Conversion Amount**”) into common shares in the authorized share structure of the Borrower (each, a “**Common Share**”) (without adjustment for interest accrued but unpaid hereon, which interest shall be paid to the Lender in cash) (a “**Lender Conversion**”) according to the formula and as indicated by the hypothetical example set out in Schedule I. Prior to a Lender Conversion, the Principal Conversion Amount shall be converted from United States dollars into Canadian dollars at an exchange rate equal to the Conversion Exchange Rate.

Notwithstanding any other provision in this Note, the Borrower shall in no case be required to issue fractional Common Shares. Any fractions will be rounded down to the next lower whole number, and a cash amount shall be payable by the Borrower to the Lender in lieu of any fractional Common Share upon the conversion of the Note, calculated based on the fractional amount (subject to any adjustments pursuant to Section 6 and Section 7) and the Conversion Price.

6. **Adjustment to Conversion Price.**

If and whenever the Borrower shall (i) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares; (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares; (iii) issue any Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend, then the Conversion Price for the purposes of any Lender Conversion under Section 5 on and at any time after the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares by way of a stock dividend, as the case may be (and as a result of such adjustment, the corresponding number of Common Shares which may be acquired pursuant to such Lender Conversion), shall, subject to

prior TSX Venture Exchange approval, except where such adjustment relate to a subdivision, redivision, reduction, combination or consolidation, be adjusted according to the following formula:

$$\text{Adjusted Conversion Price} = \frac{\text{Conversion Price multiplied by X}}{Y}$$

where:

- X = the number of Common Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend
- Y = the number of Common Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend

If a dispute shall at any time arise with respect to any adjustments of the Conversion Price or the number of Common Shares issuable upon a Lender Conversion, such disputes shall be conclusively determined by an independent auditor, which shall be a firm of Certified Public Accountants certified and licenced in Canada as may be selected by mutual agreement in writing between the Borrower and the Lender, acting reasonably, and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to this Section 6 or Section 7 and shall be binding upon the Borrower and the Lender.

7. **Change of Control Adjustment.**

If the Lender elects not to convert all or any portion of the Principal Amount upon a Change of Control, the conversion rights under this Note following such Change of Control will be adjusted to ensure that the Lender would receive, assuming conversion occurs immediately following such Change of Control, the kind and amount of shares and other securities or property, as applicable, which the Lender would have been entitled to receive if it had been the registered holder of the number of Common Shares upon such Change of Control that it would have received upon the full exercise of a Lender Conversion on the effective date of such Change of Control, with such adjustments to apply to any exercise by the Lender of a Lender Conversion thereafter.

- 8. **Seniority.** The obligations of the Borrower in respect of the Principal Amount and accrued and unpaid interest thereon from time to time will be senior to, and will rank in priority over all obligations outstanding to any vendor under an Acquisition consummated by the Borrower after the acquisition by the Borrower of the Subsidiary Shares from the Lender, and the Borrower will, at the Lender's request, obtain an acknowledgement of the Lender's priority and senior ranking from any such party, which may be in the form of a priority agreement or other written instrument satisfactory in both form and substance to the Lender. For greater certainty, the relative priority of the Borrower's obligations to each of the Lender, Sandstorm, 1368445, and Nomad shall be in all respects determined by the terms and conditions of the Intercreditor Agreement.
- 9. **Voluntary Prepayment and Top-Up Payment.** Subject to the Lender's right of conversion set out in Section 5, the Note Obligations may be prepaid, in whole or in part, by the Borrower at any time after the second anniversary of the date hereof and prior to the Maturity Date, together with accrued and unpaid interest thereon; provided that, if at the time of such voluntary prepayment, the volume weighted average price of the Common Shares for the 10-day period ending on the last trading day prior to the date of such prepayment (the "**Prepayment Price**") is greater than the Conversion Price (as defined below), a top-up cash payment (the "**Top-Up Payment**") equal to the amount calculated pursuant to the formula in Schedule G attached hereto shall be paid by the Borrower to the Lender in addition to the principal amount prepaid.

10. **Security.**The Borrower agrees that its obligations under this Note (collectively, the “**Note Obligations**”), including, the repayment in full of the Principal Amount and all accrued interest thereon, will be secured by:
- (a) a first-ranking security interest (which shall be shared *pari passu* with Sandstorm, Nomad and 1368445) over the issued and outstanding shares or other equity interests held by the Borrower, any Guarantor, or any subsidiary thereof, in the capital of the Mine Owner, including without limitation, pursuant to a pledge of equity interests governed by the laws of Mexico granted by each of the applicable Guarantors with respect to its shares in the capital of the Mine Owner; and
 - (b) a second-ranking security interest over the issued and outstanding shares or other equity interests held by the Borrower in the capital of Bear Creek Peru, including without limitation, pursuant to a pledge of equity interests governed by the laws of Peru granted by the Borrower with respect to its shares in Bear Creek Peru (the “**Subordinated Peru Share Pledge**”),
- (collectively, the “**Note Security**”).

The property and assets charged by the Note Security shall hereinafter be referred to collectively as the “**Collateral**”. The Borrower shall use commercially reasonable efforts to have all Note Security in place as soon as practicable but in any event no later than the date that is 120 days from the date hereof, and all Note Security shall remain in place until the Borrower has performed all of the Note Obligations.

For greater certainty:

- (c) the Lender hereby acknowledges, confirms and agrees that its security interests pursuant to the Subordinated Peru Share Pledge shall in all respects rank subordinate to any security interests held by Sandstorm, 1368445, or Nomad encumbering the same collateral, and that the right of the Lender to receive payment of the Note Obligations shall in all respects be subject to the terms of the Intercreditor Agreement; and
 - (d) the Lender shall further subordinate its security under the Subordinated Peru Share Pledge in favour of (i) Sandstorm in the event of a subsequent financing by Sandstorm or (ii) another third party providing financing for the Corani Deposit, in each case, on commercially reasonable terms in connection with such financing.
11. **Representations and Warranties of the Borrower.**The Borrower hereby represents and warrants to the Lender as of the date hereof that:
- (a) the Borrower and each Guarantor (together, the “**Note Parties**” and each a “**Note Party**”) has been duly incorporated and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all filings required to be made under the laws of its jurisdiction of incorporation to maintain its corporate existence and has all requisite corporate power to carry on its business as now conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
 - (b) each Note Party and any representative signing on its behalf has full power and capacity to enter into each of this Note and the Note Security (collectively, the “**Note Documents**”) to which it is a party and to do all acts and things and execute and deliver all documents as

are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof, and each Note Party has taken all necessary corporate action to duly authorize the creation, execution, delivery and performance of each of the Note Documents to which it is a party and to observe and perform the provisions of such Note Documents in accordance with the provisions thereof;

