

**RioTinto**

**EXIT AGREEMENT**

**BETWEEN**

**RIO TINTO EXPLORATION CANADA INC.**

**AND**

**STAR DIAMOND CORPORATION**

**DATED NOVEMBER 28, 2023**

## EXIT AGREEMENT

**THIS AGREEMENT** is made effective as of November 28, 2023

**BETWEEN:**

**RIO TINTO EXPLORATION CANADA INC.**, a British Columbia corporation of 300 – 815 West Hastings Street, Vancouver, British Columbia V6C 1B4

(“RTEC”)

**AND:**

**STAR DIAMOND CORPORATION** (formerly Shore Gold Inc.), a Canadian corporation of 600, 224th Avenue South, Saskatoon, Saskatchewan S7K 5M5

(“SDC”)

**WHEREAS:**

- A. RTEC and SDC are parties to a joint venture agreement executed on December 9, 2021, but effective November 6, 2019 (the “**Joint Venture Agreement**”) in respect of the exploration and evaluation of the possible development and mining of certain mineral properties and other assets located in the Province of Saskatchewan, known as the Fort à la Corne project (the “**Project**”);
- B. As of the date of this Agreement, the respective Participating Interests of RTEC and SDC under the Joint Venture Agreement are RTEC (75%) and SDC (25%); and
- C. RTEC wishes to sell and SDC wishes to purchase, the Purchased Interest, and the Parties wish to settle and release each other with respect to the Parties’ respective obligations to each other, including under the Joint Venture Agreement, but excluding all of the Parties’ respective obligations set forth in this Agreement, certain provisions set forth in the Resolution Agreement and in the case of RTEC, any rights and interests that RTEC may have as a shareholder of SDC, on the terms and conditions set forth in this Agreement.

**NOW THEREFORE** in consideration of the premises and of the covenants, agreements, representations and warranties set out below and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

### 1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** For the purposes of this Agreement (including the recitals), the capitalized terms in this Agreement shall have the following meanings:

- (a) “**Affiliate**” means any person, partnership, limited liability company, joint venture, corporation, or other form of enterprise that directly or indirectly controls, or is

controlled by or is under common control with, a Party, except that the Venture shall not be considered to be an Affiliate of either Party. The term “control” as used in this definition means the rights to the exercise of, directly or indirectly, more than 50% of the voting rights attributable to the shares or ownership interests of the controlled entity. In the case of RTEC, an Affiliate means any corporation wherever situated in which Rio Tinto plc, Rio Tinto Limited, or both, owns or controls directly or indirectly more than 50% of such voting rights.

- (b) “**Agreement**” means this Agreement, including all written amendments and modifications thereof, and all schedules and exhibits, which are incorporated herein by reference.
- (c) “**Alternate Support Arrangements**” has the meaning given in Section 11.1.
- (d) “**Approval to Operate**” means the Approval to Operate Pollutant Control Facilities [...\*\*\*...]<sup>1</sup> dated [...\*\*\*...]<sup>2</sup>.
- (e) “**Assets**”:
  - (i) has the meaning given in the Joint Venture Agreement, and for certainty, includes, without limitation, the Assigned Permits, the Assigned Contracts, the Processing Plant, the Properties, the Data and the other assets more particularly described in Schedule 1.1(e)(i); and
  - (ii) in addition to those Assets described in Section 1.1(e)(i) above, the Trench Cutter and Trench Cutter Equipment;

but excludes the Excluded Assets.
- (f) “**Assigned Contracts**” means the contracts entered into by RTEC, in any capacity, for the benefit of the Venture (but excluding the Excluded Contracts), as more particularly set out in Schedule 1.1(f).
- (g) “**Assigned Permits**” means Permits held by RTEC on behalf of the Venture (but excluding the Excluded Permits), as more particularly set out in Schedule 1.1(g), including without limitation the Approval to Operate.
- (h) “**Assumed Obligations and Liabilities**” has the meaning given in Section 3.1.
- (i) “**Business Day**” means a day which is not a Saturday or Sunday or a statutory holiday in Vancouver, British Columbia or Saskatoon, Saskatchewan, Canada or Salt Lake City, Utah, United States of America.
- (j) “**Business Integrity Laws**” means all applicable laws, rules, regulations or other legally binding measures of any jurisdiction, including but not limited to the United

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<sup>1</sup> Competitive Information – Commercially Sensitive Terms.

<sup>2</sup> Competitive Information—Commercially Sensitive Terms.

Kingdom, the United States of America, Australia and Canada, that relate to the prevention of bribery, corruption, money laundering, dealings with the proceeds of crime, the facilitation of tax evasion, or fraud, including without limitation the *UK Bribery Act 2010* (“**UKBA**”), the *U.S. Foreign Corrupt Practices Act of 1977* (“**FCPA**”), Division 70 of the Schedule to the *Criminal Code Act (Bribery of Foreign Public Officials)* of Australia (as amended), the *Corruption of Foreign Public Officials Act* (Canada), national and international laws enacted to implement the OECD Convention Combating Bribery of Foreign Officials, and other similar laws and regulations.

- (k) “**Closing**” means the completion of the purchase and sale of the Purchased Interest in accordance with the terms and conditions of this Agreement.
- (l) “**Closing Date**” means five Business Days following the satisfaction or waiver of the conditions precedent set forth in Section 9 (other than conditions which, by their nature, are to be satisfied on the Closing Date) or such other date as the Parties may agree in writing.
- (m) “**Closing Time**” means 11 a.m. (Pacific) on the Closing Date (or such other time as SDC and RTEC may agree in writing).
- (n) “**Common Shares**” means common shares in the capital of SDC.
- (o) “**Confidential Information**” means all information relating to the Venture, the Project and the Properties and any of the affairs, operations, assets, liabilities, personnel, exploration results, prospects, development potential, results of operations and financial condition of the Venture, the Project or the Properties, including without limitation the Data and the terms of this Agreement and all information received or obtained by any Party or any of its Affiliates pursuant to or in connection with the Joint Venture Agreement or this Agreement.
- (p) “**Consideration Shares**” has the meaning given in Section 2.2.
- (q) “**Contract Authorizations**” has the meaning given in Section 7.1(b).
- (r) “**Data**” means that set of data, reports, studies and analyses, that, in each case, are of a technical nature, collected or commissioned by or on behalf of the Venture, RTEC or SDC (including all third-party technical reports, studies, and analyses) that are in the possession or control of the Venture, RTEC, SDC or any of their respective Affiliates and that are owned by the Venture, RTEC or SDC and that are obtained directly or indirectly from the Project or any lands covered by the Properties, excluding (i) any such data, reports, studies or analyses that constitutes proprietary or interpretive data or information of RTEC or any of its Affiliates; (ii) any documents or information that have been prepared for or submitted to any board, technical evaluation group, executive committee, investment committee, management team or similar body of RTEC or any of its Affiliates, or any reviews, briefings, analysis, recommendations, reports or minute meetings of such group, including any internal email briefings of any member of the management team of

RTEC or any of its Affiliates in relation to the Project; (iii) any information pertaining to diamond pricing, economic or market analysis, view or outlooks of RTEC or any of its Affiliates or similar information; and (iv) any documents or information that is subject to solicitor-client privilege, as such included set of data is more particularly set out in Schedule 1.1(r).

- (s) “**Diamond Parcels**” means all diamond parcels previously recovered from the Properties as a result of the operations and activities of RTEC;
- (t) “**Direct Claim**” has the meaning given in Section 13.3.
- (u) “**Effective Date**” means the date of this Agreement that is written above.
- (v) “**EMPA**” means *The Environmental Management and Protection Act, 2010 (Saskatchewan)*.
- (w) “**Encumbrances**” means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty, encumbrance, claim or right or interest attaching to or affecting property or assets, in each case whether registered or unregistered, and whether arising by agreement, statute or otherwise under applicable Laws.
- (x) “**ETA**” means *Excise Tax Act (Canada)*.
- (y) “**Excess Security Amount**” has the meaning given in Section 11.1(b).
- (z) “**Excluded Assets**” means the assets set out in Schedule 1.1(z), including the Excluded Contracts and the Excluded Permits.
- (aa) “**Excluded Contracts**” means the contracts set out in Schedule 1.1(z).
- (bb) “**Excluded Permits**” means the permits set out in Schedule 1.1(z).
- (cc) “**General Conveyance, Assignment and Assumption Agreement**” has the meaning given in Section 10.2(e).
- (dd) “**Governmental Authority**” means any governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, any court, regulatory board or other tribunal and any stock exchange or securities regulatory authority having jurisdiction.
- (ee) “**GST/HST**” means goods and services tax and/or harmonized sales tax.
- (ff) “**Indemnified Party**” has the meaning given in Section 13.3.
- (gg) “**Indemnifying Party**” has the meaning given in Section 13.3.
- (hh) “**Insolvency Event**” means, in respect of any Person, an event where:

- (i) any proceedings are commenced by a creditor or other party seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of such Person's assets and such proceedings are not dismissed or discontinued within 60 days after the commencement thereof; or
- (ii) a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of such Person's assets is appointed and such appointment is neither made ineffective nor discharged within 60 days after the making thereof, or such appointment is consented to, requested by, or acquiesced in by such Person; or
- (iii) such Person:
  - A. commences proceedings or any voluntary case under any applicable bankruptcy, insolvency, creditor protection, corporate restructuring or similar law now or hereafter in effect;
  - B. consents to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other such similar official of any substantial part of its assets;
  - C. makes a general assignment for the benefit of creditors;
  - D. fails generally to pay its debts as such debts become due or otherwise meets the definition of Insolvent Person as defined in the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;
  - E. commits an Act of Bankruptcy, as contemplated by s. 42 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;
  - F. takes corporate or other action in furtherance of any of the foregoing.
- (ii) **"Investor Rights Agreement"** has the meaning given in Section 10.2(g).
- (jj) **"Joint Venture Agreement"** has the meaning given in the Recitals.
- (kk) **"Law"** or **"Laws"** means all applicable federal, provincial and local laws (statutory or common), rules, ordinances, treaties, regulations, judgments, decrees, and other valid governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.
- (ll) **"Lease Assignment Agreement"** has the meaning given in Section 10.2(f).
- (mm) **"LoC Termination Date"** has the meaning given in Section 11.2.

- (nn) **“Loss”** or **“Losses”** means any loss, cost, damage, liability, claim, demand, prosecution, fine, penalty, assessment, damages available at law or in equity, or expense (including reasonable costs, fees and expenses of legal counsel, without reduction for tariff rates or similar reductions, and reasonable costs, fees and expenses of investigation).
- (oo) **“Maximum RTEC LoCs Amount”** has the meaning given in Section 11.1(a).
- (pp) **“Mineral Dispositions”** means all of the mineral dispositions forming part of the Properties as described in Schedule 1.1(pp).
- (qq) **“Ministry of Environment”** means the Ministry of Environment of the Government of Saskatchewan.
- (rr) **“Notice of Claim”** has the meaning given in Section 13.3.
- (ss) **“Participating Interest”** has the meaning given in the Joint Venture Agreement.
- (tt) **“Party”** means a party to this Agreement and its successors and assigns, and **“Parties”** means all of them.
- (uu) **“Permit Authorizations”** has the meaning given in Section 7.1(a).
- (vv) **“Permits”** means any licence, permit, authorization, approval or other evidence of authority, other than the Properties, issued or granted to, conferred upon, or otherwise created for, any Person by any Governmental Authority.
- (ww) **“Permitted Encumbrances”** means:
  - (i) inchoate or statutory liens for taxes not at the time overdue and inchoate or statutory liens for overdue taxes the validity of which are being contested in good faith but only for so long as such contestation effectively postpones enforcement of any such liens or taxes;
  - (ii) statutory liens incurred or deposits made in the ordinary course of the business in connection with worker's compensation, unemployment insurance and similar legislation, but only to the extent that each such statutory lien or deposit relates to amounts not yet due;
  - (iii) security given to a public utility or any Governmental Authority when required in the ordinary course of the business;
  - (iv) any claim of right, title or jurisdiction which may be made or established by any Indigenous peoples by virtue of their status as Indigenous peoples to or over any of the lands or waters constituting any of the Properties or any products harvested or mined from any of the Properties;

- (v) any right associated with any actual or potential competing interest in, or uses for, all or any part of the Properties including, without limitation, the occurrence of traplines or hunting rights, environmentally sensitive areas, unique or at risk species, parks proposals, reserves established by applicable Laws or otherwise, governmental land use plans or policies, forestry tenures, crown granted mineral claims, coal tenures, mineral dispositions issued under *The Crown Minerals Act* (Saskatchewan) over which any of the Properties are overlapping, petroleum and natural gas tenures or other tenures;
- (vi) undetermined or inchoate construction or repair or storage liens arising in the ordinary course of the business, a claim for which has not been filed or registered pursuant to Law or which notice in writing has not been given to the applicable Party;
- (vii) all exceptions, limitations, provisos, reservations and conditions, including royalties, contained in the original or other grants or dispositions from the Crown of all or part of the Assets or any interest therein and all statutory exceptions, limitations, provisos, reservations and conditions, including royalties, currently applicable to the Assets including, without limitation, all applicable exceptions, limitations, provisos, reservations, and conditions, including royalties, under *The Crown Minerals Act* (Saskatchewan), *The Land Titles Act, 2000* (Saskatchewan) and *The Provincial Lands Act, 2016* (Saskatchewan), and the regulations thereunder;
- (viii) easements, rights of way, servitudes and other similar rights in land, including, without limitation, rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, towers, wires and cables;
- (ix) any Encumbrance resulting from any action that was taken by RTEC at the request of or as required by a Governmental Authority, or from any action taken by RTEC, as Manager (as that term is defined in the Joint Venture Agreement) under the terms of the Joint Venture Agreement, or from any action taken by SDC in respect of its Participating Interest or the Assets;
- (x) until its termination at Closing, the terms of the Joint Venture Agreement;
- (xi) any Encumbrance affecting the Assets registered in the Mineral Administration Registry Saskatchewan, the Land Titles Registry of Saskatchewan, the Saskatchewan Personal Property Registry or any other similar public registry in Saskatchewan (including the informal filing system maintained by the Ministry of Energy and Resources with respect to mineral disposition), as of the date of this Agreement;

- (xii) the registrations on title to the Properties, as more particularly described in Schedule 1.1(ww)(xii); and
- (xiii) the SDC Note and the SDC Security.
- (xx) “**Person**” means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, trustee in bankruptcy, syndicate, joint venture, unincorporated organization or Governmental Authority.
- (yy) “**Prime Rate**” means, at any particular time, the annual rate of interest announced from time to time by the Royal Bank of Canada, main branch, Vancouver, British Columbia, as a reference rate then in effect for determining floating rates of interest on Canadian dollar loans made in Canada and as to which, from time to time, a certificate of an officer of the Royal Bank of Canada is conclusive evidence.
- (zz) “**Processing Plant**” means all of the components of the bulk sampling plant and related building, structures and equipment that are owned by RTEC or its Affiliates and located at, or stored in connection with, the Project, all as more particularly described in Schedule 1.1(zz).
- (aaa) “**Project**” has the meaning given in the Recitals.
- (bbb) “**Properties**” has the meaning given in the Joint Venture Agreement, and for certainty, includes the Mineral Dispositions and the surface leases that are the subject of the Surface Lease Agreements.
- (ccc) “**Purchase Price**” means the value of the consideration to be paid by SDC to RTEC as provided in Section 2.2.
- (ddd) “**Purchased Interest**” means all of RTEC’s right, title and interest in the Assets.
- (eee) “**Resolution Agreement**” means the resolution agreement dated December 9, 2021 between RTEC, SDC and Kensington Resources Ltd.
- (fff) “**RTEC**” means Rio Tinto Exploration Canada Inc.
- (ggg) “**RTEC LoCs**” has the meaning given in Section 11.1.
- (hhh) “**RTEC Personnel**” means all employees, independent contractors, consultants or agents employed or engaged, as applicable, by RTEC to perform services in connection with the Purchased Interest, the Project, or any of the Properties or any of the other Assets.
- (iii) “**Sales Taxes**” has the meaning given in Section 2.6.
- (jjj) “**SDC**” means Star Diamond Corporation.
- (kkk) “**SDC Closing News Release**” has the meaning given in Section 4.1(d).