- (c) upon the execution and delivery thereof, the Note Documents will create legal, valid and binding obligations of each Note Party that is party to them enforceable against each such Note Party in accordance with their respective terms;
- (d) the entry into and the performance of its obligations under each Note Document to which it is a party is in its best interests and for a proper purpose;
- (e) none of the execution and delivery of the Note Documents, the compliance by the Note Parties with the provisions of the Note Documents or the consummation of the transactions contemplated herein, does or will (i) require the Authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority or other Person, except those listed on Schedule B; (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which any Note Party is a party or by which it or any of its properties or assets is bound; or (iii) conflict with or result in any breach or violation of any provisions of, or constitute a default under the constating documents of any Note Party or any resolution passed by the directors (or any committee thereof) or shareholders of any Note Party, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, any arbitrator, stock exchange or securities regulatory authority applicable to any Note Party or any of the properties or assets thereof;
- (f) the corporate structure of the Note Parties and their subsidiaries is as set forth in Schedule C hereto. Except as set forth in Schedule C, none of the Note Parties own, beneficially or of record, or exercise control or direction over, any equity interests of any Person;
- (g) each Note Party is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of any of its owned or leased properties or assets or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance with all Applicable Laws of each such jurisdiction;
- (h) except as described in Schedule D, each Note Party has conducted and is conducting its business in compliance in all material respects with Applicable Law and possesses all required Authorizations necessary to carry on the business currently carried on by it, is in compliance in all respects with the terms and conditions of all such Authorizations, and none of the Note Parties has received any notice of the modification, revocation or cancellation of, any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Authorization;
- (i) no Note Party has incurred any indebtedness for borrowed money or guaranteed the obligations of any Person, except as disclosed in Schedule E;
- (j) each Note Party has good and valid right, title and interest in and to all of its properties and assets, movable (personal) or immovable (real), free and clear of all Encumbrances,

whether registered or unregistered, except Permitted Encumbrances, and no such properties or assets are subject to any earn-in right, right of first refusal, purchase, Acquisition or similar right, granted in favour of any Person, except Permitted Encumbrances and except as disclosed in Schedule F;

- (k) no Note Party maintains, or has any obligation or liability in relation to, any pension plan;
- (l) except as described in Schedule D, there are no pending or threatened (in writing) legal actions or proceedings of any kind which could reasonably be expected to have a Material Adverse Effect;
- (m) except as described in Schedule F, there are no royalty obligations or similar obligations applicable to the properties of any Note Party, including but not limited to the property interests comprising the Mine;
- (n) no Note Party has approved entering into any agreement in respect of (i) the sale of any property of such Note Party, or assets or any interest therein or the sale, transfer or other disposition of any property of such Note Party, or assets or any interest therein currently owned, directly or indirectly, by such Note Party whether by asset sale, transfer of shares or otherwise, or (ii) any Change of Control;
- (o) none of the Note Parties has any liabilities, fixed or contingent, of the type required to be reflected as liabilities in financial statements prepared in accordance with IFRS, that are not reflected in the consolidated financial statements of the Borrower or in the notes thereto;
- (p) all Taxes, other than Contested Taxes, of each Note Party have been paid and all Tax returns, declarations, remittances and filings required to be filed by any Note Party have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings were, at the time of filing, complete and accurate in all respects and no fact or facts have been omitted therefrom which could make any of them misleading. There are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by any Note Party and no examination of any Tax return of any Note Party is currently in progress (save in respect of any issue, dispute or examination which the relevant Note Party (or Note Parties) is disputing in good faith and pursuant to appropriate proceedings diligently conducted);
- (q) except as described in Schedule D, (i) no Note Party is in material violation of any Environmental Laws including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum by-products (collectively, “**Hazardous Materials**”) or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials; (ii) each Note Party has all material Authorizations required under any applicable Environmental Laws and, each Note Party is in compliance with such Authorizations; (iii) there are no pending or threatened (in writing) administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against any Note Party; and (iv) there are no events or circumstances that could be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Authority, against or affecting any Note Party relating to any Environmental Laws;

- (r) except as contemplated in Section 12(k), the assets of each Note Party and their respective businesses and operations are insured against loss or damage with insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, such coverage is in full force and effect, and no Note Party has failed to promptly give any notice of any claim thereunder. There are no claims by any Note Party under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights or similar clause;
- (s) no Note Party is in violation of any term of its constituting documents. No Note Party is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which could reasonably be expected to result in any Material Adverse Effect, and there is no action, suit, proceeding or investigation commenced, pending or threatened (in writing) which, either in any case or in the aggregate, could reasonably be expected to result in any Material Adverse Effect or which places, or could place, in question the validity or enforceability of this Note, or any document or instrument delivered, or to be delivered, by any Note Party pursuant hereto;
- (t) no Note Party is in default of any term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which any Note Party is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of an amount in excess of US\$500,000 owing thereunder or which could reasonably be expected to have a Material Adverse Effect;
- (u) no Note Party has committed or commenced any act of bankruptcy, administration, liquidation, receivership, dissolution, winding-up, adjustment of debt, relief of debtors, is otherwise insolvent, has proposed a compromise or arrangement to its respective creditors generally, has had a petition or receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied against it or upon any of its property or assets;
- (v) except as described in Schedule D, there are no actions, suits, proceedings, inquiries or investigations existing, pending or threatened against or adversely affecting any Note Party or to which any of their properties or assets is subject, at law or equity, or before or by any Governmental Authority and no Note Party is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, in each case, except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (w) no Note Party and no director or officer, and to the best of the knowledge of the Note Parties after all due inquiry, no agent, employee or other Person acting on behalf of any Note Party has, in the course of its actions for, or on behalf of, any Note Party (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), the *US Foreign Corrupt Practices Act of 1977*, or any other similar

laws; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official, employee or other Person; and

- (x) no Note Party enjoys immunity from suit or execution in relation to its obligations under any Note Document to which it is a party.

12. **Covenants of the Borrower.** So long as any Note Obligations remain outstanding, the Borrower covenants and agrees with the Lender as follows:

- (a) the Borrower will duly and punctually pay or cause to be paid to the Lender all Note Obligations, including, without limitation, the Principal Amount, together with accrued and unpaid interest thereon, on the Maturity Date, at the places, in the currency and in the manner mentioned herein;
- (b) the Note Parties will at all times maintain their corporate existence, obtain and maintain all Authorizations required or necessary in connection with their business, the Mine and/or all of their property, assets and undertaking, observe and perform in all respect all their obligations under all Authorizations and to carry on and conduct their business and exploit the Mine in accordance with prudent mining industry standards;
- (c) they will keep or cause to be kept proper books of account and make or cause to be made therein true and complete entries of all of their dealings and transactions in relation to their businesses in accordance with IFRS, and at all times they will furnish or cause to be furnished to the Lender or its duly authorized representative, agent or attorney such information relating to their operations as the Lender may request and such books of account shall be open for inspection by the Lender or such representative, agent or attorney, upon reasonable prior notice (unless an Event of Default is continuing, in which case no prior notice shall be required) and during regular business hours in the location of the requested information (unless an Event of Default is continuing, in which case the Lender will be entitled to conduct such inspection at any time);
- (d) they will (at the Borrower's cost and expense) provide the Lender and its representatives or any agent or attorney thereof reasonable access to all its properties (including the Mine), assets and books and records, upon reasonable prior notice and during regular business hours (unless an Event of Default exists and is continuing in which case no prior notice is required and the Lender will have access at any time);
- (e) the Borrower will and will cause each other Note Party to diligently pursue, in all respects, all mining and related activities in respect of the Mine;
- (f) the Borrower will and will cause each other Note Party to diligently pursue all requisite Authorizations for the transactions contemplated herein;
- (g) the Borrower will and will cause each other Note Party to ensure that each item of the Note Security will at all times constitute valid and perfected first ranking security on all of the Collateral, in accordance with their terms, subject only to Permitted Encumbrances, and at all times take all actions necessary or requested by the Lender to create, perfect and maintain the Encumbrances granted pursuant to the Note Security as perfected first ranking security over the Collateral, subject only to Permitted Encumbrances;

- (h) the Borrower will and will cause each other Note Party to duly and punctually perform and carry out all of the covenants and acts or things to be done by them as provided in this Note and each of the other Note Documents;
- (i) the Borrower will and will cause each other Note Party to comply, and conduct their business in such a manner so as to comply in all material respects with all Applicable Law, including all Environmental Law (including, without limitation, laws relating to the release or threatened release of Hazardous Materials and the manufacture, processing distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials) and Authorizations;
- (j) the Borrower shall promptly, and in any event no later than two Business Days after the Borrower obtains knowledge thereof, deliver written notice to the Lender of the occurrence of: (i) any material environmental accident or spill affecting any Note Party or the Mine or (ii) any other condition, event or circumstance that results in material non-compliance by any Note Party or the Mine with any Environmental Law or Authorizations;
- (k) from and at all times after the date that is 6 months following the date hereof, the Borrower will and will cause each other Note Party to (i) maintain policies of insurance with carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Note Parties operate and otherwise on terms and in such amounts as may be acceptable to the Lender, acting reasonably; and (ii) on an annual basis and/or at any other time, promptly at the request of the Lender, deliver to the Lender evidence of and all certificates and reports prepared in connection with such insurance;
- (l) the Borrower will and will cause each other Note Party to promptly notify the Lender in writing upon becoming aware of: (i) any Event of Default, or (ii) any suit, proceeding or governmental investigation pending or threatened or any notification of any challenge to the validity of any Authorization, relating to the Note Parties, the Mine or any of the Collateral;
- (m) the Borrower will and will cause each other Note Party to maintain, preserve and protect or cause to be maintained, preserved and protected the Collateral and the Mine in accordance with prudent mining industry standards (and in the case of tangible Collateral, in good condition subject to normal wear and tear);
- (n) the Borrower will and will cause each other Note Party to timely file all Tax returns as and when required pursuant to Applicable Law and pay and discharge or cause to be paid and discharged, promptly when due, all Taxes imposed upon them or in respect of the Mine or any of the Collateral or upon the income or profits therefrom as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become an Encumbrance thereupon; provided however, that they shall not be required to pay or cause to be paid any such Tax if the amount, applicability or validity thereof shall concurrently be contested in good faith by appropriate proceedings diligently conducted;
- (o) the Borrower will and will cause each other Note Party to cause all necessary and proper steps to be taken diligently to protect and defend the Mine and the Collateral and the proceeds thereof against any adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand; and

- (p) if, after the date hereof, the Lender, through information received from any Governmental Authority or any other Person as a result of a request for information delivered by or on behalf of the Lender or otherwise, identifies any material adverse condition or circumstance relating to any Note Party or the Mine, each Note Party shall take all steps as may be required by the Lender to remedy any such adverse condition or circumstance to the satisfaction of the Lender.
13. **Information Rights.** So long as any Note Obligations remain outstanding, the Borrower shall furnish the Lender with the following information and access rights:
- (a) no later than 15 Business Days following the last day of each calendar month, provide the Lender with consolidated monthly financial and operational reports, standard monthly costs, operating reports and a forecast report for the balance of the current calendar year, including a comparison of reported consolidated operating results and cash flows to the most recently furnished forecast report, in the form agreed with the Lender from time to time, and such other information with respect to the Note Parties as the Lender may request; and
 - (b) reasonable access to the Mine site, Mine site personnel and books and records, should the Lender wish to conduct a site visit of the Mine and/or to review and/or discuss operating results relating to the Mine with Mine personnel or management of the Borrower or the Subsidiary.
14. **Covenants Regarding Note Parties.** So long as any Note Obligations remain outstanding, the Borrower hereby covenants and agrees with the Lender that, except with prior written consent of the Lender, none of the Note Parties will:
- (a) directly or indirectly issue, incur, assume or otherwise become liable for or in respect of any indebtedness for borrowed money or guarantee the obligations of any other Person other than Permitted Indebtedness;
 - (b) directly or indirectly create, incur, assume, permit or suffer to exist any Encumbrance against any of their properties or assets, including, without limitation, the Mine, or any of the Collateral, other than Permitted Encumbrances;
 - (c) convey, sell, lease, assign, transfer or otherwise dispose of (i) any of their properties or assets other than pursuant to a Permitted Disposal or (ii) directly or indirectly, any interest in the Borrower or any other Note Party;
 - (d) directly or indirectly consummate, agree to consummate or take any steps to consummate any Acquisition, except with the prior written consent of the Lender;
 - (e) enter into or amend, modify, vary or terminate any material contract, or Authorization now or hereafter held by any of the Note Parties in a manner which could reasonably be expected to have a Material Adverse Effect;
 - (f) enter into any scheme for the reconstruction or reorganization of it or any of its subsidiaries or for the consolidation, amalgamation, merger, arrangement or similar transaction of it or any of its subsidiaries with or into any other Person, except for any such transaction involving only the Borrower and one or more of its subsidiaries, and provided that (i) the Borrower is a surviving entity of such transaction and, (ii) if requested by the Lender, the

Borrower and any Guarantor (or any successor entity thereof) which is surviving entity enters into a confirmation of the Note Obligations and/or the obligations under the Note Security of such surviving entity and any of its predecessors;

- (g) make any payment, repayment, prepayment on, purchase, redeem, or otherwise acquire or retire for value, prior to any scheduled final maturity, any indebtedness for borrowed money other than the Note Obligations;
- (h) purchase, redeem, retire, repurchase and cancel or otherwise acquire for cash any equity interest in the capital of the Borrower;
- (i) make any change to their constating documents in a manner that adversely affects the interests of the Lender, or any Encumbrance granted to the Lender under the Note Security;
- (j) change the name of any Note Party without the prior written approval of the Lender, which approval shall not be unreasonably withheld or delayed;
- (k) allow any Note Party (other than the Borrower) to cease to be a direct or indirect wholly-owned subsidiary of the Borrower;
- (l) declare, make, provide for or pay any dividend or other distribution on the shares or other equity interests in its capital stock, except for distributions by any subsidiary of the Borrower to the Borrower;
- (m) make any payment in relation to any shareholder loan or other indebtedness to any non-arm's-length party or enter into any transaction with any non-arm's-length party;
- (n) make any payment to any shareholder or is affiliates unless such payment is expressly permitted hereunder;
- (o) provide any financial assistance to any Person other than the Lender;
- (p) enter into or become party or subject to any dissolution, winding-up, reorganization, arrangement or similar transaction or proceeding;
- (q) engage in the conduct of any business other than the business of such Note Party as existing on the date of this Note or in businesses reasonably related thereto on a basis consistent with the conduct of such business as conducted on the date of this Note; or
- (r) maintain, or have any obligation or liability in relation to, any pension plan.

15. **Events of Default.** So long as any Note Obligations remain outstanding, if any of the following events shall occur (collectively, the “**Events of Default**” and each an “**Event of Default**”):

- (a) the Borrower shall fail to pay any of the principal amount, together with all accrued interest, owing under this Note when due, and such failure shall continue unremedied for a period of 5 days;
- (b) the Borrower shall fail to observe or perform any of the obligations under the Note Security or the SPA, and such failure shall continue unremedied for a period of 30 days;