- (lll) “**SDC Execution News Release**” has the meaning given in Section 8.4.
- (mmm) “**SDC Note**” means the promissory note to be issued by SDC to RTEC on the Closing Date in the principal amount of \$9,900,000 in the form attached hereto as Exhibit E, as it may be amended, supplemented, restated or replaced from time to time.
- (nnn) “**SDC Security**” has the meaning given in Section 11.4.
- (ooo) “**SDC Public Record**” means all press releases, forms, reports, schedules, financial statements, management’s discussions and analysis of financial conditions and operations, certifications, annual information forms, management information circulars, material change reports and other documents filed by SDC on SEDAR since September 30, 2021.
- (ppp) “**Securities Commission**” means the applicable securities commission or regulatory authority in each of the provinces and territories of Canada in which SDC is a reporting issuer.
- (qqq) “**Securities Laws**” means, collectively, and, as the context may require, the applicable securities Laws of each of the provinces of Canada in which SDC is a reporting issuer, and the respective regulations and rules made under those securities Laws together with all applicable policy statements, instruments, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement together with applicable published policy statements of the Canadian Securities Administrators, as the context may require, and the rule, regulations and policies of the TSX.
- (rrr) “**Subsequent Sale ASA Reduction Amount**” has the meaning given in Section 2.4(b).
- (sss) “**Subsequent Sale LoC Reduction Amount**” has the meaning given in Section 2.4(a).
- (ttt) “**Surface Lease Agreements**” means all of the surface lease agreements forming part of the Properties as described in Schedule 1.1(ttt).
- (uuu) “**Termination and Release Agreement**” has the meaning given in Section 4.1.
- (vvv) “**Third Party Claim**” has the meaning given in Section 13.3.
- (www) “**Trench Cutter and Trench Cutter Equipment**” means the trench cutter drill rig and all related trench cutter drilling equipment located at, or stored in connection with, the Project, including all modules, accessories and supplies related to such trench cutter drill rig and all related trench cutter drilling equipment located at the Project or stored in connection with the Project and the equipment described in Schedule 1.1(www).

(xxx) “**TSX**” means the Toronto Stock Exchange.

(yyy) “**TSX Approval**” has the meaning given in Section 9.1(a).

(zzz) “**Venture**” has the meaning given in the Joint Venture Agreement.

1.2 **Currency.** In this Agreement, all dollar amounts are expressed in lawful currency of Canada, unless otherwise indicated.

1.3 **Gender, Number, and Other Terms.** Words importing the singular number will include the plural and vice versa, and words importing the masculine gender will include the feminine and neuter genders and vice versa, and words importing persons will include firms, partnerships, and corporations.

1.4 **Headings.** The headings to the respective sections in this Agreement will not be deemed part of this Agreement but will be regarded as having been used for convenience only. Unless the context clearly otherwise requires, references in this Agreement to Articles, Sections, Schedules, and Exhibits are to Articles, Sections, Schedules and Exhibits of this Agreement.

1.5 **References to Whole Agreement.** Unless otherwise stated, the words “herein”, “hereof”, “hereby” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subsection, paragraph or other subdivision or schedule.

1.6 **Statutes.** Unless otherwise stated, any references to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force, and to any statute or regulations that may be passed that supplement or superseded such statute or such regulations.

1.7 **No Contra Preferentum.** The Parties intend that the language in all parts of this Agreement be construed as a whole and neither strictly for nor strictly against any of the Parties to this Agreement.

1.8 **Meaning of Knowledge.** Any representation or warranty that is made on the basis of the knowledge or awareness of a Party, shall be deemed to refer to the knowledge of the current officers and senior employees of such Party whose employment responsibilities relate to the matter in question after reasonably reviewing all relevant records and making reasonable inquiries regarding the relevant matter in question, but in each case, without the requirement to make any inquiries of third parties or Governmental Authorities or to perform any search of any public registry office or system.

1.9 **Schedules and Exhibits.** The following Schedules and Exhibits are attached to and form part of this Agreement:

Schedule 1.1(e)(i)	–	Additional Assets
Schedule 1.1(f)	–	Assigned Contracts
Schedule 1.1(g)	–	Assigned Permits

Schedule 1.1(r)	–	Data
Schedule 1.1(z)	–	Excluded Assets
Schedule 1.1(pp)	–	Properties (Mineral Dispositions)
Schedule 1.1(ww)(xii)	–	Additional Permitted Encumbrances
Schedule 1.1(zz)	–	Processing Plant
Schedule 1.1(ttt)	–	Properties (Surface Lease Agreements)
Schedule 1.1(www)	–	Trench Cutter and Trench Cutter Equipment
Schedule 2.7	–	Purchase Price Allocation
Schedule 5.2(w)	–	Third-Party Reports
Schedule 5.2(aa)	–	Third Party Components Removed from Trench Cutter and Trench Cutter Equipment
Schedule 5.2(bb)	–	Third Party Components Removed from Bulk Sampling Plant
Schedule 5.3(d)	–	Agreements in respect of the Purchase of SDC Shares
Schedule 10.3(d)	–	SDC Legal Opinion
Exhibit A	–	Termination and Release Agreement
Exhibit B	–	General Conveyance, Assignment and Assumption Agreement
Exhibit C	–	Lease Assignment Agreement
Exhibit D	–	Investor Rights Agreement
Exhibit E	–	SDC Note
Exhibit F	–	Debenture
Exhibit G	–	SDC Execution News Release
Exhibit H	–	SDC Closing News Release

## 2. PURCHASE AND SALE OF PURCHASED INTEREST

- 2.1 **Purchase and Sale.** Subject to and in accordance with the terms and conditions of this Agreement, RTEC agrees to sell, assign and transfer to SDC and SDC agrees to purchase from RTEC, the Purchased Interest, at the Closing, free and clear of all Encumbrances, except for the Permitted Encumbrances.
- 2.2 **Purchase Price.** In consideration for the Purchased Interest, at the Closing, SDC shall issue to RTEC, or to any one or more Affiliates of RTEC as RTEC may direct in writing not less than two Business Days prior to Closing, such number of Common Shares, that will upon issuance, result in RTEC (together with its Affiliates) owning 19.9% of all of the then issued and outstanding Common Shares on a non-diluted basis (the “**Consideration Shares**”), with a deemed price per Consideration Share equal to the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately prior to the date which is two Business Days prior to the Effective Date.
- 2.3 **Additional Contingent Payment.** If, within 24 months following the Closing Date, SDC directly or indirectly sells, assigns, transfers or otherwise disposes of, in any manner whatsoever (or enters into any agreement to do so) to one or more Persons (other than an Affiliate of SDC), in one or more related or connected transactions, all or any material part of the assets comprising either (i) the Processing Plant, or (ii) the Trench Cutter and Trench

Cutter Equipment (or any right, title or interest in all or any material part of the assets comprising either (i) the Processing Plant, or (ii) the Trench Cutter and Trench Cutter Equipment), SDC covenants and agrees to immediately notify RTEC of such sale and, within 30 days of such sale, pay to RTEC an amount equal 50% of the proceeds received from such sale, assignment, transfer or other disposition.

2.4 **Additional RTEC LoC Reduction Obligation on Subsequent Sale.** If, at any time after 24 months following the Closing Date, SDC directly or indirectly sells, assigns, transfers or otherwise disposes of, in any manner whatsoever (or enters into any agreement to do so) to one or more Persons (other than an Affiliate of SDC), in one or more related or connected transactions, all or any material part of the assets comprising either (i) the Processing Plant, or (ii) the Trench Cutter and Trench Cutter Equipment (or any right, title or interest in all or any material part of the assets comprising either (i) the Processing Plant, or (ii) the Trench Cutter and Trench Cutter Equipment), SDC covenants and agrees to immediately notify RTEC of such sale, and if, at such time, any undrawn RTEC LoCs remain in place or, as applicable, RTEC has any indebtedness, liabilities or obligations (whether, actual, contingent or otherwise) in respect of any Alternate Support Arrangements, then, within 30 days of such sale SDC shall, at the election of RTEC, do one or more of the following:

- (a) apply for and cause a Canadian chartered bank to issue new letter(s) of credit in an amount (the “**Subsequent Sale LoC Reduction Amount**”) equal to the lesser of: (i) 50% of the proceeds received from such sale; and (ii) the aggregate face amount of the undrawn RTEC LoCs that remain in place at such time, in form and substance acceptable to the Ministry of Environment and deliver such letter(s) of credit to the Ministry of Environment in replacement of and exchange for RTEC LoCs in the Subsequent Sale LoC Reduction Amount, and cause RTEC LoCs to be released and surrendered for cancellation in the Subsequent Sale LoC Reduction Amount undrawn by the Ministry of Environment to the issuing bank thereof; and, as applicable,
- (b) cause RTEC to be unconditionally released and discharged from any Alternative Support Arrangements in an amount (the “**Subsequent Sale ASA Reduction Amount**”) equal to the lesser of: (i) 50% of the proceeds received from such sale; and (ii) the maximum amount of any indebtedness, liabilities or obligations of RTEC (whether actual, contingent or otherwise) pursuant to any Alternate Support Arrangements that remain outstanding at such time,

provided that the sum of the amount replaced under Section 2.4(a) and the amount released under Section 2.4(b) shall not exceed 50% of the proceeds received from such sale in aggregate, and provided further that the foregoing rights and obligations are in addition to, and shall not limit or restrict, the rights, remedies and recourses of RTEC or the obligations of SDC under the SDC Note and the SDC Security. Notwithstanding anything to the contrary in this Agreement, the Maximum RTEC LoCs Amount shall automatically be reduced by the Subsequent Sale LoC Reduction Amount, or, as applicable, the Subsequent Sale ASA Reduction Amount, whether or not SDC complies with its obligations under this Section 2.4.

- 2.5 **Excise Tax Election.** SDC and RTEC shall, on the Closing Date, jointly execute, in prescribed form, an election under section 167(1) of the *Excise Tax Act* (Canada) (the “**ETA**”). SDC shall file such election with the appropriate authorities within the prescribed time, such that no GST/HST will be payable pursuant to the ETA with respect to the purchase and sale of the Purchased Interests to SDC and will, forthwith after filing, provide to RTEC evidence of the filing of such election. If, without limiting the generality of Section 2.6, any GST/HST is payable in respect of the purchase and sale of the Purchased Interests, SDC shall pay to RTEC such amounts, and SDC will indemnify RTEC for any applicable interest or penalties payable as a result of any late payment of GST/HST.
- 2.6 **Taxes.** SDC shall be responsible for and shall pay when due any and all value added, sales and use, goods and services, excise, stamp, documentary, customs and property transfer taxes and recording fees, or other fees, imposts levies, duties, registration fees or other charges of any nature whatsoever or whensoever payable in respect of the sale and transfer of the Purchased Interest to SDC, but excluding any income taxes payable by RTEC (“**Sales Taxes**”). If RTEC is required by applicable laws to collect any applicable Sales Taxes from SDC, SDC shall pay such Sales Taxes to RTEC concurrent with the payment of any consideration payable pursuant to this Agreement upon which such Sales Taxes are calculated. Where RTEC is not required by applicable laws to collect applicable Sales Taxes, SDC shall pay such Sales Taxes directly to the appropriate taxing authority and shall provide evidence of such payment to RTEC within 10 Business Days of payment of such amount.
- 2.7 **Purchase Price Allocation.** The Purchase Price shall be allocated amongst the Purchased Interest as set forth in Schedule 2.7. Each of the Parties shall report, for purposes of the *Income Tax Act*, the purchase and sale of the Purchased Interest in any tax return in accordance with this Section 2.7. Neither Party shall take a contrary position with respect to such allocation in any tax proceeding, audit, investigation, assessment, reassessment, objection or appeal. Any additional payment to RTEC under Section 2.3 shall constitute an increase to the Purchase Price and shall be allocated among the Purchased Interest in the same relative proportions as those set out in the Purchase Price allocation made in accordance with this Section 2.7.
- 2.8 **“AS IS, WHERE IS”.** SDC acknowledges and agrees that:
- (a) in the case of all assets comprising the Purchased Interest other than the Trench Cutter and Trench Cutter Equipment and Processing Plant, except as expressly provided in Section 5.1 and Sections 5.2(a) to 5.2(w) of this Agreement;
  - (b) in the case of the Trench Cutter and Trench Cutter Equipment, except as expressly provided in Sections 5.2(z) and 5.2(aa) of this Agreement; and
  - (c) in the case of the Processing Plant, except as expressly provided in Section 5.2(bb) of this Agreement,

it is purchasing the Purchased Interest, including all Data and other Assets comprising the Purchased Interest, on an entirely “AS IS, WHERE IS” basis as at the Closing Time, that

it has inspected the Purchased Interest, including all Data and other Assets comprising the Purchased Interest and:

- (d) in the case of all assets comprising the Purchased Interest other than the Trench Cutter and Trench Cutter Equipment and Processing Plant, except as otherwise expressly provided in Section 5.1 and Sections 5.2(a) to 5.2(w) of this Agreement;
- (e) in the case of the Trench Cutter and Trench Cutter Equipment, except as expressly provided in Sections 5.2(z) and 5.2(aa) of this Agreement; and
- (f) in the case of the Processing Plant, except as expressly provided in Section 5.2(bb) of this Agreement,

RTEC makes no other representations or warranties whatsoever, express or implied, whether with respect to any matter relating to the Purchased Interest, including any Data or other Assets comprising the Purchased Interest, RTEC's ownership and operation thereof or liabilities, including environmental, closure and remediation liabilities, associated therewith, and the quantity, quality, suitability for mining or costs of mining of any mineral reserves included in the Purchased Interest, or otherwise. Without in any way limiting the foregoing, SDC acknowledges that RTEC has not given, will not be deemed to have given and hereby EXPRESSLY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE as to all or any portion of the Purchased Interest, including any Data or other Assets comprising the Purchased Interest. SDC further acknowledges that, except as expressly set forth herein, all written and oral information obtained by SDC from RTEC or any of its directors, officers, employees, professional consultants or advisors with respect to the Purchased Interest or otherwise relating to the transactions contemplated in this Agreement has been provided for the convenience of SDC only and has been provided without any representation, warranty or other assurance whatsoever, as to its accuracy, completeness or otherwise. Any and all conditions or warranties expressed or implied pursuant to *The Sale of Goods Act* (Saskatchewan) and similar legislation that is applicable, will not apply and are hereby waived by SDC. Notwithstanding the foregoing exceptions to the "AS IS, WHERE IS" basis of the transaction, SDC acknowledges and agrees that it has had the opportunity to inspect the Processing Plant and the Trench Cutter and Trench Cutter Equipment prior to the Effective Date and will have no recourse against RTEC as to the quality and condition of the Processing Plant or the Trench Cutter and Trench Cutter Equipment.