- (c) any representation, warranty or statement made by or on behalf of the Borrower to the Lender in the Note Security or the SPA is untrue in any material respect when made;
- (d) the Borrower becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) or other comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Borrower; or, if proceedings are initiated under any legislation by or against the Borrower seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- (e) a receiver, trustee, custodian or other similar official is appointed with respect to the Borrower or any material part of its property;
- (f) any Person holding an Encumbrance with respect to any material part of the Borrower's property takes possession of all or any material part of the Borrower's property, or a distress, execution or other similar process is levied against all or any material part of the Borrower's property;
- (g) the Borrower challenges or threatens to challenge the validity or enforceability of this Note, the Note Security or the SPA;
- (h) any Encumbrance purported to be created by the Note Security shall cease to be, or shall be asserted by the Borrower not to be, a valid, perfected, first priority, Encumbrance,
- (i) an Event of Default under the (i) convertible debenture dated as of December 16, 2021 (the "**Sandstorm Debenture**") between the Borrower and Sandstorm or (ii) gold purchase agreement dated as of December 16, 2021, as amended by amendment agreement dated as of May 11, 2023 (the "**Sandstorm GPA**") between the Borrower and Sandstorm (in each case, as may be further amended, restated, modified, supplemented or replaced from time to time);
- (j) an Event of Default under the third amended and restated purchase and sale agreement dated as of April 21, 2022 between Premier Cayman, Nomad and certain other purchasers from time to time party thereto (as may be amended, restated, modified, supplemented or replaced from time to time, the "**Nomad Stream Agreement**"); or
- (k) an Event of Default under the promissory note dated July 28, 2022, for a principal amount of US\$10,666,000 plus interest owing thereunder, granted by the Borrower in favour of 1368445 by way of assignment of debt and security dated April 27, 2023 among the Borrower, as borrower, Bear Creek Peru, as guarantor, 1368445, as assignee, and Auramet International, Inc. (as successor-in-interest to Auramet International, LLC), as assignor (as may be amended, restated, modified, supplemented, replaced or assigned from time to time, the "**1368445 Note**").

then, (A) and at any time thereafter during the continuance of such Event of Default, the Lender may by notice to the Borrower declare any and all Note Obligations then outstanding, including but not limited to the principal and any accrued interest then outstanding, to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal so declared to be due and payable, together with accrued interest thereon, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind,

all of which are hereby waived by the Borrower, except as set out earlier in this paragraph, and (B) in the case of any Event of Default described in subparagraphs (d), (e) and (f) of this Section 15, the Note Obligations then outstanding shall automatically become due and payable or deliverable, as the case may be, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

16. **Conditions Subsequent.** Within the applicable period specified below, each of the following conditions subsequent shall have been satisfied or waived in writing by the Lender:

- (a) within 3 days of the date hereof, the Lender, shall have received the following documentation or evidence of satisfaction of the relevant condition, as applicable, in form and substance satisfactory to the Lender:
 - (i) all of the representations and warranties of the Note Parties contained herein or in any other Note Document are true and correct on and as of the date hereof as though made on and as of such date, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
 - (ii) all of the covenants and agreements of each of the Note Parties contained herein or in any other Note Document required to be fulfilled or satisfied on or before the date hereof have been so fulfilled or satisfied, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
 - (iii) no Event of Default has occurred and is continuing, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
 - (iv) no event or circumstance shall have occurred or exist as of the date hereof that could be expected to have a Material Adverse Effect and there shall be no pending or threatened (in writing) litigation, proceedings or investigations which could be expected to have a Material Adverse Effect; and
 - (v) the Lender has received payment of all fees and all costs and expenses which have been incurred and are payable by the Borrower to the Lender on or prior to the date hereof;
- (b) 120 days of the date hereof (the “**CS Satisfaction Date**”), the Lender shall have received the following documentation or evidence of satisfaction of the relevant condition, as applicable, in form and substance satisfactory to the Lender:
 - (i) duly executed copies of the Note Security and any other Note Documents;
 - (ii) customary search reports as the Lender may require;
 - (iii) certificates of status or other similar type of evidence of existence for each of the Note Parties from all relevant jurisdictions;
 - (iv) certified copies of the constating documents of each of the Note Parties;
 - (v) certified copies of directors’ resolutions for each of the Note Parties with respect to its authorization, execution and delivery of the Note Documents to which it is a party and the performance of all its obligations thereunder;

- (vi) certificates of a director, managing partner or authorized officer, as applicable, of each of the Note Parties, in each case providing customary certifications including certifying the names and the true signatures of the officers authorized to sign the Note Documents to which it is a party;
- (vii) all requisite Authorizations and regulatory approvals to the transactions contemplated herein, including the third-party consents and approvals listed in Schedule C;
- (viii) releases, discharges and postponements (in registrable form where appropriate) covering all Encumbrances affecting any of the Collateral secured by the Note Security which are not Permitted Encumbrances;
- (ix) evidence that all Encumbrances granted pursuant to the Note Documents have been duly perfected and registered in all relevant jurisdictions as required by the Lender and the Lender's legal counsel;
- (x) there shall be no other Encumbrances whatsoever attaching to the Collateral, other than Permitted Encumbrances;
- (xi) all of the representations and warranties of the Note Parties contained herein or in any other Note Document are true and correct on and as of the CS Satisfaction Date as though made on and as of such date, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
- (xii) all of the covenants and agreements of each of the Note Parties contained herein or in any other Note Document required to be fulfilled or satisfied on or before the CS Satisfaction Date have been so fulfilled or satisfied, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
- (xiii) no Event of Default has occurred and is continuing as of the CS Satisfaction Date, and the Lender has received a certificate of an officer of the Borrower so certifying to the Lender;
- (xiv) the Lender has received payment of all fees and all costs and expenses which have been incurred and are payable by the Borrower to the Lender on or prior to the CS Satisfaction Date;
- (xv) no event or circumstance shall have occurred or exist as of the CS Satisfaction Date that could be expected to have a Material Adverse Effect and there shall be no pending or threatened (in writing) litigation, proceedings or investigations which could be expected to have a Material Adverse Effect; and
- (xvi) such other conditions subsequent (including the delivery of such documents, certificates, opinions and agreements) as the Lender may require based on its due diligence review.

17. **Guarantee.** Each of the Guarantors agrees to guarantee the Note Obligations as follows:

- (a) Capitalized words and phrases used in this Guarantee (as defined below) without express definition herein shall, unless something in the subject matter or context is inconsistent

therewith, have the same defined meanings as are ascribed to such words and phrases in the Note. In addition, in this Section 17, unless something in the subject matter or context is inconsistent therewith:

“**Default Rate**” means a rate per annum that is equal to the rate of interest applicable to the Note Obligations pursuant to Section 3 plus 5.0% per annum.

“**Guarantee**” means the guarantee set forth in this Section 17, as amended, modified, supplemented or restated from time to time.

- (b) Each Guarantor hereby unconditionally and irrevocably guarantees to the Lender the payment and performance of all of the Note Obligations, together with interest thereon as provided in Section 17(o).
- (c) If any or all of the Note Obligations are not duly paid or performed by the relevant Note Parties and are not recoverable under Section 17(b) for any reason whatsoever, each Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the relevant Note Parties to pay and perform such Note Obligations.
- (d) If any or all of the Note Obligations are not duly paid or performed by the relevant Note Parties and are not recoverable under Section 17(b) or the Lender is not indemnified under Section 17(c), in each case, for any reason whatsoever, such Note Obligations shall, as a separate and distinct obligation, be recoverable by the Lender from each Guarantor as the primary obligor and principal debtor in respect thereof and shall be paid to the Lender forthwith after demand therefor as provided herein.
- (e) The liability and obligations of each Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:
 - (i) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Note Obligation, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Note Obligations, covenants or undertakings of the Borrower or any other Note Party under the Note Documents;
 - (ii) any modification or amendment of or supplement to the Note Obligations;
 - (iii) any loss of or in respect of any security held by the Lender, whether occasioned by the fault of the Lender or otherwise, including any release, non perfection or invalidity of any such security;
 - (iv) any change in the existence, structure, constitution, name, control or ownership of the Borrower, any other Note Party or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower, any other Note Party or any other person or their respective assets;
 - (v) the existence of any set off, counterclaim, claim or other right which such Guarantor, the Borrower or any other Note Party may have at any time against the

Lender or any other person, whether in connection with this Note, the Guarantee or any unrelated transaction;

- (vi) any provision of applicable law purporting to prohibit or limit the payment by the Borrower or any other Note Party of any Note Obligation, and the foregoing is hereby waived by such Guarantor to the extent permitted under applicable law;
- (vii) any limitation, postponement, prohibition, subordination or other restriction on the right of the Lender to payment of the Note Obligations;
- (viii) any release, substitution or addition of any other guarantor of the Note Obligations;
- (ix) any defence arising by reason of any failure of the Lender to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non payment of all or any part of the Note Obligations and the existence, creation, or incurring of new or additional Note Obligations;
- (x) any defence arising by reason of any failure of the Lender to proceed against the Borrower, any other Note Party or any other person, or to apply or exhaust any security held from the Borrower, any other Note Party or any other person for the Note Obligations, to proceed against, apply or exhaust any security held from such Guarantor or any other person, or to pursue any other remedy available to the Lender;
- (xi) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Note Obligations or any part thereof or of any security or guarantee in support thereof, or by reason of any incapacity, lack of authority, or other defence of the Borrower, any other Note Party or any other person, or by reason of any limitation, postponement or prohibition on the Lender's rights to payment, or the cessation from any cause whatsoever of the liability of the Borrower, any other Note Party or any other person with respect to all or any part of the Note Obligations (other than irrevocable payment to the Lender in full, in cash, of the Note Obligations), or by reason of any act or omission of the Lender or others which directly or indirectly results in the discharge or release of the Borrower, any other Note Party or any other person or of all or any part of the Note Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;
- (xii) any defence arising by reason of the failure by the Lender to obtain, register, perfect or maintain an Encumbrance in or upon any property of the Borrower, any other Note Party or any other person, or by reason of any interest of the Lender in any property, whether as owner thereof or as holder of an Encumbrance therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;
- (xiii) any defence arising by reason of the failure of the Lender to marshal assets;
- (xiv) to the extent permitted under applicable law, any defence based upon any failure of the Lender to give to the Borrower, or any Note Party or such Guarantor notice of any sale or other disposition of any property securing any or all of the Note

Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;

- (xv) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower, any other Note Party or any other person, including any discharge or bar against collection of any of the Note Obligations; or
- (xvi) any other law, event or circumstance or any other act or failure to act or delay of any kind by the Borrower, any other Note Party, the Lender or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of such Guarantor's obligations hereunder, other than as a result of the payment or extinguishment in full of the Note Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Lender is to destroy or diminish any Guarantor's subrogation rights, any Guarantor's right to proceed against the Borrower or any other Note Party for reimbursement, any Guarantor's right to recover contribution from any other guarantor or any other right or remedy of any Guarantor.

- (f) The Lender, without releasing, discharging, limiting or otherwise affecting in whole or in part any Guarantor's liability and obligations hereunder, may:
 - (i) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower, any other Note Party or any other guarantor or endorser;
 - (ii) take or abstain from taking security or collateral from the Borrower, any other Note Party or any other guarantor or endorser or from perfecting security or collateral of the Borrower or any other guarantor or endorser;
 - (iii) accept compromises from the Borrower, any other Note Party or any other guarantor or endorser;
 - (iv) subject to the Note Documents, apply all money at any time received from the Borrower, any other Note Party or from security upon such part of the Note Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; or
 - (v) otherwise deal with the Borrower, any other Note Party and all other persons and security as the Lender may see fit.
- (g) The Lender shall not be bound or obligated to exhaust their recourse against the Borrower, any other Note Party or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 17(1)) before the Lender shall be entitled to demand, enforce and collect payment from a Guarantor hereunder.
- (h) Any account settled or stated in writing by or between the Lender and the Borrower or other relevant Note Party shall be *prima facie* evidence that the balance or amount thereof appearing due to the same is so due.

- (i) In any claim by the Lender against a Guarantor hereunder, such Guarantor shall not claim or assert any set off, counterclaim, claim or other right that the Borrower, any other Note Party or such Guarantor may have against the Lender.
- (j) This Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Note Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower or any other Note Party), all as though such payment had not been made.
- (k) If at any time, all or any part of any payment previously received by the Lender and applied to any Note Obligation must be rescinded or returned by the Lender for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower or any other Note Party), such Note Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Note Obligation as though such application by the Lender had not been made.
- (l) The Lender shall be entitled to make demand upon a Guarantor at any time during the continuance of an Event of Default and upon any such demand the Lender may treat all Note Obligations as due and payable and may forthwith collect from such Guarantor all Note Obligations. Each Guarantor shall make payment to or performance in favour of the Lender of all Note Obligations forthwith after demand therefor is made upon such Guarantor by the Lender as aforesaid.
- (m) If acceleration of the time for payment of any amount payable by the Borrower or any other Note Party in respect of the Note Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of the Borrower or such other Note Party or any moratorium affecting the payment of the Note Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by each Guarantor hereunder forthwith on demand by the Lender.
- (n) Each Guarantor shall pay to the Lender all reasonable out-of-pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Lender from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by a Guarantor on demand by the Lender.
- (o) Any payment obligation comprised in the Note Obligations guaranteed hereunder which is not paid by a Guarantor when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 17(l) to the date of payment at the Default Rate. Any other amounts payable pursuant hereto, including pursuant to Section 17(n), which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 17(l) to the date of payment or reimbursement thereof by such Guarantor at a rate per annum that is equal to the Default Rate. All such interest shall accrue daily and shall be payable by a Guarantor on demand by the Lender.
- (p) Until all the Note Obligations have been irrevocably paid in full in cash no Guarantor shall have any right of subrogation to and each Guarantor waives, to the fullest extent permitted

by applicable law, any right to enforce any remedy which the Lender now has or may hereafter have against the Borrower or any other Note Party in respect of the Note Obligations and until such time each Guarantor waives any benefit of and any right to participate in any security now or hereafter held by the Lender for the Note Obligations. If (i) a Guarantor performs or makes payment to the Lender of all amounts owing by such Guarantor under this Guarantee and (ii) the Note Obligations are performed and irrevocably paid in full then the Lender will, at such Guarantor's request, execute and deliver to such Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to such Guarantor of the Lender's interest in the Note Obligations and any security held therefor resulting from such performance or payment by such Guarantor.

- (q) Each Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the obligations guaranteed hereunder, except for the demand pursuant to Section 17(l).
- (r) This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Lender and be binding upon the successors of each Guarantor.
- (s) The Guarantors shall make payment relative to each Note Obligation in the currency (the "**original currency**") in which the Borrower is required to pay such Note Obligation. If a Guarantor makes payment relative to any Note Obligation to the Lender in a currency (the "**other currency**") other than the original currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of such Guarantor hereunder in respect of such Note Obligation only to the extent of the amount of the original currency which the Lender is able to purchase with the amount of other currency they receive on the date of receipt in accordance with normal practice. If the amount of the original currency which the Lender is able to purchase is less than the amount of such currency originally due in respect of the relevant Note Obligation, such Guarantor shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of the Lender as to any such loss or damage shall constitute *prima facie* evidence thereof, in the absence of manifest error.
- (t) No failure on the part of the Lender to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
- (u) Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantors and the Lender. Any waiver and any consent by the Lender under any provision of this Guarantee must be in writing signed by the Lender and may be given subject to any conditions thought fit by the Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