SDC acknowledges and agrees that RTEC does not own, legally or beneficially, the Diamond Parcels and that RTEC makes no representations or warranties whatsoever, express or implied, with respect to the ownership of the Diamond Parcels.

- 2.9 **Section 85 Election.** At the request of RTEC (by written notice to SDC no later than 60 days after the Closing Date), RTEC and SDC will jointly elect, in the prescribed manner and within the time prescribed, so that the provisions contained in subsection 85(1) of the *Income Tax Act* (Canada) will apply to such of the transactions contemplated by this

Agreement and, for the purposes of this election, the elected amount for income tax purposes shall be as determined by RTEC, subject to the limitations set out under section 85 of the Income Tax Act (Canada). In the event of an additional payment under Section 2.7 and at the request of RTEC (by written notice no later than 30 days before the deadline under subsection 85(7) of the Income Tax Act), RTEC and SDC will execute an amended election under section 85 to take into consideration any such additional payment. In either circumstances, RTEC shall be responsible for filing the section 85 election or amended section 85 election.

### 3. **ASSUMED OBLIGATIONS AND LIABILITIES**

3.1 **Assumed Obligations and Liabilities.** Subject to Section 8.3 (RTEC Personnel), SDC hereby agrees to assume, discharge, perform, fulfil, and be responsible for, as and from the Closing Date, all obligations and liabilities of RTEC, whether in RTEC's personal capacity or in its capacity as Manager of the Project, and any of its predecessors or predecessors in interest, of whatsoever nature and kind, and whether direct or indirect, disclosed or undisclosed, known or unknown, determined or undetermined, absolute or contingent or otherwise, relating or with respect to, or arising or resulting from, the Purchased Interest, the Project, any of the Properties or any of the other Assets, or any past, present or future operations or activities conducted at, on, or with respect to, the Project, any of the Properties or any of the other Assets, including, without limitation, all obligations and liabilities relating or with respect to, or arising or resulting from:

- (a) closure of the Project site, all operations or activities at, on, or with respect to, the Properties or any of the other Assets, including reclamation, restoration and remediation, any contamination at, on or under the Properties, any other lands covered by the Project or any other affected lands, and any and all environmental and other obligations and liabilities involving, related to, arising or resulting from, the Project, the Properties or any of the other Assets, any other lands covered by the Project or any other affected lands, howsoever and by whomsoever caused;
- (b) any Assigned Contracts and any Contract Authorizations;
- (c) any Assigned Permits and any Permit Authorizations;
- (d) any Permitted Encumbrances on, against or affecting any of the Assets; and
- (e) the Diamond Parcels, including any requirement to transfer possession or control of such Diamond Parcels to any applicable Governmental Authority under applicable Law,

(collectively, the “**Assumed Obligations and Liabilities**”), and to release and discharge RTEC therefrom. Notwithstanding the foregoing, the Assumed Obligations and Liabilities shall not include any obligation or liability resulting, arising from or connected to any of the Excluded Assets or fraud or illegal conduct of RTEC or any of its Affiliates and nothing contained herein or in the General Conveyance, Assignment and Assumption Agreement or in the Termination and Release Agreement shall be construed as an agreement of SDC

to assume, discharge, perform, fulfil, release, or be responsible for any such obligations or liabilities.

The foregoing assumption of the Assumed Obligations and Liabilities by SDC will be restated in the General Conveyance, Assignment and Assumption Agreement to be executed and delivered by the Parties at Closing.

3.2 **Contract Authorizations and Permit Authorizations.** If a Contract Authorization in respect of an Assigned Contract or a Permit Authorization in respect of an Assigned Permit is not received on or before Closing, and if, notwithstanding the Parties knowledge of such non-receipt, the Parties proceed to complete the sale and the purchase of the Purchased Interest at the Closing:

- (a) RTEC shall have no liability whatsoever to SDC in respect of the fact that the Contract Authorization or Permit Authorization, as applicable, has not been obtained;
- (b) the legal transfer or assignment of such Assigned Contract or Assigned Permit, as applicable, will not be effective until the applicable Contract Authorization or Permit Authorization, as applicable, has been received and to the extent permitted by applicable Law, RTEC shall, at SDC's cost and expense, hold such Assigned Contract or Assigned Permit following the Closing in trust for the benefit and exclusive use of SDC. SDC shall, as agent or subcontractor for RTEC, pay, perform and discharge fully the liabilities and obligations of RTEC thereunder from and after the Closing Date. RTEC shall not terminate (prior to its expiration) or amend such Assigned Contract or Assigned Permit or in the case of such Assigned Contract, grant a waiver of any breach by the counterparty of such Assigned Contract, without the prior written consent of SDC; and
- (c) SDC and RTEC shall continue to use commercially reasonable efforts to obtain the applicable Contract Authorization or Permit Authorization, as applicable.

3.3 **Excluded Contracts.** [...\*\*\*...]<sup>3</sup>.

3.4 **Excluded Permits.** [...\*\*\*...]<sup>4</sup>.

#### 4. **TERMINATION AND RELEASE AGREEMENT**

4.1 **Termination and Release Agreement.** Concurrently with Closing, RTEC and SDC shall execute and deliver a termination and release agreement, in substantially the form attached as Exhibit A (the "**Termination and Release Agreement**"), pursuant to which, amongst other things:

- (a) RTEC and SDC will terminate the Joint Venture Agreement;

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<sup>3</sup> Competitive Information – Commercially Sensitive Terms.

<sup>4</sup> Competitive Information – Commercially Sensitive Terms.

- (b) RTEC and SDC will release each other with respect to all of the Parties' respective obligations to each other, including under the Joint Venture Agreement, but excluding the Parties' respective obligations set forth in this Agreement, certain provisions set forth in the Resolution Agreement and in the case of RTEC, any rights and interests that RTEC may have as a shareholder of SDC;
- (c) RTEC shall pay to SDC the sum of \$4,000,000 in cash; and
- (d) SDC shall issue a news release in the form attached as Exhibit H (the "**SDC Closing News Release**").

## 5. REPRESENTATIONS AND WARRANTIES

5.1 **Mutual Representations and Warranties.** Each Party hereby represents and warrants to other Party that:

- (a) it is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation and is qualified to do business and is in good standing under the Laws of Saskatchewan;
- (b) it has all necessary corporate power and authority to enter into and perform its obligations under this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to own the Purchased Interest, including the Properties, and to carry on its business as now conducted;
- (c) all necessary corporate action has been taken by it to authorize the execution and delivery of this Agreement and the performance by it of its obligations hereunder and the transactions contemplated hereby;
- (d) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) it is not subject to any governmental order, judgment, decree, sanction or Laws that would preclude or prevent the entering into this Agreement or any of the agreements contemplated by this Agreement or the performing of its rights or obligations as contemplated herein or therein;
- (f) it is not a non-resident for the purposes of Section 116 of the Income Tax Act (Canada); and
- (g) Schedule 1.1(pp) contains a list of all of the current mineral dispositions that comprise the Properties of the Venture and Schedule 1.1(ttt) contains a list of all of the current surface lease agreements that comprise the Properties of the Venture.

5.2 **Further Representations and Warranties of RTEC.** RTEC hereby further represents and warrants to SDC that:

- (a) the execution, delivery and performance of this Agreement by it does not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority or, to the knowledge of it, any third party, except for the (i) Permit Authorizations; (ii) the Contract Authorizations;
- (b) neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance with the terms, conditions and provisions of this Agreement will conflict with or result in a breach of any terms, conditions or provisions of its charter documents or by-laws, or any resolutions of its shareholders or directors, or the terms of any material agreement to which it is a party, or any applicable Law, or any writ, judgement, injunction, determination or award that is binding upon it;
- (c) RTEC's Participating Interest is 75% and RTEC is the legal and beneficial owner of, and has good and marketable title to, the Purchased Interest free and clear of all Encumbrances, except for the Permitted Encumbrances;
- (d) the Assets comprising the Purchased Interest are free and clear of all Encumbrances, except for the Permitted Encumbrances;
- (e) neither RTEC nor any of its Affiliates has entered into any agreements nor granted any options or rights to convey any interest or any right capable of becoming an interest in the Purchased Interest;
- (f) RTEC is registered holder of the Mineral Dispositions and the Surface Lease Agreements that comprise the Properties and holds the registered title of the same in its capacity as Manager under the Joint Venture Agreement;
- (g) each of the Mineral Dispositions has been in good standing for the period during which RTEC has been the registered holder;
- (h) since RTEC has been the registered holder of the Mineral Dispositions, sufficient assessment work or payments in lieu have been filed under *The Mineral Tenure Registry Regulations* under the *Crown Minerals Act* (Saskatchewan) to maintain each of the Mineral Dispositions in good standing thereunder;
- (i) each of the Surface Lease Agreements is currently in good standing and there are no rental fees or taxes that are due and payable and which have not been paid or are currently outstanding in connection with the Surface Lease Agreements;
- (j) neither RTEC nor any of its Affiliates owns any real property for or on behalf of the Venture other than the Mineral Dispositions, and for certainty, the Surface Lease Agreements;

- (k) to the knowledge of RTEC, in relation to the Purchased Interest and the Assets, RTEC is not in any material violation of any Laws or order of any Governmental Authority and is in material compliance with all such Laws;
- (l) to the knowledge of RTEC, while RTEC has been Manager of the Project, there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumpings or other releases of any kind of any toxic or hazardous substances in, on, or under the Properties or the environment surrounding it and, to the knowledge of RTEC, there is no presence of polychlorinated biphenyl in, on or under the Properties;
- (m) except for the Excluded Assets, the Assets constitute all of the properties, assets, rights and interests of RTEC and its Affiliates comprising RTEC's interest in the Project;
- (n) neither RTEC nor any of its Affiliates is a party to any contracts, other than the Assigned Contracts and the Excluded Contracts, that are material to the Project, the Assets or the Properties;
- (o) neither RTEC nor any of its Affiliates hold any Permits, other than the Assigned Permits and the Excluded Permits, that are material to the Project, the Assets or the Properties;
- (p) RTEC is not in default or breach of any of its obligations under any of the Assigned Contracts and to RTEC's knowledge, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach. All Assigned Contracts are now in good standing and in full force and effect without amendment thereto, RTEC is entitled to all benefits thereunder and, to RTEC's knowledge, the other parties to such Assigned Contracts are not in default or breach of any of their obligations thereunder;
- (q) except as set forth in, or in connection with, [...\*\*\*...]<sup>5</sup>, which has been disclosed to SDC, there are no actions, proceedings or investigations (whether or not purportedly by or on behalf of RTEC) currently outstanding, or to the knowledge of RTEC, threatened or pending, against RTEC or the Venture at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Authority, that relate to, involve or would reasonably be expected to have a materially adverse effect any of the Project, the Assets or the Properties;
- (r) all rentals, taxes, duties, royalties, rates, charges, fees or other levies of every nature and kind heretofore levied against the Properties have been fully paid and satisfied, except for those that are not yet due;
- (s) RTEC has, to its knowledge, disclosed to SDC in writing all material written:

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<sup>5</sup> Competitive Information – Commercially Sensitive Terms.

- (i) agreements and commitments made by RTEC, in its capacity as Manager under the Joint Venture Agreement, with the James Smith Cree Nation; and
- (ii) claims by, or complaints from, the James Smith Cree Nation made to RTEC, in its capacity as Manager under the Joint Venture Agreement,

in each case, in relation to the Project, including the Assets;

- (t) all of the Assigned Permits are in good standing and are set out in Schedule 1.1(g);
- (u) RTEC has demobilized the camp that was constructed by RTEC in 2018 and since that time maintained by RTEC on the Properties;
- (v) RTEC obtained approval from the Ministry of Environment to demobilize, decommission and remove the nine groundwater monitoring wells (no. [...\*\*\*...])<sup>6</sup> that were located on the Properties in connection with the camp and RTEC completed the demobilization, decommissioning and removal of such groundwater monitoring wells in accordance with such approval and applicable Laws;
- (w) Schedule 5.2(w) sets forth a complete list of all third-party reports, studies and analysis collected, commissioned or obtained by or on behalf of RTEC as of the date hereof in connection with the Project or any lands covered by the Properties and that falls within the definition of Data, together with contact information for the authors of such reports, studies and analysis;
- (x) RTEC is aware that:
  - (i) the Consideration Shares are being issued to RTEC on a prospectus-exempt basis pursuant to section 2.12 of National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators and will be subject to resale restrictions under applicable Canadian Securities Laws; and
  - (ii) the certificate or direct registration statement (DRS) advice representing the Consideration Shares will bear legends setting out resale restrictions under Canadian Securities Laws and applicable policies of the TSX in substantially the following form and RTEC has received written notice containing the following legend restriction notations:
 

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]”;
- (y) RTEC acknowledges that (i) it has been advised to consult its own legal advisors with respect to trading in the Consideration Shares, with respect to the resale restrictions imposed by the applicable Securities Laws of the jurisdiction in which

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<sup>6</sup> Competitive Information – Commercially Sensitive Terms.

RTEC resides and other applicable Securities Laws, (ii) no representation has been made respecting the resale restrictions, including applicable hold periods imposed by the applicable Securities Laws or other resale restrictions applicable to such securities which restrict the ability of RTEC to resell the Consideration Shares, (iii) it is solely responsible to determine applicable resale restrictions, (iv) it is solely responsible (and SDC is not in any way responsible) for compliance with applicable resale restrictions, and (v) it is aware that RTEC may not be able to resell the Consideration Shares except in accordance with limited exemptions under any applicable Securities Laws;

- (z) RTEC, on its own behalf and not in its capacity as Manager under the Joint Venture Agreement, has completed the acquisition of the Trench Cutter and Trench Cutter Equipment from Bauer Maschinen Canada Ltd., and RTEC has a 100% ownership interest in the Trench Cutter and Trench Cutter Equipment free and clear of all Encumbrances other than Permitted Encumbrances;
- (aa) except as disclosed in Schedule 5.2(aa), all components of the Trench Cutter and Trench Cutter Equipment are located on the Properties on the date hereof and will be located on the Properties on the Closing Date and no component of the Trench Cutter or Trench Cutter Equipment has been removed from the Properties since the Trench Cutter and Trench Cutter Equipment were last successfully operated;
- (bb) RTEC has a 100% ownership interest in the Processing Plant, free and clear of all Encumbrances other than Permitted Encumbrances and all components of the Processing Plant that are owned by RTEC are located on the Properties on the date hereof and will be located on the Properties on the Closing Date and, to the knowledge of RTEC, Schedule 5.2(bb) lists all of the components of the bulk sampling plant and related buildings, structures and equipment that are not owned by RTEC (which for certainty, do not form part of the Processing Plant) or that have been removed from the Properties since the Properties since the Processing Plant was last successfully operated;
- (cc) in respect of the RTEC Personnel, SDC will have no obligation to offer to hire or engage, continue in employment or engagement or incur any liabilities whatsoever as a result of the purchase of the Purchased Interest pursuant to this Agreement;
- (dd) none of the RTEC Personnel are unionized and RTEC is not and has never been a party to or bound by, and is not in discussions with any Persons regarding, any collective bargaining agreement or other agreement or understanding with any labour union, employee association or similar organization in respect of any RTEC Personnel;
- (ee) RTEC has paid in full all amounts due and owing under any applicable workplace safety and insurance legislation with respect to the RTEC Personnel;

- (ff) RTEC is duly registered under Part IX of the ETA with respect to the goods and services tax and harmonized sales tax and its registration number is [...\*\*\*...]<sup>7</sup>;
- (gg) neither RTEC nor its Affiliates has, and to the knowledge of RTEC, no officer, director, employee, agent or representative of RTEC or any of its Affiliates or other Person acting on behalf of RTEC or any of its Affiliates has, taken, committed to take or been alleged to have taken any action, directly or indirectly, in relation to the Project, the Assets or the Properties which would cause RTEC or any of its Affiliates to be in violation of the *United States' Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law of similar effect of any other jurisdiction;
- (hh) RTEC and its Affiliates beneficially own and exercise control and direction, directly or indirectly, over 11,111,110 Common Shares; and
- (ii) the Diamond Parcels are stored with [...\*\*\*...]<sup>8</sup>.