- (v) This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies the Lender might have.
 - (w) The rights of the Lender under this Guarantee may be assigned by the Lender to any assignee or all or any part of the Note Obligations and without the consent of the Borrower or the Guarantors. No Guarantor may assign its obligations under this Guarantee.
 - (x) Each Guarantor is fully aware of the financial condition of the Borrower and the other Note Parties and acknowledges that it shall receive a benefit from the Lender entering into the Note Documents. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and the other Note Parties' financial condition and assets, and of all other circumstances bearing upon the risk of non payment or non performance of the Note Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Lender shall not have a duty to advise such Guarantor of information known to any of them regarding such circumstances or risks.
 - (y) Each Guarantor hereby acknowledges receipt of a true and complete copy of the other Note Documents and all of the terms and conditions thereof.
18. **Payment of Fees.** The Borrower will pay for the Lender's reasonable and documented legal fees (on a solicitor and own-client basis) and all other reasonable and documented costs, charges and expenses (including all due diligence expenses) of and incidental to the preparation, execution and completion of this Note and the other Note Documents (including notaries' and translator's fees where such notarial and translation services are customarily required), and all amendments thereto, and as may be required by the Lender or the Lender's legal counsel to complete or facilitate the transactions contemplated herein, including but not limited to technical consulting and other due diligence and ongoing compliance and monitoring costs. The Borrower further covenants and agrees to pay all of the Lender's legal fees (on a solicitor and own-client basis) and all other costs, charges and expenses of and incidental to the recovery of all amounts owing hereunder, including but not limited to those incurred in connection with any enforcement or realization proceedings under or in connection with this Note and/or any of the other Note Documents, including the Note Security. All amounts referred to herein will be payable upon demand. If not paid within three Business Days of demand, all such amounts shall accrue interest at the rate set forth in Section 3 from the date of demand.
19. **Governing Law.** This Note shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province. The Borrower waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this Note. This Note shall become effective when it has been executed and delivered. Time shall be of the essence in this Note in all respects. This Note constitutes the entire agreement of the parties pertaining to the indebtedness evidenced by this Note.
20. **Confidentiality.** The Lender agrees that it shall maintain as confidential and shall not disclose, and shall cause its affiliates, employees, officers, directors, advisors, agents and representatives to maintain as confidential and not to disclose, any information (whether written, oral or in electronic or other format) received, reviewed, or observed by the Lender from the Borrower or Guarantors, their affiliates, employees, officers, directors, advisors, agents or representatives as a result of or in connection with the financial reporting, site inspections, or other reporting made available by the Borrower pursuant to this Note (such information referred to herein as "**Confidential Information**"), except the Lender may disclose Confidential Information:

- (a) to its professional advisors, including legal counsel, provided each person to whom the Confidential Information is disclosed agreed to be bound by these terms of confidentiality (or is bound by such professional obligation to maintain confidentiality) and may only use such Confidential Information for the limited purpose for which it was disclosed;
- (b) where such disclosure is necessary to comply with any Applicable Law or court order, its disclosure obligations and requirements under Applicable Securities Law, provided that such disclosure is limited to factual matters and that the Lender will have availed itself of the full benefits of Applicable Securities Law as to disclosure of a confidential basis to which it may be entitled, including redacting all proprietary, structural or other confidential information of the Borrower or its affiliates prior to making such disclosure and only following the prior review of the Borrower;
- (c) where such Confidential Information is already public knowledge other than by breach of the confidentiality terms of this Note or obtained independently of this Note and the source of such information is not known to the Lender, after reasonable inquiry, to be by any confidentiality agreement or otherwise prohibited from transmitting the Confidential Information by a contractual, legal or fiduciary obligation; and
- (d) with the approval of the Borrower.

The Lender shall ensure that its and its affiliates' employees, directors, officers, agents and professional advisors, where applicable, are made aware of this Section 20 and comply with the provisions of this Section 20. The Lender shall be liable to the Borrower for any improper use or disclosure of such terms or information by such persons.

No party to this Note shall file this Note on SEDAR without reasonable prior consultation with the other party, and the parties shall consult with each other with respect to any proposed redactions to this Note in compliance with Applicable Laws before it is filed on SEDAR.

21. **Headings.** The headings of the articles, sections, subsections and clauses of this Note have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Note.

[Signature pages follow]

IN WITNESS WHEREOF the undersigned has caused this Note to be duly executed as of the date first written above.

The Borrower

BEAR CREEK MINING CORPORATION

By: (signed) Eric Caba
Name: Eric Caba
Title: President and Chief Executive Officer

The Guarantors:

2536062 ONTARIO INC.

By: (signed) Eric Caba
Name: Eric Caba
Title: Chief Executive Officer

MERCEDES GOLD HOLDINGS S.A. de C.V.

By: (signed) Eric Caba
Name: Eric Caba
Title: Authorized Signatory

By: (signed) Paul Tweddle
Name: Paul Tweddle
Title: Authorized Signatory

**MINERA MERCEDES MINERALES S. de R.L.
de C.V.**

By: (signed) Eric Caba
Name: Eric Caba
Title: Authorized Signatory

By: (signed) Paul Tweddle
Name: Paul Tweddle
Title: Authorized Signatory

BEAR CREEK MINING S.A.C.

By: (signed) Eric Caba
Name: Eric Caba
Title: Authorized Signatory

Schedule A

Certain Defined Terms

In the Note to which this Schedule A is annexed, unless there is something in the subject matter or context inconsistent therewith:

“Acquisition” means, with respect to any Person, any purchase or other acquisition by such Person, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (i) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of an equity interest in, such other Person so that such other Person becomes a subsidiary of the purchaser or of any of its affiliates) or of all or substantially all of the property of any other Person, or (ii) any division, business, project, operation or undertaking of any other Person or of all or substantially all of the property of any division, business, project, operation or undertaking of any other Person;

“Applicable Law” means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and also includes any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Securities Laws” means collectively, the applicable securities laws of all of the provinces and territories of Canada except for the Province of Québec, the regulations, rules, rulings and orders made thereunder, the applicable published policy statements issued by the securities commissions thereunder and the rules and policies of the TSX Venture Exchange;

“Authorization” means any authorization, consent, approval, resolution, licence, permit, concession, exemption, filing, notarization or registration;

“Business Day” means any day other than Saturday, Sunday or a statutory holiday when banks are not open in Vancouver, British Columbia;

“Change of Control” means the occurrence of any of the following events:

- (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Shares, that together with the offeror’s securities (as such term is defined in section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) in relation to any Voting Shares, would constitute Voting Shares representing more than 20% of the total voting power attached to all Voting Shares then outstanding;
- (b) there is consummated any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of the Borrower (i) in which the Borrower is not the continuing or surviving corporation or (ii) pursuant to which any Voting Shares would be reclassified, changed or converted into or exchanged for cash, securities or other property,

other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of the Borrower in which the holders of the Voting Shares immediately prior to the amalgamation, consolidation, statutory arrangement or merger have, directly or indirectly, more than 80% of the Voting Shares of the continuing or surviving corporation immediately after such transaction; or

- (c) any Person or group of Persons shall succeed in having a sufficient number of its nominees elected as directors of the Borrower such that such nominees, when added to any existing directors after such election who were nominees of or affiliates or related Persons of such Person or group of Persons, will constitute a majority of the directors;

“Conversion Exchange Rate” means the Bank of Canada’s daily exchange rate on the day prior to the date on which the Conversion Notice is delivered to the Borrower;

“Conversion Price” means the price equal to the Deemed Price multiplied by 1.25, such amount being C\$0.73;

“Corani Deposit” means the Corani silver-lead-zinc property located in the district of Corani, province of Carabaya, in the department of Puno in southern Peru;

“Deemed Price” means C\$0.58 such amount being the volume-weighted average price of the Common Shares for the 10-day period ending on May 29, 2023, such date being the day prior to the date on which the Note was announced;

“Encumbrance” means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, claim, deed of trust, royalty, assignment by way of security, hypothecation, security interest, conditional sales agreement, lease or title retention agreement, financing statement or other registration or recording in any public registry system affecting any of such Person’s property or other encumbrance, granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s property, or any consignment by way of security or capital lease of property by such Person or consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation;