**5.3 Further Representations and Warranties of SDC.** SDC hereby further represents and warrants to RTEC that:

- (a) the execution, delivery and performance of this Agreement by it, including the issuance, sale, and delivery of the Consideration Shares, do not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority or, to the knowledge of it, any third party, except for (i) TSX Approval, provided that the Permit Authorizations and the Contract Authorizations are obtained;
- (b) neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance with the terms, conditions and provisions of this Agreement nor the issuance, creation, sale or delivery of the Consideration Shares, will conflict with or result in a breach of any terms, conditions or provisions of its charter documents or by-laws, or any resolutions of its shareholders or directors, or the terms of any material agreement to which it is a party, or any applicable Law, or any writ, judgement, injunction, determination or award that is binding upon it;
- (c) the authorized share capital of SDC consists of an unlimited number of Common Shares, of which, as of the Effective Date, 476,400,970 Common Shares are issued and outstanding as fully paid and non-assessable shares;
- (d) except as disclosed in Schedule 5.3(d), no Person has any agreement, option or right for, or capable of becoming an agreement, option or right for (including convertible

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<sup>7</sup> Competitive Information – Commercially Sensitive Terms.

<sup>8</sup> Competitive Information – Commercially Sensitive Terms.

securities, warrants or convertible obligations of any kind) the purchase, subscription, allotment or issue of any unissued shares in the capital of SDC;

- (e) Odyssey Trust Company is the duly appointed registrar and transfer agent for the Common Shares of SDC;
- (f) the Consideration Shares will be issued to RTEC (or to any Affiliate of RTEC as may be directed in writing by RTEC) on the Closing Date in compliance with the requirements of all Securities Laws;
- (g) the issuance of the Consideration Shares has been duly authorized by all necessary corporate action of SDC and, at the time of issuance, the Consideration Shares will be validly issued and outstanding as fully paid and non-assessable Common Shares of SDC, free and clear of any Encumbrances other than a hold period of 4 months and a day after distribution of such Consideration Shares as provided under Canadian Securities Laws;
- (h) the Common Shares are listed for trading on the TSX and, at the Closing Time, the Consideration Shares will be listed and posted for trading on the TSX subject to receipt of approval from the TSX;
- (i) SDC is in compliance, in all material respects, with the rules and regulations of the TSX;
- (j) no order preventing, ceasing or suspending trading in any securities of SDC or prohibiting the issue and sale of securities by SDC has been issued and is outstanding and no proceedings for either of such purposes have been instituted or, to SDC's knowledge, are pending, contemplated or threatened;
- (k) SDC is a reporting issuer in good standing in each of the provinces of Canada and is in compliance, in all material respects, with all of its continuous disclosure obligations under applicable Securities Laws;
- (l) SDC has no subsidiaries (as that term is defined under the *Canada Business Corporations Act*), except for Shore Mining & Development Corp., Kensington Resources Ltd. and Star Diamonds Inc.;
- (m) SDC is not insolvent and is able to meet all of its financial liabilities as they become due and SDC will not be rendered insolvent by the consummation of the transaction contemplated by this Agreement;
- (n) no winding-up, liquidation, dissolution, bankruptcy or insolvency proceedings have been commenced or are being commenced or contemplated by SDC, or to the knowledge of SDC, in respect of SDC by any other Person;
- (o) there are no material actions, proceedings or investigations (whether or not purportedly by or on behalf of the SDC) currently outstanding, or to the knowledge

of SDC, threatened or pending, against SDC at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Entity;

- (p) SDC is not the subject of any judgment, order, writ, injunction, decree, award or ruling of any Governmental Entity, which, either separately or in the aggregate, would result in a material adverse effect on the condition (financial or otherwise), property, assets, operations or business of SDC, or the ability of SDC to perform its obligations pursuant hereto;
- (q) all documents filed by SDC in the SDC Public Record complied in all material respects as of their respective dates (or, if any of such reports shall have been amended, as of the date of such amendment) with applicable Securities Laws and such documents do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading. SDC has not filed any confidential material change report with any securities regulatory authority or the TSX which, as of the date hereof, remains confidential;
- (r) neither SDC nor its Affiliates has, and to the knowledge of SDC, no officer, director, employee, agent or representative of SDC or any of its Affiliates or other Person acting on behalf of SDC or any of its Affiliates has, taken, committed to take or been alleged to have taken any action which would cause SDC or any of its Affiliates to be in violation of the *United States' Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law of similar effect of any other jurisdiction; and
- (s) SDC is duly registered under Part IX of the ETA with respect to the goods and services tax and harmonized sales tax and under *The Provincial Sales Tax Act* (Saskatchewan) with respect to the Saskatchewan sales tax, and its registration numbers are [...\*\*\*...]<sup>9</sup> (GST) and [...\*\*\*...]<sup>10</sup> (PST), respectively.

5.4 **Survival.** The representations and warranties contained in this Agreement and in or under any documents, instruments and agreements delivered pursuant to this Agreement survive Closing for a period of two years from the termination of this Agreement or the Closing (as applicable), except that the representations and warranties set forth in Sections 5.1 (Mutual Representations and Warranties), 5.2(c) (Legal and Beneficial Ownership), 5.2(d) (No Encumbrances), 5.2(e) (No Agreements) and 5.2(f) (Registered Title) shall survive Closing for a period of five years from Closing.

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<sup>9</sup> Competitive Information – Commercially Sensitive Terms.

<sup>10</sup> Competitive Information – Commercially Sensitive Terms.

## 6. BUSINESS INTEGRITY MATTERS

6.1 **Business Integrity.** In addition to the representation and warranties set forth in Section 5.1, 5.2 and 5.3, as applicable, each of the Parties hereby further represents and warrants that:

- (a) it is in compliance and, until Closing, it shall comply with all laws including Business Integrity Laws, in relation to this Agreement;
- (b) is not and has not in the last [...\*\*\*...] <sup>11</sup> years been the subject of any formal investigation, proceedings, conviction, or written notice relating to compliance with applicable Business Integrity Laws; and
- (c) it has read, understood and agrees to comply with Rio Tinto's The Way We Work and the Business Integrity Standard, each of which is available online at <https://www.riotinto.com/sustainability/policies> (the "**Business Integrity Policies**").

Prior to Closing, each Party shall notify the other promptly in the event that there is reasonable risk that this Section 6.1 has been, or will be, breached or that any representation contained in this Section 6.1 is, or may become, untrue.

A breach of this Section 6.1 shall be deemed to be a material breach under Section 14.1.

## 6.2 Notification of Investigation or Breach.

- (a) Each Party agrees promptly (and in any event within seven Business Days) to notify the other Party in the event that it becomes aware that it has become the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any breach or potential breach of any Business Integrity Laws, or any such investigation is threatened or pending, prior to Closing.
- (b) Each Party agrees promptly (and in any event within seven Business Days) to notify the other Party in the event it becomes aware of any actual or suspected breach or violation of this Agreement or any Business Integrity Laws or the Business Integrity Policies.
- (c) Each Party reserves the right to take prior to Closing whatever precautions and actions that may be appropriate to ensure compliance with applicable Business Integrity Laws, provided that no such precautions or actions shall relieve any Party of its obligations under this Agreement.
- (d) Any notification given shall be given in as much detail as possible, to the extent permissible under applicable Law. Each Party agrees to cooperate fully and in good

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<sup>11</sup> Competitive Information – Commercially Sensitive Terms.

faith with the other Party in relation to any enquiries the other Party may require in relation to such notifications.

- (e) Each Party reserves the right to take prior to Closing whatever precautions and actions that may be appropriate to ensure compliance with applicable Business Integrity Laws following any notification under Section 6.2(a) or 6.2(b) above, provided that no such precautions or actions shall relieve any Party of its obligations under this Agreement.

## 7. CONSENTS AND APPROVALS

7.1 **Consents and Approvals.** From and after the date of this Agreement until Closing, RTEC shall:

- (a) apply for, and use commercially reasonable efforts to obtain, the necessary consents and approvals from the applicable Governmental Authorities to transfer and assign the Assigned Permits to SDC or if required by the applicable Governmental Authorities, to amend the Assigned Permits so as to be issued in the name of SDC, at the Closing (such consents, approvals and amendments are referred to herein as the “**Permit Authorizations**”); and
- (b) seek, and use commercially reasonable efforts to obtain, any necessary consents from, and agreements with, the applicable third parties as may be required under any of the Assigned Contracts in order to transfer and assign any of the Assigned Contracts to SDC on Closing (such consents, approvals and amendments are referred to herein as the “**Contract Authorizations**”),

provided that all Permit Authorizations and Contract Authorizations shall be in form and substance to RTEC’s and SDC’s satisfaction, acting reasonably, and provided that, except as set forth in Section 11.1 of this Agreement, RTEC shall not be required to maintain any existing security or other financial assurances in place with any applicable Governmental Authority or other Person from and after Closing nor shall RTEC be required to make any payments to any Person or incur any costs in connection with the foregoing.

SDC shall fully cooperate with RTEC and, if requested by RTEC, use commercially reasonable efforts to assist RTEC in obtaining the Permit Authorizations and the Contract Authorizations. Without limiting the foregoing, SDC shall provide the financial assurances as set forth Section 11.1 of this Agreement and use commercially reasonable efforts to provide any other financial assurances required by any Governmental Authority in connection with the transfer of any of the Assigned Permits, including the Approval to Operate, or any of the other Assets, to SDC.

7.2 **Approval to Operate Transfer.** Without limiting the obligations of the Parties set out in Section 7.1, from and after the date of this Agreement until Closing, RTEC and SDC shall each use commercially reasonable efforts to do all things and take all action as is required to ensure that, effective as of Closing, the Parties complete the transfer of the Approval to Operate from RTEC to SDC.

## 8. OTHER INTERIM PERIOD MATTERS

8.1 **RTEC's Additional Obligations Until Closing.** Except as otherwise provided in this Agreement or as otherwise agreed in writing by SDC, RTEC shall, subject to Section 11.1(a) and 11.1(b), from and after the date of this Agreement until Closing:

- (a) make all necessary tax, governmental and other filings in a timely fashion and pay all fees, taxes, assessments, levies and charges, as may be required to maintain the Properties in existence and in good standing up to and including the Closing Date;
- (b) take all action to preserve the Assets, to maintain in full force and effect all Assigned Contracts and Assigned Permits and to perform all of its obligations falling due under all Assigned Contracts and Assigned Permits, and take all other action reasonably required in order that the condition of the Purchased Interest, the Assets and the Project will not be materially impaired;
- (c) maintain all of the tangible properties and assets comprised within the Assets in substantially similar condition as they now exist, ordinary wear and tear excepted;
- (d) not create, incur or assume any Encumbrance upon any of the Assets except for Permitted Encumbrances;
- (e) keep in full force all of the current insurance policies relating to the Assets;
- (f) payout, release and discharge or cause to be paid out, released and discharged all Encumbrances against the Assets other than the Permitted Encumbrances;
- (g) use all commercially reasonable efforts to ensure that:
  - (i) the representations and warranties of RTEC in this Agreement remain true and correct throughout such period and are true and correct at the Closing; and
  - (ii) the conditions of RTEC in Section 9.2 are fulfilled at the Closing;
- (h) promptly advise SDC of any facts, events, conditions or circumstances that come to RTEC's attention which would cause any of RTEC's representations and warranties herein contained to be untrue, or any of its covenants herein contained not to be complied with, in any material respect;
- (i) refrain from taking any action inconsistent with the provisions of this Agreement or which could impede the completion of the transactions contemplated hereby;
- (j) refrain from, directly or indirectly, selling, offering, entering any contract, or granting any option, warrant or right to purchase or sell any Common Shares (or permit any of its Affiliates to do so); and

- (k) do all such other acts and things as may be necessary or required in order to complete the transactions contemplated herein as soon as reasonably practicable and in any event, on or before the Closing Date.

8.2 **SDC's Additional Obligations Until Closing.** Except as otherwise provided in this Agreement or as otherwise agreed in writing by RTEC, SDC shall from and after the date of this Agreement until Closing:

- (a) use all commercially reasonable efforts to ensure that:
  - (i) the representations and warranties of SDC in this Agreement remain true and correct throughout such period and are true and correct at the Closing; and
  - (ii) the conditions of SDC in Section 9.1 are fulfilled at the Closing;
- (b) promptly advise RTEC of any facts, events, conditions or circumstances that come to SDC's attention which would cause any of SDC's representations and warranties herein contained to be untrue, or any of its covenants herein contained not to be complied with, in any material respect;
- (c) refrain from taking any action inconsistent with the provisions of this Agreement or which could impede the completion of the transactions contemplated hereby; and
- (d) do all such other acts and things as may be necessary or required in order to complete the transactions contemplated herein as soon as reasonably practicable, and in any event, on or before the Closing Date.

8.3 **RTEC Personnel.** RTEC shall be solely responsible for and shall discharge, and shall indemnify and save harmless SDC from, all of the costs, obligations and liabilities associated with or arising from the employment or engagement, as applicable, of all current and former RTEC Personnel, and the termination of such employment or engagement, as applicable, including with respect to all costs, obligations and liabilities for severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, and damages for wrongful dismissal, whether under contract, statute, at common law or otherwise.

8.4 **SDC Execution News Release.** Upon execution of this Agreement by the Parties, SDC shall issue a news release in the form attached as Exhibit G (the "**SDC Execution News Release**").

## 9. **CONDITIONS OF CLOSING**

9.1 **Conditions of SDC.** The obligation of SDC to complete the purchase of the Purchased Interest contemplated by this Agreement is subject to the fulfilment at or prior to the Closing Time of the following conditions, which conditions are for the exclusive benefit of SDC and may be waived, in whole or in part, by SDC in its sole discretion:

- (a) **TSX Approval.** SDC shall have received all necessary approvals of the TSX, in form and substance satisfactory to SDC (acting reasonably), required to complete the transactions contemplated by this Agreement, including, without limitation, the issuance, delivery and listing of the Consideration Shares on the TSX (the “**TSX Approval**”);
- (b) **Accuracy of Representation and Warranties.** The representations and warranties of RTEC contained in this Agreement shall be true and correct in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing (except to the extent that a representation or warranty speaks as of an earlier date, in which event such representation or warranty shall be true and correct as of such earlier date);
- (c) **Performance of Agreements.** All of the covenants and obligations of RTEC to be performed or observed on or before the Closing pursuant to this Agreement shall have been duly performed or observed in all material respects;
- (d) **Contract Authorizations.** The Contract Authorizations in respect of the Assigned Contracts shall have been obtained prior to Closing, on terms and conditions acceptable to SDC, acting reasonably;
- (e) **Permit Authorizations.** The Permit Authorizations in respect of the Assigned Permits shall have been obtained prior to Closing, on terms and conditions acceptable to SDC, acting reasonably;
- (f) **Alternate Support Arrangements.** If the Ministry of Environment of Saskatchewan will not accept letter(s) of credit issued on behalf of RTEC in respect of the period after the Closing, RTEC shall have agreed to the Alternate Support Arrangements on terms and conditions acceptable to SDC, acting reasonably;
- (g) **No Restraining Proceedings.** No order, decision or ruling of any court, tribunal or Governmental Authority having jurisdiction shall have been made to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Assets contemplated hereby or the rights of any owner of such Assets or to prevent or restrict a Party from performing any of its obligations hereunder, and no action or proceeding shall be pending or threatened before any such court, tribunal or Governmental Authority which is reasonably likely to result in an order, decision or ruling to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Assets contemplated hereby or the rights of any owner of such Assets, or to prevent or restrict a Party from performing any of its obligations hereunder; and
- (h) **Deliveries.** RTEC shall have delivered to SDC all the documents set out in Section 10.2.

9.2 **Conditions of RTEC.** The obligation of RTEC to complete the sale of the Purchased Interest contemplated by this Agreement is subject to the fulfilment at or prior to the

Closing Time of each of the following conditions, which conditions are for the exclusive benefit of RTEC and may be waived, in whole or in part, by RTEC in its sole discretion:

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of SDC contained in this Agreement shall be true and correct in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing (except to the extent that a representation or warranty speaks as of an earlier date, in which event such representation or warranty shall be true and correct as of such earlier date);
- (b) **Performance of Agreements.** All of the covenants and obligations of SDC to be performed or observed on or before the Closing pursuant to this Agreement shall have been duly performed or observed in all material respects;
- (c) **Contract Authorizations.** The Contract Authorizations in respect of the Assigned Contracts shall have been obtained prior to Closing, on terms and conditions acceptable to RTEC, acting reasonably;
- (d) **Permit Authorizations.** The Permit Authorizations in respect of the Assigned Permits shall have been obtained prior to Closing, on terms and conditions acceptable to RTEC, acting reasonably;
- (e) **Alternate Support Arrangements.** If the Ministry of Environment of Saskatchewan will not accept letter(s) of credit issued on behalf of RTEC in respect of the period after the Closing, SDC shall have agreed to the Alternate Support Arrangements on terms and conditions acceptable to RTEC, acting reasonably;
- (f) **No Restraining Proceedings.** No order, decision or ruling of any court, tribunal or Governmental Authority having jurisdiction shall have been made to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Assets contemplated hereby or the rights of any owner of such Assets or to prevent or restrict a Party from performing any of its obligations hereunder, and no action or proceeding shall be pending or threatened before any such court, tribunal or Governmental Authority which is reasonably likely to result in an order, decision or ruling to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Assets contemplated hereby or the rights of any owner of such Assets, or to prevent or restrict a Party from performing any of its obligations hereunder;
- (g) **Deliveries.** SDC shall have delivered to RTEC all the documents set out in Section 10.3.

## 10. CLOSING TRANSACTIONS

- 10.1 **Time and Place.** Subject to the satisfaction (or waiver, to the extent permitted in this Agreement) of all of the conditions set forth in Section 9, the Closing shall take place at the Vancouver office of Lawson Lundell LLP (or at such other place as SDC and RTEC may agree in writing) at the Closing Time. The Parties may deliver closing documents by

electronic mail in portable document format (.pdf), except where originals are required by either Party.

10.2 **RTEC's Closing Deliveries.** At the Closing, RTEC shall deliver the following to SDC:

- (a) a certificate of RTEC dated the Closing Date, executed by an authorized officer of RTEC, certifying that: (i) the representations and warranties made by RTEC in this Agreement are true and correct in all material respects as at the Closing Time (except to the extent that a representation or warranty speaks as of an earlier date, in which event such representation or warranty shall be true and correct as of such earlier date); and (ii) all covenants and obligations to be observed and performed by RTEC on or before the Closing Time pursuant to this Agreement have been duly observed and performed in all material respects;
- (b) a certified copy of the resolution of the board of directors of RTEC approving the execution and delivery by RTEC of this Agreement and the performance of its obligations under this Agreement including the sale of the Purchased Interest;
- (c) a receipt signed by RTEC in respect of the issuance of the Consideration Shares;
- (d) the Data;
- (e) a general conveyance, assignment and assumption agreement, between RTEC and SDC, in respect of the conveyance of the Purchased Interest, in substantially the form attached as Exhibit B (the "**General Conveyance, Assignment and Assumption Agreement**"), duly executed by RTEC;
- (f) an assignment agreement, between RTEC and SDC, in respect of the Surface Lease Agreements (defined below), in substantially the form attached as Exhibit C (the "**Lease Assignment Agreement**"), duly executed by RTEC;
- (g) an investors rights agreement in substantially the form attached as Exhibit D (the "**Investor Rights Agreement**"), duly executed by RTEC;
- (h) the Termination and Release Agreement, duly executed by RTEC;
- (i) the sum of \$4,000,000 payable by RTEC to SDC pursuant to the Termination and Release Agreement, by wire transfer in immediately available funds to an account designated by SDC, which account shall be designated in writing by SDC no later than two Business Days prior to the Closing Date;
- (j) written notice from RTEC addressed to the [...\*\*\*...] <sup>12</sup> advising that custody of the Diamond Parcels has been transferred from RTEC to SDC; and

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<sup>12</sup> Competitive Information – Commercially Sensitive Terms.

- (k) such other documents, instruments and certificates dated as of the Closing Date as are reasonably required to consummate the transactions contemplated by this Agreement.

**10.3 SDC's Closing Deliveries.** At the Closing, SDC shall deliver the following to RTEC:

- (a) a certificate of SDC dated the Closing Date, executed by an authorized officer of SDC, certifying that: (i) the representations and warranties made by SDC in this Agreement are true and correct in all material respects as at the Closing Time (except to the extent that a representation or warranty speaks as of an earlier date, in which event such representation or warranty shall be true and correct as of such earlier date); and (ii) all covenants and obligations to be observed and performed by SDC on or before the Closing Time pursuant to this Agreement have been duly observed and performed in all material respects;
- (b) a certified copy of the resolution of the board of directors of SDC approving the execution and delivery by SDC of this Agreement and the performance of its obligations under this Agreement including the purchase of the Purchased Interest and the issuance of the Consideration Shares;
- (c) a share certificate or direct registration statement (DRS) advice, at the election of RTEC, in the name of RTEC (or to any one or more Affiliates of RTEC, as RTEC may direct) in respect of the issuance of the Consideration Shares;
- (d) a legal opinion addressed to RTEC, dated the Closing Date, from SDC's Canadian legal counsel with respect to the matters listed in Schedule 10.3(d).
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by SDC;
- (f) the Lease Assignment Agreement, duly executed by SDC;
- (g) the Investor Rights Agreement, duly executed by SDC;
- (h) the Termination and Release Agreement, duly executed by SDC;
- (i) a receipt signed by SDC in respect of the \$4,000,000 paid by RTEC to SDC pursuant to the Termination and Release Agreement;
- (j) the executed SDC Note;
- (k) the executed SDC Security, together with evidence satisfactory to RTEC that the SDC Security has been registered or filed, as applicable, in all such offices of public record in such applicable jurisdictions as are necessary or desirable to establish, preserve, protect and perfect the Encumbrances created under the SDC Security as first priority Encumbrances on the property and assets intended to be subject thereto, together with a certificate of an SDC officer, a copy of the relevant authorizing resolution of SDC and an opinion of SDC's Canadian counsel in form

and substance satisfactory to RTEC and its counsel, acting reasonably, as to, among other things, the due authorization, execution and delivery of the SDC Security, the creation, validity and perfection of the Encumbrances created thereby and the enforceability thereof;

- (l) written notice from SDC addressed to the [...\*\*\*...]<sup>13</sup> advising that custody of the Diamond Parcels has been transferred from RTEC to SDC; and
- (m) such other documents, instruments and certificates dated as of the Closing Date as are reasonably required to consummate the transactions contemplated by this Agreement.

#### 10.4 **Concurrent Delivery and Transfer of Properties.**

- (a) It is a condition of the Closing that all matters of payment and the execution and delivery of documents by either Party to the other Party pursuant to the terms of this Agreement are concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.
- (b) Once counsel for each of the Parties has confirmed that all of the closing deliveries contemplated in Sections 10.2 and 10.3 have been delivered and are in order, RTEC shall initiate the electronic transfer of the Properties to SDC of a 100% registered interest in the Mineral Dispositions on the Mineral Administration Registry Saskatchewan (MARS), whereupon SDC shall immediately accept the transfer and provide confirmation to RTEC that those Properties are recorded in SDC's name. RTEC shall not, under any circumstances, withdraw such transfers once initiated.
- (c) The receipt by SDC or RTEC of the certificates set forth in Section 10.2(a) or 10.3(a), as applicable, and the Closing will not constitute a waiver by either Party of any of the representations or warranties or covenants of the other Party contained in this Agreement.

### 11. **SUPPORT FOR ENVIRONMENTAL OBLIGATIONS**

#### 11.1 **Letters of Credit.**

- (a) Subject to this Article 11, from the Effective Date until the LoC Termination Date, RTEC will provide and maintain, at RTEC's cost, such letter(s) of credit in such amounts as may be required by the Ministry of Environment to secure the applicable parties' obligations, from time to time, in respect of the Project related to environment and closure matters and remediation and reclamation of the Project and the Properties (collectively, the "**RTEC LoCs**"), provided that: (i) in no event shall the aggregate face amount of the letter(s) of credit which RTEC is required to provide and maintain exceed, subject to Section 2.4, \$9,900,000 (including the amount of any security that is already posted) (the "**Maximum RTEC LoCs**");

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<sup>13</sup> Competitive Information – Commercially Sensitive Terms.

**Amount**”), and (ii) if the Ministry of Environment of Saskatchewan will not accept letter(s) of credit issued on behalf of RTEC in respect of the period after the Closing, RTEC and SDC shall use commercially reasonable efforts to implement arrangements, acceptable to each of RTEC and SDC, each acting reasonably, whereby, in lieu of RTEC providing the RTEC LoCs in respect of the period after the Closing, RTEC provides economically comparable non-cash and unsecured financial support in favor of SDC to allow SDC to cause such letter(s) of credit to be posted on its behalf in an amount up to the Maximum RTEC LoCs Amount (the “**Alternate Support Arrangements**”), and in such case, SDC will cause such letter(s) of credit to be so posted. In no event shall the aggregate indebtedness, liabilities and obligations (actual, contingent or otherwise) of RTEC under any Alternate Support Arrangements (together with the amount of any RTEC LoCs that are already posted) exceed, subject to Section 2.4, an amount equal to the Maximum RTEC LoCs Amount.

- (b) If, prior to Closing, the Ministry of Environment requires security in excess of Maximum RTEC LoCs Amount for the purposes set out in Section 11.1(a) (such excess amounts being referred to herein as the “**Excess Security Amount**”), SDC shall use reasonable commercial efforts to cause a Canadian chartered bank to issue new letter(s) of credit in satisfaction thereof in at least the same aggregate amount of the Excess Security Amount.
- (c) Without limiting SDC’s obligations under Section 11.1(b) and 11.2, from and after Closing, SDC shall provide and maintain (to the extent not already provided), at SDC’s cost, such letter(s) of credit in the amounts in excess of the amount of any RTEC LoCs as may be required by the Ministry of Environment to secure SDC’s obligations, from time to time, in respect of the Project related to all environment and closure matters and remediation and reclamation of the Project and the Properties, provided that, in the case of the period prior to the LOC Termination Date: (i) RTEC is then providing, and the Ministry of Environment is then accepting, the RTEC LoCs or; (ii) alternatively, RTEC is then providing comparable financial support to SDC under the Alternate Support Arrangements.

**11.2 Replacement of RTEC Letters of Credit.** After Closing, SDC shall (i) apply for and cause a Canadian chartered bank to issue new letter(s) of credit in at least the same aggregate face amount of the RTEC LoCs in form and substance acceptable to the Ministry of Environment and deliver such letter(s) of credit to the Ministry of Environment in replacement of and exchange for the RTEC LoCs, and (ii) cause the RTEC LoCs to be released and surrendered for cancellation undrawn by the Ministry of Environment to the issuing bank thereof, and, as applicable, (iii) if RTEC has provided any Alternate Support Arrangements, cause RTEC to be fully and unconditionally released and discharged from any Alternate Support Arrangements, all on or prior to the date (the “**LoC Termination Date**”) that is the earliest of:

- (a) the fifth anniversary date of the Closing Date;

- (b) such date as any Person or group of Persons acting jointly or in concert acquires, or comes to hold, through one or more transactions, more than 50% of the Common Shares on a non-dilutive basis;
  - (c) the date on which the RTEC LoCs are at any time partially or fully drawn upon, or as applicable, the date on which any demand for payment is made or other enforcement action is taken against RTEC pursuant to any Alternative Support Arrangements; and
  - (d) a breach by SDC of Section 9(b) of the SDC Note (Disposition of Assets).
- 11.3 **Reduction of Required Letters of Credit Amount.** After Closing, to the extent that the Ministry of Environment reduces the amount of the financial assurance required to be posted in respect of the Project and Properties, RTEC and SDC shall direct the applicable Governmental Authority to surrender or reduce the amount of any outstanding RTEC LoCs before surrendering or reducing the amount of any letter(s) of credit provided by SDC, or if RTEC has provided any Alternative Support Arrangements, SDC shall cause RTEC to be unconditionally released and discharged from such arrangements in the amount of the financial assurance so reduced.
- 11.4 **SDC Security.** On the Closing Date, as security for the due and punctual payment and performance of the obligations and liabilities of SDC to RTEC pursuant to or in connection with this Article 11 and the indebtedness and liabilities owing under and evidenced by the SDC Note being issued in connection with this Article 11, SDC shall execute and deliver to RTEC a debenture (as the same may be amended, supplemented, restated or replaced from time to time, the “**SDC Security**”) substantially in the form set forth in Exhibit F, constituting a first ranking mortgage, charge and security interest in all of the present and after-acquired property, assets and undertaking of SDC comprising the Project referred to therein, subject to Permitted Encumbrances (as defined in the SDC Security), provided for the purposes of this Section 11.4, the term “Project” shall have the meaning provided to that term in the SDC Security.
- 11.5 **Access, Inspection and Notification.** For so long as the RTEC LoCs or the Alternate Support Arrangements remain in place, and without limiting any obligation of RTEC pursuant to the SDC Note or the SDC Security:
- (a) Subject at all times to the workplace rules, policies, procedures, standards and supervision of SDC, and provided any rights of access and inspection do not interfere with any exploration, development, mining or other work conducted on the Properties, RTEC will have the right to access and inspect the Project and the Properties at its cost, from time to time, upon reasonable notice to SDC. RTEC shall indemnify and hold SDC harmless from any damage, claim or demand by reason of injury, damage or loss suffered by RTEC, SDC or any of their respective employees, officers, directors, agents, contractors, or representatives caused by or resulting from any such visits to the Project and the Properties by RTEC pursuant to this Section 11.5(a), except to the extent due to the gross negligence of SDC or any of its representatives.