“Environmental Laws” means all federal, provincial, state, municipal, national, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other Authorizations, as well as common law, civil law and other jurisprudence or authority, in each case, domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, direction, certificate, approval, consent, registration, licence or other Authorization of any kind held or required to be held in connection with any Environmental Matters;

“Environmental Matters” means:

- (a) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and
- (b) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere;

“Governmental Authority” means each national, state, provincial, county, municipal or other such governmental or public authority, including their authorized administrative bodies, courts, tribunals, commissions and agents, which have legal jurisdiction over a Person or a matter relevant to this Note;

“Guarantor” means each subsidiary of the Borrower that has granted a guarantee in favour of the Lender in connection with the Note Obligations, including without limitation, a guarantee pursuant to Section 17 of this Note;

“IFRS” means international financial reporting standards, approved by the International Accounting Standards Board or any successor thereto (**“IASB”**), as at the date on which any calculation or determination is required to be made, provided that, in accordance with such international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard;

“Material Adverse Effect” means, when used with reference to any event or circumstance, any event or circumstance which has, had, or could reasonably be expected to have a material adverse effect on:

- (a) the business, operations, results of operations, assets, liabilities (contingent or otherwise), capitalization, condition (financial or otherwise) or cash flows of any of the Note Parties;
- (b) the ability of the Note Parties or any of them to perform any of their obligations under this Note or any of the other Note Documents;
- (c) the validity or enforceability of this Note or any other Note Document; or
- (d) the priority or ranking of any Encumbrance granted pursuant to any of the Note Security or any of the rights or remedies of the Lender thereunder or under any other Note Document,

in each case as determined by the Lender;

“Mine” means the Mercedes mine project located in Sonora State, Mexico, approximately 250 kilometres northeast of Hermosillo, Sonora’s capital city, and 300 kilometres south of Tucson, Arizona.

“Permitted Disposal” means any sale, lease, license, transfer or other disposal:

- (a) of inventory in the ordinary course of business;
- (b) made by a Note Party to another Note Party, provided that if the disposing Note Party had granted an Encumbrance in favour of the Lender over the asset or property subject to such disposal, equivalent security over such asset or property shall be granted in favour of the Lender by the acquiring Note Party, in each case, on terms and conditions satisfactory to the Lender, acting reasonably;
- (c) of obsolete or redundant (i) vehicles, (ii) plant and equipment, (iii) supplies or (iv) repair and maintenance inventory, for cash;
- (d) of fixed assets in the ordinary course of business (and excluding, for certainty, the Mine) where the proceeds of disposal are used to purchase replacement assets comparable or superior as to type, value and quality; or

- (e) made with the prior written consent of the Lender;

“**Permitted Encumbrances**” means with respect to any Note Party:

- (a) any Encumbrance granted pursuant to the Note Security;
- (b) any Encumbrance or deposit under workers’ compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secure related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any builders’, mechanics’, materialman’s, carriers’, warehousemen’s and landlords’ liens and privileges, in each case, which relate to obligations not yet due or delinquent or, if due or delinquent, which the relevant Note Party is contesting in good faith by appropriate proceedings diligently conducted if such contest would involve no material risk of loss of any material part of the property of the Note Party;
- (d) any Encumbrance for Taxes, assessments, unpaid wages or governmental charges or levies for the then current year and not at the time due and delinquent or the validity of which Taxes (“**Contested Taxes**”) the Borrower is reasonably contesting at the time in good faith by appropriate proceedings diligently conducted, provided that (i) the Borrower has set aside on its books adequate reserves in respect of such Contested Taxes or (ii) failure to set aside on its books such reserves could not reasonably be expected to have a Material Adverse Effect;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by any Note Party, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) any Encumbrance created or assumed by any Note Party in favour of a public utility when required by the utility in connection with the operations of such Note Party that do not in the aggregate materially detract from the value of any of the Collateral or materially impair their use in the operation of the business of such Note Party;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor Encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Note Party, or title defects, encroachments or irregularities, that do not materially detract from the value of the property or materially impair its use in the operation of the business of any Note Party;
- (i) undetermined or inchoate liens and charges incidental to construction or current operations (including unpaid sellers’ liens) which have not at such time been filed pursuant to law against a Note Party or which relate to obligations not due or delinquent or, if due or

delinquent, the validity of which is being contested at the time in good faith if such contest will involve no material risk of loss of any material part of the property of such Note Party;

- (j) landlords' liens or any other rights off distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Note Party;
- (k) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which the Note Party is a party;
- (l) pledge or deposits of cash, deposit instruments, guaranteed investment certificates or securities to secure Permitted Indebtedness referred to under paragraph (i) of the definition of "Permitted Indebtedness";
- (m) any Encumbrance that secures Permitted Indebtedness referred to under paragraph (h) of the definition of "Permitted Indebtedness" provided that such Encumbrance is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness; and
- (n) any Encumbrance that secures Permitted Indebtedness referred to under paragraph (b) of the definition of "Permitted Indebtedness";

"Permitted Indebtedness" means:

- (a) the Note Obligations;
- (b) the existing indebtedness for (i) borrowed money and obligations under guarantees described in Schedule E, or (ii) royalty or similar interests described in Schedule F;
- (c) indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either:
 - (A) not overdue by more than 30 days;
 - (B) overdue by more than 30 days and,
 - (i) during the period commencing on the date hereof and ending on November 30, 2023, are in an aggregate amount not exceeding US\$7,000,000; and
 - (ii) during the period commencing on December 1, 2023 and continuing thereafter, are in an aggregate amount not exceeding US\$4,000,000; or
 - (C) contested, and in that case whether or not overdue or exceeding the thresholds set out in (B) above, are being contested in good faith by such Note Party by appropriate proceedings diligently conducted, and provided always that: (i) the failure to pay such contested indebtedness pending resolution of such dispute could not reasonably be expected to result in a Material Adverse Effect and (ii) the aggregate amount of such contested indebtedness does not exceed US\$150,000;

- (d) any indebtedness approved by the Lender and, if applicable, permitted pursuant to the terms of an inter-creditor agreement, in form and substance satisfactory to the Lender providing for the full subordination and postponement of such indebtedness and any security therefor to the Note Obligations and the Encumbrances granted under the Note Security, executed and delivered in favour of the Lender;
- (e) any inter-company indebtedness between any Note Parties provided such indebtedness comprises part of the Collateral pursuant to the Note Security or is subject to a subordination and postponement agreement in form and substance satisfactory to the Lender;
- (f) any guarantee or indemnity in respect of Permitted Indebtedness;
- (g) any other indebtedness which the Lender agrees in writing is Permitted Indebtedness for the purposes of this Note;
- (h) any indebtedness under capital leases and purchase money obligations, which indebtedness does not exceed US\$500,000 in the aggregate for the Note Parties at any time;
- (i) any other indebtedness of the Note Parties, which indebtedness does not exceed US\$150,000 in the aggregate for the Note Parties at any time; and
- (j) Funds advanced by Wheaton Precious Metals International Ltd. (“**Wheaton**”) to the Borrower up to a maximum amount of two million dollars (US\$2,000,000) for the purpose of geometallurgical test work on the Corani Deposit (the “**WPM Loan**”);

“**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, or corporation with or without share capital, body corporate, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or Governmental Authority or entity, however designated or constituted;

“**Taxes**” means all taxes, assessments, rates, levies, royalties, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not; and

“**Voting Shares**” means shares of capital stock of any class of the Borrower carrying voting rights under all circumstances, provided that for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of any event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event.