- (b) SDC will provide RTEC with timely access to, or copies of, all information, reports, correspondence or other documents concerning any disturbances on or around the Project as well as any environmental, water quality, or baseline data that RTEC may request, acting reasonably; and
- (c) SDC will promptly notify RTEC of the occurrence any material environmental incident or any written alleged breach of any environmental permits or laws that could reasonably trigger a call on all or any part of the RTEC LoCs or a demand for payment or any other enforcement action against RTEC pursuant to any Alternate Support Arrangements or that could reasonably result in a significant increase in remediation costs, or if SDC has received written notice or any written indication from Ministry of Environment of its intent to call all or any portion of the RTEC LoCs, or if SDC has received any demand for payment or if any other enforcement action has been taken in respect of the Alternate Support Arrangements.

## 12. OTHER POST-CLOSING OBLIGATIONS

- 12.1 **Delivery of Data / Retention and Licence of Data.** At the Closing, RTEC will, at its sole cost and expense, deliver to SDC the Data. RTEC acknowledges and agrees that SDC shall be free to use the Data in its sole discretion and without any restrictions. Notwithstanding that the Data will be included as part of the Purchased Interest, RTEC shall be entitled to retain a copy of all Data for its records and at Closing, SDC hereby grants to RTEC a non-exclusive, irrevocable, royalty free, right and licence to use the Data and all intellectual property rights in it, including the right to use, reproduce and make derivative data; provided that, from and after the Closing Date, such Data will be considered the Confidential Information of SDC and be subject to the confidentiality obligations set forth in Section 15.
- 12.2 **Waiver of Restrictions on Suppliers/Consultants.** RTEC covenants and agrees that, from and after Closing, it will not object to any supplier, consultant or other service supplier that provided goods or services to or on behalf of the Venture prior to the Closing Date from thereafter providing goods or services to SDC in respect of the Project, and RTEC will, upon the reasonable request of SDC, provide confirmation of such non-objection to any such supplier, consultant or other service provider.

## 13. INDEMNITIES

### 13.1 RTEC Indemnities

- (a) RTEC shall indemnify and save SDC harmless from and against all Losses suffered by, imposed on or asserted against SDC as a result of or arising directly or indirectly from, out of, with respect to or in connection with any of the following:
  - (i) any breach of any representations or warranties made by RTEC contained in this Agreement or in or under any documents, instruments and agreements delivered pursuant to this Agreement at the Closing;

- (ii) a breach or non-fulfillment of any agreement, term or covenant on the part of RTEC made or to be observed or performed under this Agreement or any other agreement or document delivered pursuant hereto;
  - (iii) the Excluded Assets; and
  - (iv) any claims by any of the RTEC Personnel.
- (b) SDC's Losses are not limited to matters asserted by third parties against SDC but include Losses incurred or sustained by SDC in the absence of third party claims. Payments by SDC of amounts for which SDC is indemnified, will not be a condition precedent to recovery.

### 13.2 SDC's Indemnities

- (a) SDC shall indemnify and save RTEC harmless from and against all Losses suffered by, imposed on or asserted against RTEC as a result of or arising directly or indirectly from, out of, with respect to or in connection with any of the following:
- (i) any breach of any representations or warranties made by SDC contained in this Agreement or in or under any documents, instruments and agreements delivered pursuant to this Agreement at the Closing; and
  - (ii) a breach or non-fulfillment of any agreement, term or covenant on the part of SDC made or to be observed or performed under this Agreement or any other agreement or document delivered pursuant hereto; and
  - (iii) any Assumed Obligations and Liabilities.
- (b) RTEC's Losses are not limited to matters asserted by third parties against RTEC, but include Losses incurred or sustained by RTEC in the absence of third party claims. Payments by RTEC of amounts for which RTEC is indemnified will not be a condition precedent to recovery.

### 13.3 Notice of Claims.

- (a) If a Party entitled to be indemnified under Section 13.1 or 13.2 (an "**Indemnified Party**") wishes to make a claim for indemnification hereunder against the other Party (herein called the "**Indemnifying Party**"), the Indemnified Party will promptly give written notice thereof to the Indemnifying Party of the claim (a "**Notice of Claim**"). Such Notice of Claim will specify whether the claim originates with the Indemnified Party (a "**Direct Claim**") or with a third party (a "**Third Party Claim**") and will specify with reasonable particularity (to the extent that information is available):
- (i) the factual basis for the claim; and

- (ii) the amount of the claim or, if an amount is not then determinable, an approximate estimate of the potential amount of the claim, to the extent such an estimate can reasonably be given at that time.
- (b) If an Indemnified Party fails to provide the Indemnifying Party with a Notice of Claim promptly as required by Section 13.3(a), the Indemnifying Party shall be relieved of the obligation to pay damages to the extent it can show that it was prejudiced in its defence of the claim or in proceeding against a third party who would have been liable to it but for the fact of the delay, but the failure to provide such Notice of Claim promptly shall not otherwise release the Indemnifying Party from its obligations under this Article 13.
  - (c) A Notice of Claim in respect of a breach of representation and warranty must be provided within the survival period set forth in Section 5.4, otherwise the related claim shall be forever extinguished, notwithstanding that by the date specified in Section 5.4, the Indemnified Party did not know, and in the exercise of reasonable care could not have known, of the existence of the claim.
- 13.4 **Direct Claims.** With respect to any Direct Claim, following receipt of a Notice of Claim from the Indemnified Party, the Indemnifying Party shall have 60 days to make such investigation of the claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such 60-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed-upon amount of the Claim, failing which the Indemnified Party is free to pursue all rights and remedies available to it, subject to this Agreement.
- 13.5 **Third Party Claims.**
- (a) Subject to Section 13.5(d), upon receiving a Notice of Claim, the Indemnifying Party may participate in the investigation and defence of the Third Party Claim, and may also elect to assume the investigation and defence of the Third Party Claim; provided that the Indemnifying Party shall not have the right to assume such investigation and defence, and shall pay the fees and expenses of counsel retained by the Indemnified Party, if the Third Party Claim involves a claim that, in the good faith judgment of the Indemnified Party, the Indemnifying Party failed or is failing to vigorously prosecute or defend. The Indemnified Party shall cooperate in good faith in any such defence. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defence of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defence thereof.

- (b) In order to assume the investigation and defence of a Third Party Claim, the Indemnifying Party must give the Indemnified Party written notice of its election within 20 days of the Indemnifying Party's receipt of the Notice of Claim.
- (c) Subject to Section 13.5(d), if the Indemnifying Party assumes the investigation and defence of a Third Party Claim:
  - (i) the Indemnifying Party will pay for all reasonable costs and expenses of the investigation and defence of the Third Party Claim except that the Indemnifying Party will not, so long as it diligently conducts such defence, be liable to the Indemnified Party for any fees of other counsel or any other expenses with respect to the defence of the Third Party Claim, incurred by the Indemnified Party after the date the Indemnifying Party validly exercised its right to assume the investigation and defence of the Third Party Claim;
  - (ii) the Indemnifying Party will reimburse the Indemnified Party for all reasonable costs and expenses incurred by the Indemnified Party in connection with the investigation and defence of the Third Party Claim prior to the date the Indemnifying Party validly exercised its right to assume the investigation and defence of the Third Party Claim; and
  - (iii) if the Indemnifying Party thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such defence and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to the Third Party Claim.
- (d) Where the named parties to any Third Party Claim include the Indemnified Party as well as the Indemnifying Party and the Indemnified Party determines in good faith, based on advice from its legal counsel, that joint representation would be inappropriate due to the actual or potential differing interests between them or there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnifying Party, and the Indemnified Party notifies the Indemnifying Party in writing that it elects to retain separate counsel, the Indemnifying Party shall not have the right to assume the defence of such Third Party Claim on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel of the Indemnified Party.
- (e) If the Indemnified Party undertakes the defence of the Third Party Claim, the Indemnifying Party will not be bound by any compromise or settlement of the Third Party Claim effected without the consent of the Indemnifying Party (which consent may not be unreasonably withheld or delayed).
- (f) The Indemnifying Party will not be permitted to compromise and settle or to cause a compromise and settlement of a Third Party Claim without the prior written consent of the Indemnified Party, which consent may not be unreasonably withheld or delayed.

- 13.6 **Duty to Mitigate.** Nothing in this Agreement in any way restricts or limits the general obligation pursuant to applicable Laws of an Indemnified Party to take reasonable steps to mitigate any loss which it may suffer or incur by reason of the breach or failure to perform of any representation, warranty, covenant or obligation of the Indemnifying Party under this Agreement.
- 13.7 **Increases or Decreases to Purchase Price.** Any payment made by RTEC pursuant to this Article 13 shall constitute a reduction of the Purchase Price and any payment made by SDC pursuant to this Article 13 shall constitute an increase in the Purchase Price. For greater certainty, any such reduction of, or increase in, the Purchase Price shall be allocated among the Purchased Interest in the same relative proportions as those set out in the Purchase Price allocation made in accordance with Section 2.7. If any payment made by RTEC or SDC pursuant to this Article 13 is deemed by the ETA to include goods and services tax or harmonized sales tax, or is deemed by any applicable provincial or territorial legislation to include a similar value added or multi-staged tax, the amount of such payment shall be increased accordingly.
- 13.8 **Consequential Losses.** Notwithstanding anything to the contrary in this Agreement, both before and after the Closing, a Party to this Agreement shall not be liable under this Agreement in respect of any consequential, special, indirect, multiple-of-profit or punitive damages or Losses, except to the extent that such Losses are the result of fraud or willful misrepresentation of such Party.
- 13.9 **Limitation of Liability.** Notwithstanding anything to the contrary in this Agreement, the maximum aggregate liability of any Party in respect of any and all claims for breach of representation or warranty under Article 5 of this Agreement and any and all claims for indemnification pursuant to Section 13.1(a)(i) or 13.2(a)(i), as applicable shall not exceed an aggregate amount of \$3,000,000. For certainty, the foregoing limitations shall not apply to any other claims arising out of or in connection with this Agreement, including any breach of covenant under this Agreement or the right to be indemnified under Section 13.1(a)(ii), 13.1(a)(iii), 13.2(a)(ii), or 13.2(a)(iii), as applicable.
- 13.10 **Exclusive Remedies.** Subject to Section 13.11 and 17.1, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement, shall be pursuant to the indemnification provisions set forth in this Article 13.
- 13.11 **No Limitation.** Nothing in this Article 13 shall in any way limit, prejudice or impair in any manner whatsoever, in whole or in part, any and all rights, remedies and recourse of a Party arising under, pursuant to or in connection with Article 11, the Investor Rights Agreement, the Termination and Release Agreement, the SDC Note or the SDC Security, or any agreement, certificate, instrument, notice or document entered into or delivered pursuant to or in connection therewith.

## 14. TERMINATION

14.1 **Termination.** This Agreement may be terminated as follows:

- (a) by the mutual agreement of the Parties;
- (b) by either RTEC or SDC, if the Closing has not occurred by June 30, 2024 (the “**Outside Date**”), provided that the right to terminate this Agreement pursuant to this Section 14.1(b) shall not be available to RTEC if RTEC has, or to SDC if SDC has, breached any provision of this Agreement and the breach has been the cause of, or resulted in, the failure of the Closing to occur by the Outside Date;
- (c) by RTEC or SDC if after the date of this Agreement any applicable Law is enacted or made (or any applicable Law is amended) that makes the consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or enjoins the consummation of the transactions contemplated by this Agreement, and that applicable Law (if applicable) or enjoinder shall have become final and non-appealable; or
- (d) by RTEC if there has been a material breach of any provision of this Agreement by SDC or by SDC if there has been a material breach of any provision of this Agreement by RTEC, and that breach has not been waived by RTEC or SDC, as the case may be, or cured within 30 days following written notice of that breach being sent by RTEC or SDC, as the case may be, to the other,

and this Agreement shall in no event be terminable following Closing.

14.2 **Notice of Termination.** The Party desiring to terminate this Agreement pursuant to Section 14.1 (other than pursuant to section 14.1(a)) shall give written notice of that termination to the other Party.

14.3 **Effect of Termination/Survival.** Each Party’s right of termination under Section 14.1 is in addition to any other rights it may have under this Agreement or otherwise, whether at law, in equity or otherwise, and the exercise of that right of termination is not an election of remedies. If this Agreement is terminated pursuant to Section 14.1, all obligations of the Parties under this Agreement will terminate, except that the obligations contained in this Section 14.3 and in Sections 15, 16 and 17 will survive; provided that if this Agreement is terminated pursuant to Sections 14.1(b) or 14.1(d), the terminating Party’s right to pursue all legal remedies will survive such termination unimpaired.

## 15. CONFIDENTIALITY

15.1 **Obligation of Confidentiality.** Subject to Section 15.2, 15.3, 15.4, 15.5, 15.6 and 15.7, each Party shall keep confidential all Confidential Information and will not, and will not permit its Affiliates to, and will use reasonable efforts to cause its officers, directors, employees, representatives and agents not to, disclose or publish any part of the Confidential Information without the prior written consent of the other Party, except:

- (a) subject to Section 15.2 and 15.5, such information as may be required to be disclosed or published by applicable securities Law or stock exchange rules and only if any such required disclosure is strictly limited in scope and content to the extent reasonably possible;
- (b) where such disclosure is to a legal or financial adviser of a Party that has been made aware of the confidential nature of the Confidential Information and agrees to be subject to the confidentiality requirements under this Agreement;
- (c) where such disclosure is required in order to satisfy the conditions precedent in Section 9;
- (d) in connection with the performance of a Party's obligations under this Agreement or any of the documents or agreements delivered pursuant to this Agreement or in connection with the enforcement or exercise of any rights, remedies and recourses of a Party pursuant to this Agreement or any of the documents or agreements delivered pursuant to this Agreement; or
- (e) as permitted in Sections 15.2, 15.3 and 15.4 and 15.7.

15.2 **Disclosure Requested or Required by Governmental Authority or by Law.** Without limiting the effect of Section 15.1(a), each Party and its Affiliates may disclose Confidential Information if requested or required by any Governmental Authority or if required by Law or pursuant to any judicial, arbitration, or administrative process, provided, however, that: (a) the Party intending to make such disclosure (or whose Affiliate is intending to make such disclosure) shall provide the other Party with prompt written notice thereof, to the extent reasonably practical, before making such disclosure, and shall be entitled to disclose only that portion of the Confidential Information that it is legally required to furnish, and (b) the other Party may seek a protective order or other appropriate remedy in response to such notice.

15.3 **Exceptions to Section 15.1.** The provisions of Section 15.1 do not apply in any respect to Confidential Information that:

- (a) is or becomes part of the public domain, other than as a result of a breach by either Party of its confidentiality obligations pursuant to this Agreement; or
- (b) is acquired by or made known to a Party or any of its Affiliates or any of their respective officers, directors, employees, representatives or agents from a third party who is not (to the knowledge of such Party) bound by a contractual or professional obligation of confidentiality in respect of the Confidential Information.

15.4 **No Disclosure of Agreement.** Except as required by applicable Law or securities regulatory authority, neither Party may make any public announcements or statements concerning this Agreement, other than the SDC Execution News Release and the Closing News Release, without the prior approval of the other, not to be unreasonably withheld, unless such public announcements or statements (i) are consistent with the SDC Execution News Release or the Closing News Release, and (ii) do not provide information regarding

this Agreement which is not disclosed in the SDC Execution News Release or the Closing News Release. RTEC acknowledges that this Agreement, once executed and delivered by the Parties, will be filed by SDC on SEDAR (with such redactions as are agreed upon by the Parties).

- 15.5 **Public Announcements.** A Party intending to make a public announcement or statement, including a news release, pursuant to the exception in Section 15.1(a), shall make the text of such announcement or statement available to the other Party not less than two Business Days prior to the issuance or publication and the other Party may make suggestions for changes therein. The Party proposing to make such disclosure shall make such reasonable changes to such proposed announcement or statement as may be timely and reasonably requested by the non-issuing Party. If the other Party from whom such consent is requested has not consented or has unreasonably refused such request within two Business Days, such other Party shall be deemed to have consented to the press release or public statement forming the subject matter of such request; provided that the other Party from whom such consent is requested shall not unreasonably delay in providing such consent or refusal in circumstances in which the Party requesting such consent is required by applicable Laws to issue such a news release or other such public statement before the expiry of such two Business Days period. The foregoing requirements in this Section 15.5 shall not apply to any news release or other public statement made by or on behalf of a Party that reflects disclosure which is consistent with the SDC Execution News Release and the Closing News Release, or with what has, prior to the time of such press release or public statement, already been disclosed in accordance with this Section 15.5.
- 15.6 **SDC Rights Following Closing.** The confidentiality restrictions in Section 15.1 shall no longer apply to: (a) SDC or any of its Affiliates, from and after Closing; and (b) RTEC or any of its Affiliates, after 2 years from Closing.
- 15.7 **Liability for Announcement.** In providing its approval of a public announcement or statement, the non-disclosing Party does not assume any liability or responsibility for the contents of the disclosure, which will be the sole responsibility of the disclosing Party. The disclosing Party shall indemnify, defend and save the other Party harmless from any reasonable costs and liabilities it may incur as a result of the public announcement or statement. This provision survives expiration or earlier termination of this Agreement.
16. **ARBITRATION**
- 16.1 **Arbitration.** Subject to Section 16.2, in the event of any dispute, claim or difference between the Parties arising out of or in connection with this Agreement, including any question regarding its subject matter, enforceability, interpretation, effect, existence, validity or termination, or in respect of any legal relationship associated therewith or derived therefrom (the “**Dispute**”), the Parties will first attempt to resolve such Dispute by good faith negotiation and consultation between themselves. In the event that such Dispute is not resolved on an informal basis within 7 days from receipt from any Party to the others of written notice of a Dispute, any Party may, by written notice to the others, have such dispute referred to a senior decisionmaker of each Party with oversight responsibility for the matters contemplated by this Agreement, who will attempt to resolve such Dispute by

good faith negotiation and consultation for a 14 day period following the expiry of such initial 7 day period. In the event that such Dispute is not resolved during such 14 day period, such Dispute shall be settled by confidential, final and binding arbitration in accordance with *The Arbitration Act 1992* (Saskatchewan), as amended from time to time, including any successor legislation thereto and any regulations promulgated thereunder, in the following manner:

- (a) the Dispute shall be resolved by a single arbitrator (the “**Arbitrator**”);
  - (b) failing agreement by the Parties, the Arbitrator shall be appointed by the ADR Institute of Canada pursuant to their ADRIC Arbitration Rules of Procedure (the “**ADRIC Rules**”);
  - (c) the seat of the arbitration shall be Saskatchewan;
  - (d) the location of the hearings shall be in Saskatoon, Saskatchewan (subject to an alternative agreement by the Parties);
  - (e) the language of the arbitration shall be English;
  - (f) the arbitration shall be governed by the ADRIC Rules, as amended;
  - (g) either party may deliver a single Notice to Arbitrate for claims arising under either or both this Agreement and the Resolution Agreement, and such Notice to Arbitrate will be deemed to have validly commenced a single arbitration under both Agreements;
  - (h) the arbitration award shall be made in writing and shall be final and binding on the Parties, and shall deal with the question of costs and all matters related thereto; and
  - (i) nothing in this Agreement shall prejudice or impair a party’s ability to apply to the Court of King’s Bench of Saskatchewan, or to the Arbitrator, to obtain interim or interlocutory injunctive relief.
- 16.2 Notwithstanding anything to the contrary in this Agreement, from and after Closing, any dispute, claim or difference between the Parties in respect of any breach or non-performance by SDC of any of its obligations under Article 11 shall not be subject to Section 16.1 and, for certainty, any demand, claim or enforcement or other exercise of any rights or remedies of RTEC under or pursuant to the SDC Note and/or the SDC Security shall not be subject to Section 16.1.

## 17. **GENERAL PROVISIONS**

- 17.1 **Equitable Remedies.** The Parties acknowledge and hereby agree that in the event of any breach or threatened breach by any Party of any of its covenants or obligations set forth in this Agreement, the other Party shall be entitled to injunctive relief to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of,

or to enforce compliance with, the covenants and obligations under this Agreement. Each Party hereby agrees not to raise any objection to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches or, or to enforce compliance with, the covenants and obligations of the other Party under this Agreement.

- 17.2 **Legal and Other Fees and Expenses.** Unless otherwise specifically provided herein, the Parties shall pay their respective legal, accounting and other professional fees and expenses incurred by each of them in connection with the negotiation and settlement of this Agreement, the completion of the transactions contemplated by this Agreement and other matters pertaining hereto.
- 17.3 **Notice.** Any notice to be given to one Party by the other may be sent by email or may be mailed (by registered mail, return receipt requested) personally delivered addressed as follows:

To RTEC

Rio Tinto Exploration Canada Inc.  
300 – 815 West Hastings Street  
Vancouver, British Columbia V6C 1B4  
Email: [...\*\*\*...]<sup>14</sup>

Subject line must start with “RIO TINTO, RT Exploration Canada”

Attention: Vice President Commercial

with a copy to:

Lawson Lundell LLP  
Suite 1600 Cathedral Place  
925 West Georgia Street  
Vancouver, BC V6C 3L2  
Attention: Khaled Abdel-Barr  
Email: [...\*\*\*...]<sup>15</sup>

To SDC:

Star Diamond Corporation  
600, 224 – 4th Avenue South  
Saskatoon, SK S7K 5M5  
Attention: Ewan Mason  
Email: [...\*\*\*...]<sup>16</sup>

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<sup>14</sup> Personal Information – Contact Information.

<sup>15</sup> Personal Information – Contact Information.

<sup>16</sup> Personal Information – Contact Information.

with a copy to:

Bennett Jones LLP  
 3400 One First Canadian Place  
 100 King Street West  
 Toronto, ON M5X 1A4  
 Attention: Sander Greive and Ali Naushahi  
 Email: [...\*\*\*...]<sup>17</sup>

or at such other address as either Party may from time to time designate by written notice to the other Party and any such notice shall be deemed to have been given and received by the Party to which it is addressed on delivery if delivered and on the day following transmission if emailed.

- 17.4 **Assignment.** This Agreement may not be assigned by either Party without prior written consent of the other Party.
- 17.5 **Time.** Time is of the essence in this Agreement.
- 17.6 **Broker's Fees.** Each of the Parties acknowledges and agrees that it is not aware of any current or possible future claim for brokerage, agency, finder's fee or commission in connection with the transactions contemplated by this Agreement and that if any such claim should arise through, or under, or by virtue of any action taken by, any Party, such Party shall indemnify and hold harmless the other in respect thereof.
- 17.7 **Further Assurances.** The Parties to this Agreement agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.
- 17.8 **Waiver and Amendment.** Except as expressly provided in this Agreement, no amendment or waiver of it will be binding unless made in writing. No waiver of any provision, or any portion of any provision, of this Agreement will constitute a waiver of any other the provision or any other portion of any provision of this Agreement nor a continuing waiver unless otherwise expressly provided.
- 17.9 **Enurement.** This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.
- 17.10 **Governing Law.** The terms and provisions of this Agreement will be interpreted in accordance with the laws of Saskatchewan and the laws of Canada applicable therein and, subject to Article 16, the Parties agree to attorn to the exclusive jurisdiction of the courts of Saskatchewan.
- 17.11 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or

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<sup>17</sup> Personal Information – Contact Information.

implied, statutory or otherwise between the Parties with respect to the subject matter in this Agreement. For certainty, (i) the Resolution Agreement, subject to the Release and Termination Agreement, shall continue in full force and effect, and (ii) the letter agreement between the Parties dated June 21, 2023, is hereby terminated.

- 17.12 **Severability.** Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.
- 17.13 **Counterparts.** This Agreement may be executed by the Parties in counterparts, each of which, when delivered, either in original or facsimile or other electronic form, shall be deemed to be an original and both of which together shall constitute one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement to be effective as at the date and year first written above.

**RIO TINTO EXPLORATION CANADA INC.**

By:

*signed "Chris Welton"*

\_\_\_\_\_  
Name: Chris Welton

Title: Director

**STAR DIAMOND CORPORATION**

By:

*signed "Ewan Mason"*

\_\_\_\_\_  
Name: Ewan Mason

Title: President and Chief Executive Officer

**SCHEDULE 1.1(e)(i)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**ADDITIONAL ASSETS**

1. Sample Storage Building
2. The Drill core obtained from the Properties referred to in item 3 below ( the “**JV Drill Core**”)
3. Those seacans located on the Properties that contain the JV Drill Core ( the “**JV Seacans**”)
4. Bailey Bridge – B791 – 20’ All Steel Low Profile
5. Process Control Cameras
6. Security and Plant Dry Trailer
7. BSP Security Access Control
8. Fire Suppression Equipment
9. Dura-Base Composite Mats remaining on the Project site
10. Communications Tower

**SCHEDULE 1.1(f)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**ASSIGNED CONTRACTS**

1. The Surface Lease Agreements.

**SCHEDULE 1.1(g)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**ASSIGNED PERMITS**

[...\*\*\*...]¹.

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¹ Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 1.1(r)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**DATA**

[...\*\*\*...]<sup>2</sup>.

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<sup>2</sup> Competitive Information – Commercially Sensitive Terms

## **SCHEDULE 1.1(z)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

### **EXCLUDED ASSETS**

#### **Excluded Assets**

The following are Excluded Assets:

1. Medical Treatment Centre
2. Brush Cutter
3. 2018 Ford Expedition SUV
4. 2019 Ford F-350 Diesel Long Box Truck
5. 2019 Ford F-350 Short Box Truck
6. Falcon Project Communications Equipment
7. Forklift
8. 2018 Caterpillar Compact Track Loader (skid steer)
9. The Excluded Contracts listed below.

\*For certainty, the drill core of RTEC from properties other than the Properties that is stored on the Properties (the “**Non–JV Drill Core**”) is owned solely by RTEC and is not part of the Assets.

\* For certainty, those Seacans that are located on the Properties and that contain the Non–JV Drill Core, as well as Dura Base Composite Mats underneath those Seacans, are owned solely by RTEC and are not part of the Assets.

#### **Excluded Contracts**

The following are Excluded Contracts:

[...\*\*\* ...]<sup>3</sup>.

#### **Excluded Permits**

The following are Excluded Permits:

[...\*\*\* ...]<sup>4</sup>.

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<sup>3</sup> Competitive Information – Commercially Sensitive Terms.

<sup>4</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 1.1(pp)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**PROPERTIES**

**Mineral Dispositions**

<b>#</b>	<b>Mining Claim No:</b>
1.	MC00005966
2.	S-124553
3.	S-124554
4.	S-124555
5.	S-124556
6.	S-124557
7.	S-124561
8.	S-124562
9.	S-124563
10.	S-124568
11.	S-124573
12.	S-124574
13.	S-124639
14.	S-124640
15.	S-124641
16.	S-124646
17.	S-124647
18.	S-124649
19.	S-124651
20.	S-124652
21.	S-124653
22.	S-125981
23.	S-126003
24.	S-126004
25.	S-126007
26.	S-126008
27.	S-126009
28.	S-126010
29.	S-126038
30.	S-126039
31.	S-126040
32.	S-126041
33.	S-126042

34.	S-126043
35.	S-126044
36.	S-126045
37.	S-126046
38.	S-126047
39.	S-126048
40.	S-126049
41.	S-126095
42.	S-126096
43.	S-126097
44.	S-126098
45.	S-126099
46.	S-126100
47.	S-126101
48.	S-126102
49.	S-126103
50.	S-126104
51.	S-126105
52.	S-126106
53.	S-126112
54.	S-126113
55.	S-126114
56.	S-126115
57.	S-126116
58.	S-126117
59.	S-126118
60.	S-126119
61.	S-126120
62.	S-126121
63.	S-126122
64.	S-126123
65.	S-126124
66.	S-126221
67.	S-126257
68.	S-127085
69.	S-127086
70.	S-127087
71.	S-127088
72.	S-127089
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80.	S-127097
81.	S-127098
82.	S-127099
83.	S-127100
84.	S-127101
85.	S-127102
86.	S-127103
87.	S-127104
88.	S-127105
89.	S-127106
90.	S-127107
91.	S-127108
92.	S-127109
93.	S-127110
94.	S-127111
95.	S-127112
96.	S-127113
97.	S-127114
98.	S-127115
99.	S-127116
100.	S-127117
101.	S-127118
102.	S-127145
103.	S-127146
104.	S-127147
105.	S-127148
106.	S-127183
107.	S-127184
108.	S-127185
109.	S-127186
110.	S-127187
111.	S-127188
112.	S-127189
113.	S-127190
114.	S-127191
115.	S-127192
116.	S-127193
117.	S-127194
118.	S-127195
119.	S-127275
120.	S-127341
121.	S-132025
122.	S-132026
123.	S-132027

124.	S-132028
125.	S-132029
126.	S-132030
127.	S-132031
128.	S-132032
129.	S-132033
130.	S-132034
131.	S-132035
132.	S-132036
133.	S-132037
134.	S-132038
135.	S-132039
136.	S-132079
137.	S-132080
138.	S-132081
139.	S-132082
140.	S-133444
141.	S-133445
142.	S-133446
143.	S-133447
144.	S-133452
145.	S-133453
146.	S-133454
147.	S-133455
148.	S-133456
149.	S-133457
150.	S-133458
151.	S-133459
152.	S-133460
153.	S-133461
154.	S-133714
155.	S-133715
156.	S-133716
157.	S-133717
158.	S-133722
159.	S-133723
160.	S-133726
161.	S-133733
162.	S-134407
163.	S-135759
164.	S-135760
165.	S-135761
166.	S-135762
167.	S-135763
168.	S-135764

169.	S-135818
170.	S-135819
171.	S-135820
172.	S-136686
173.	S-137921
174.	S-138346
175.	S-138873
176.	S-139000
177.	S-140248
178.	S-140253
179.	S-140256
180.	S-140257
181.	S-140259
182.	S-140263
183.	S-140264
184.	S-140265
185.	S-141420
186.	S-143355
187.	S-143356
188.	S-143846
189.	S-143847

**SCHEDULE 1.1(ww)(xii)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**ADDITIONAL PERMITTED ENCUMBRANCES**

The following registrations filed against the mineral dispositions comprising the Properties in the “Instrument Registry” maintained by the Mineral Administration Registry of Saskatchewan (MARS):

[...\*\*\*...]<sup>5</sup>.