Schedule A

Payment Routing Instructions

[Redacted – Confidential Information]

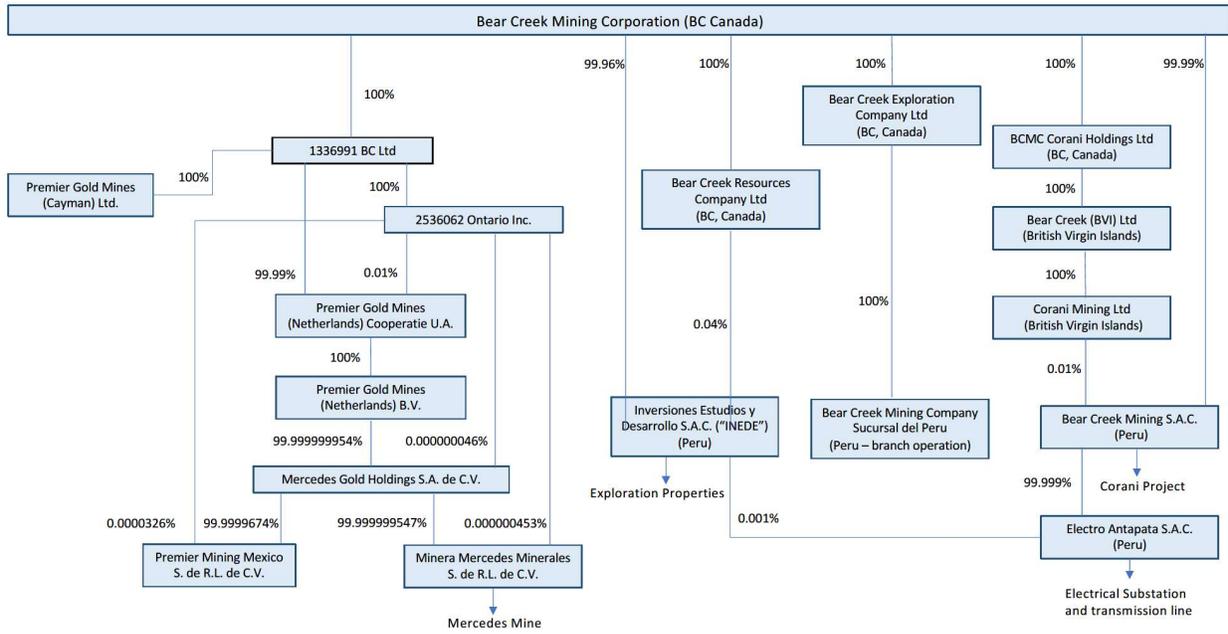
Schedule B

Required Authorizations

1. Approval from the TSX Venture Exchange of the proposed loan transaction;

Schedule C

Corporate Structure



Schedule D

Environmental Laws, Litigation and Business Operations

None.

Schedule E

Existing Indebtedness

1. the 1368445 Note;
2. the Sandstorm Debenture;
3. US\$2,000,000 due under certain circumstances pursuant to the WPM Loan; and
4. a loan agreement between Borrower and Lender entered into on September 12, 2023 with effect as of September 7, 2023 in the principal amount of US\$1,300,000.

Schedule F

Royalties and Similar Interests/Encumbrances

1. the Nomad Stream Agreement;
2. the Sandstorm GPA;
3. an offtake agreement dated July 28, 2022 between the Borrower, the Mine Owner, 1336991 B.C. Ltd. and Auramet International Inc. (as successor-in-interest to Auramet International, LLC) with respect to the Mine;
4. a call option agreement dated July 28, 2022 between the Mine Owner, 1336991 B.C. Ltd. and Auramet International Inc. (as successor-in-interest to Auramet International, LLC) with respect to the Mine;
5. an Elemental Royalties Corp. 1% net smelter return royalty;
6. a Mexican government agreement with respect to 0.5% royalty tax and 7.5% mining tax on operating income;
7. a Sandbox Royalties Corp. 2% net smelter return royalty;
8. a 1% net smelter returns royalty on and over the Corani Deposit to be granted by the Borrower to Sandstorm pursuant to a restructuring framework agreement (the “**Framework Agreement**”) between the Borrower and Sandstorm dated September 28, 2023;
9. Pursuant to a Support Agreement (the “**Support Agreement**”) between the Borrower and Wheaton dated November 22, 2022, the Borrower, *inter alia*, granted to Wheaton a right of first refusal in respect of any streaming transaction, royalty transaction or similar transaction on or in respect of the Corani Deposit or any part thereof;
10. Pursuant to the Framework Agreement between the Borrower and Sandstorm dated September 28, 2023, the Borrower agreed to grant a right of first refusal in respect of any metal loan, royalty or streaming transaction pertaining to the production from the Corani Deposit, provided that Sandstorm shall not exercise such right of first refusal unless and until Wheaton has waived or failed to exercise its right of first refusal under the Support Agreement; and
11. Pursuant to the Sandstorm GPA, the Borrower agreed to grant a right of first refusal in respect of any metal loan, royalty or streaming transaction pertaining to the production from the Mine.

Schedule G

TOP-UP PAYMENT CALCULATION

Formula:

$$\text{Top-Up Payment (USD)} = (D - E) \times (C / E)$$

A = Prepayment Price (CAD)

B = Conversion Price (CAD) = Deemed Price (CAD) x 1.25 = C\$0.73

C = Voluntary prepayment amount (USD)

D = Prepayment Price in USD = A / F

E = Conversion Price in USD = B / F

F = Bank of Canada daily exchange rate on the day before the date of this Note

Illustrative Example:

$$\text{Top-Up Payment (USD)} = (D - E) \times (C / E)$$

$$\text{Top-Up Payment (USD)} = (\text{US\$}0.73 - \text{US\$}0.53) \times (\text{US\$}10,000,000 / \text{US\$}0.53)$$

$$\text{Top-Up Payment (USD)} = (\text{US\$}0.20) \times (\text{US\$}18,867,924.50)$$

$$\text{Top-Up Payment (USD)} = \text{US\$}3,773,584.91$$

A = C\$1.00

B = (C\$0.58 x 1.25) = C\$0.73

C = US\$10 million

D = (C\$1.00 / 1.3685) = US\$0.73

E = (C\$0.73 / 1.3685) = US\$0.53

F = 1.3685

Schedule H

SAMPLE CALCULATIONS OF THE NUMBER OF COMMON SHARES TO BE ISSUED UPON A LENDER CONVERSION

Formula:

Number of Common Shares Issuable upon a Lender Conversion	=	$\frac{\text{Principal Conversion Amount} \times \text{Conversion Exchange Rate}}{\text{Conversion Price}}$
Conversion Exchange Rate	=	the Bank of Canada's daily exchange rate on the day prior to the date on which the Conversion Notice is delivered to the Borrower
Conversion Price	=	\$0.73

Example:

This example sets out a hypothetical working example of how the number of Common Shares to be issued on a Lender Conversion is to be calculated pursuant to the formula above and the terms of the Note.

Number of Common Shares Issuable upon a Lender Conversion	=	$\frac{\text{Principal Conversion Amount} \times \text{Conversion Exchange Rate}}{\text{Conversion Price}}$
Hypothetical Principal Conversion Amount	=	US\$26,632,458
Hypothetical Conversion Exchange Rate	=	1.3685
Conversion Price	=	\$0.73
<hr/>		
Number of Common Shares Issuable upon a Lender Conversion	=	$\frac{\text{US\$26,632,458} \times 1.3685}{\text{C\$0.73}}$
	=	49,926,738 ⁽¹⁾

Note:

(1) Such number rounded down to the nearest whole Common Share in accordance with Section 5