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<sup>5</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 1.1(zz)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**PROCESSING PLANT**

1. Bulk Sample Processing Plant
2. Bulk Sample Plant Building
3. Seacans with spare parts (i.e. electrical components and spare parts from the processing plant)

**SCHEDULE 1.1(tt)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**SURFACE LEASE AGREEMENTS**

[...\*\*\*...]<sup>6</sup>.

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<sup>6</sup> Competitive Information – Commercially Sensitive Terms.

## **SCHEDULE 1.1(www)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

### **TRENCH CUTTER AND TRENCH CUTTER EQUIPMENT**

1. MC128 Duty Cycle Crane including caterpillar diesel engine, type C27, crawler undercarriage (model UW 250 AC, crawler type 250AC), upper structure, operator cabin, control system and boom.
2. Bauer HDS 250m Depth including HDS hose drums, measuring and control device for Bauer Trench Cutter on carrier with HDS, add-on kit for fixed HDS on MC 128, cutter rope 36mm for HDS up to 250m, hose package HDS 250, and flanged disks for hydraulic hose drum of HDS 250.
3. Bauer BC 50 Cutter 3,200 mm including cutter frame BC50, guide flaps BC50 with control system, adapter plate BC50 3200mm, guide frame BC 50 3,200 mm, hose guidance for cutter guide frame, heavy extensions for cutter frame BC 50 for cutting length 3,200 mm, cutter gear box BCF 12 3,200 mm (2 nos), drive unit for cutter gearbox BCF 12 (2 nos), shock absorber BC 50 (1 set), extension kit 1,500 x 3,200 mm for BC 50, suction box BC 50 (3,200 mm) cutting width 1,500 mm, special boulder protection and additional counterweight from 50TO to 70TO.
4. Bauer Desanding and Slurry Handling Equipment including BE 550 desanding system (Scalping unit GS 500 v for BE 550), pre-screener (course screen) GS 500V, desander BE 275-60 for BE 550 (2 nos), completion kit BE 550, desilter BDS 125-20 for BE 550 (2 nos), pump unit BP 125, slurry tank ST-H25 for BE 550 (2 nos), continuous mixer SKC-60-K, Screw conveyor FS-219 / 4500 adjustable, big-bag discharging station ZBB-1600, hose pump HP50E, desander BE 100-60, support frame BE 100-60, decanter (centrifuge on desander) BD-90 and flocculent station FA 500012.
5. Bauer KBKT Frequency controlled pump (2 nos).
6. Washing and bagging plant.
7. Kimberlite sampling unit and spares.
8. Kimberlite bagging station conveyors and spares.
9. 3 seacans worth of spare parts and refurbished equipment that were temporarily sent to Germany for refurbishment and have since returned to site.

## **SCHEDULE 2.7**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

### **PURCHASE PRICE ALLOCATION**

	<b>Description of Purchased Assets</b>	<b>Allocation of Purchase Price as a Percentage</b>
1.	Intangibles (i.e. Properties)	[...***...] <sup>7</sup> %
2.	Processing Plant	[...***...] <sup>8</sup> %
3.	Trench Cutter and Trench Cutter Equipment	[...***...] <sup>9</sup> %
4.	Miscellaneous Interests (including Assign Contracts, Assigned Permits, Data)	\$ [...***...] <sup>10</sup>

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<sup>7</sup> Competitive Information – Commercially Sensitive Terms.

<sup>8</sup> Competitive Information – Commercially Sensitive Terms.

<sup>9</sup> Competitive Information – Commercially Sensitive Terms.

<sup>10</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 5.2(w)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**THIRD PARTY REPORTS**

[...\*\*\*...]<sup>11</sup>

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<sup>11</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 5.2(aa)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**THIRD PARTY COMPONENTS REMOVED FROM TRENCH CUTTER AND  
TRENCH CUTTER EQUIPMENT**

1. Two 500KVA generators
2. Transformer
3. Breaker
4. Cables
5. Mud mixing tanks
6. Centrifuge

**Note:** 3 seacans worth of spare parts and equipment were temporarily sent to Germany for refurbishment and have returned to site.

**SCHEDULE 5.2(bb)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**THIRD PARTY COMPONENTS REMOVED FROM BULK SAMPLING PLANT**

1. Generators 2x 830 – 999 KVA, 600 Volt United Rentals
2. Generators 1x 630 – 699 KVA, 600 Volt United Rentals
3. Breakers 3x1200amp
4. Transformer 75KVA 200amp
5. Cables

**SCHEDULE 5.3(d)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**AGREEMENTS IN RESPECT OF THE PURCHASE OF SDC SHARES**

[...\*\*\*...] <sup>12</sup>.

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<sup>12</sup> Competitive Information – Commercially Sensitive Terms.

## **SCCHEDULE 10.3(d)**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

### **SDC LEGAL OPINIONS**

1. SDC is a company existing under the *Canada Business Corporations Act* and has the corporate power and capacity to issue the Consideration Shares.
2. The authorized and issued and outstanding share capital of SDC.
3. All necessary corporate action has been taken by SDC to authorize the issuance and sale of the Consideration Shares.
4. The issuance and sale of the Consideration Shares does not and will not (as the case may be) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both: (A) the laws of general application in the Province of Saskatchewan or the federal laws of Canada applicable therein; or (B) SDC's constating documents.
5. The Consideration Shares have been duly and validly authorized and allotted for issuance by SDC and, upon receipt of the full consideration therefor, will be issued as fully paid and non-assessable Common Shares.
6. The issuance and sale by SDC of the Consideration Shares to RTEC is exempt from the prospectus requirements of the applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations obtained by SDC under the applicable Securities Laws to permit such issuance and sale, except that SDC is required to file a report with the Securities Commissions on Form 45-106F1, within 10 days after the distribution date, accompanied by the applicable prescribed fees.
7. The first trade of the Consideration Shares (other than a trade that is otherwise exempt under the applicable Securities Laws) will be a distribution subject to the prospectus requirements of Applicable Securities Laws, unless:
  - (a) at the time of such first trade, SDC is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
  - (b) at the time of such first trade, at least four months have elapsed from the "distribution date" (as defined under NI 45-102 – *Resale of Securities* ("NI 45-102")) of the Offered Shares;
  - (c) (i) the certificates representing the Consideration Shares, if any, carry a legend stating the prescribed restricted period in accordance with Section 2.5(2)3(i) of NI 45-102, or (ii) if the Consideration Shares were entered into a direct registration

system or other electronic book-entry system or if RTEC did not directly receive certificates representing the Consideration Shares, RTEC received written notice containing the prescribed restricted period in accordance with Section 2.5(2)3(i) of NI 45-102;

- (d) the trade is not a "control distribution" (as such term is defined in NI 45-102);
- (e) no unusual effort is made to prepare the market or to create a demand for the Consideration Shares that are the subject of such trade;
- (f) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
- (g) if the selling security holder is an "insider" or "officer" (as such terms are defined in Applicable Securities Laws) of SDC, the selling security holder has no reasonable grounds to believe that SDC is in default of "securities legislation" (as such term is defined in National Instrument 14-101 – *Definitions*).

**EXHIBIT A**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**TERMINATION AND RELEASE AGREEMENT**

[see attached]

**RioTinto**

**TERMINATION AND RELEASE  
AGREEMENT**

**BETWEEN**

**RIO TINTO EXPLORATION CANADA INC.**

**AND**

**STAR DIAMOND CORPORATION**

**DATED ●, 2023**

## TERMINATION AND RELEASE AGREEMENT

THIS TERMINATION AND RELEASE AGREEMENT (the “**Agreement**”) made this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

**BETWEEN:**

**STAR DIAMOND CORPORATION (“SDC”)**

**AND:**

**RIO TINTO EXPLORATION CANADA INC. (“RTEC”)**

**WHEREAS:**

- A. On November 6, 2019, RTEC provided SDC with notices of exercise under the Option Agreement. SDC disputed that such options had been validly exercised;
- B. On March 3, 2020, SDC and its wholly owned subsidiary, Kensington Resources Ltd. (“**Kensington**”), filed a Statement of Claim, naming RTEC as a defendant, in the Court of Queen’s Bench of Saskatchewan, in Regina and subsequently transferred to Saskatoon under Court File Number QBG No. 610 of 2020 and, on April 6, 2020, RTEC filed a Statement of Defence and Counterclaim in such proceeding (collectively, the “**Action**”);
- C. On December 9, 2021, RTEC, SDC and Kensington entered into a Resolution Agreement (the “**Resolution Agreement**”) by which they resolved all disputes between them in respect of matters occurring up to the date of the Resolution Agreement related to the Action and any matters raised or that could have been raised by any of them in the Action;
- D. Pursuant to the Resolution Agreement, RTEC and SDC executed and delivered a revised form of joint venture agreement (the “**Joint Venture Agreement**”) and SDC transferred to RTEC registered interests in the Mineral Dispositions and the Properties;
- E. RTEC and SDC have entered into an Exit Agreement dated November \_\_, 2023 (the “**Exit Agreement**”) whereunder RTEC has agreed to sell, transfer and convey to SDC and SDC has agreed to purchase from RTEC, the Purchased Interest;
- F. RTEC and SDC are each required under the terms of the Exit Agreement to execute, and deliver to the other, this Agreement at the Closing.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, including the payment of CAD\$4,000,000 by RTEC to SDC (the receipt and sufficiency of which is hereby acknowledged by each of RTEC and SDC, each a “**Party**” and together, the “**Parties**”), the Parties agree as follows:

1. **FURTHER DEFINITIONS**

- 1.1 Capitalized terms not otherwise defined herein are given the same meaning as in the Exit Agreement or the Joint Venture Agreement (if not defined in the Exit Agreement). In the event of any inconsistency, the definition in the Exit Agreement prevails.

2. **TERMINATION OF THE JOINT VENTURE AGREEMENT**

- 2.1 Pursuant to section 12.1 of the Joint Venture Agreement, the Parties hereby agree to terminate the Venture and the Joint Venture Agreement effective as of the date first written above.

3. **RELEASES**

**Releases**

- 3.1 In sections 3.2 and 3.3 of this Agreement, any reference to either SDC or RTEC includes:
- (a) itself;
  - (b) its Affiliates;
  - (c) its past and present directors, officers, employees, agents and representatives and those of its Affiliates;
  - (d) the heirs, executors, administrators, committees and personal representatives of the persons referred to in (c) above; and
  - (e) its predecessors, successors, assigns, insurers and reinsurers, liquidators, receivers, receiver managers, and trustees.
- 3.2 SDC does hereby remise, release and forever discharge RTEC from any and all claims, suits, liabilities, obligations, actions, causes of action, complaints, debts, damages, costs and demands of every nature and kind, whether at law or in equity or by statute, whether known or unknown, that SDC has or may subsequently have against RTEC, relating or with respect to, arising out of, or resulting from:
- (a) the Project, the Properties or any of the other Assets;
  - (b) any past, present or future operations, activities or actions conducted (or absence of action) at, on, or with respect to, the Project, any of the Properties or any of the other Assets;
  - (c) the Joint Venture Agreement, including, without limitation, any conduct of RTEC thereunder, whether in its own capacity, in its capacity as the “Manager” thereunder, or through its representatives as members of the “Management Committee” thereunder, or the Resolution Agreement; or
  - (d) for certainty, the Assumed Obligations and Liabilities,

with the exception of the following:

- (x) RTEC's obligations under the Exit Agreement and any documents, instruments and agreements delivered by or on behalf of RTEC pursuant to the Exit Agreement; and
- (y) section 2.10 and sections 2.12 to 2.20 of the Resolution Agreement, which provisions shall continue in full force and effect.

3.3 RTEC does hereby remise, release and forever discharge SDC from any and all claims, suits, liabilities, obligations, actions, causes of action, complaints, debts, damages, costs and demands of every nature and kind, whether at law or in equity or by statute, whether known or unknown, that RTEC has or may subsequently have against SDC, relating or with respect to, arising out of, or resulting from:

- (a) the Project, the Properties or any of the other Assets;
- (b) any past, present or future operations, activities or actions conducted (or absence of action) at, on, or with respect to, the Project, any of the Properties or any of the other Assets; or
- (c) the Joint Venture Agreement including, without limitation, any conduct of SDC thereunder, whether in its own capacity or through its representatives as members of the "Management Committee" thereunder, or the Resolution Agreement,

with the exception of the following:

- (x) SDC's obligations under the Exit Agreement and any documents, instruments and agreements delivered by or on behalf of SDC pursuant to the Exit Agreement;
- (y) section 2.10, section 2.11 and sections 2.13 to 2.20 of the Resolution Agreement, which provisions shall continue in full force and effect; and
- (z) any and all rights and interests that RTEC may have as a shareholder of SDC.

3.4 For certainty, nothing in this Agreement, including, without limitation, Section 3.2 and Section 3.3, shall in any way limit or derogate from, shall not merge with, and is without prejudice to, the covenants, agreements, representations, warranties, indemnities and obligations of the Parties contained in the Exit Agreement and the rights and recourse of each of the Parties under the Exit Agreement, all of which shall continue in full force and effect in accordance with the terms thereof.

### **Third Party Proceedings**

3.5 Each Party covenants and agrees not to take any steps, initiate any proceedings or continue any proceedings against any person or other entity, not including the other Party, (each a "**Third Party**") which might be entitled to claim contribution, indemnity, or other relief against the other Party, in respect of or arising out of, or in any way related to any of the matters released in Section 3.2 and Section 3.3 of this Agreement.

3.6 Each Party covenants and agrees that if it contravenes Section 3.5, it will indemnify and save harmless the other Party against which a Third Party is seeking contribution, indemnity or other relief from any costs (including legal fees), expenses, losses, liabilities or damages whatsoever incurred by that Party in connection with or in any way related to defending or responding to any proceeding brought by the Third Party.

#### 4. GENERAL PROVISIONS

4.1 Each Party acknowledges and agrees that any breach or delay of their respective obligations under this Agreement will result in the other Party suffering irreparable harm, which cannot be calculated or fully or adequately compensated by recovery of damages alone, and accordingly agrees that the other Party shall be entitled to interim and permanent injunctive relief without proof of actual damages, specific performance and other equitable remedies, in addition to any other rights or remedies that such Party has under this Agreement or to which it might otherwise be entitled.

4.2 Each Party shall, with reasonable diligence, do all such things and provide such further documents required by the other Party as may be reasonably necessary or desirable to affect the purpose of this Agreement and carry out its provisions.

4.3 The terms of this Agreement are contractual and not mere recitals.

4.4 If a portion of this Agreement is held by a court of competent jurisdiction to be invalid and of no force and effect, all remaining provisions of this Agreement shall otherwise remain in full force and effect and shall be construed as if such invalid portion had not been included.

4.5 This Agreement shall be deemed to be made pursuant to the laws of the Province of Saskatchewan and shall be governed by, construed, interpreted, performed and enforced in accordance with the laws of Saskatchewan and the laws of Canada applicable therein.

4.6 Article 16 of the Exit Agreement (Arbitration) shall apply in the event of any dispute, claim or difference between the Parties arising out of or in connection with this Agreement, including any question regarding its subject matter, enforceability, interpretation, effect, existence, validity or termination, or in respect of any legal relationship associated therewith or derived therefrom.

4.7 Article 15 of the Exit Agreement (Confidentiality) shall apply to the terms and existence of this Agreement.

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

4.9 Time is of the essence.

4.10 This Agreement may be executed in counterpart, by original or electronic signature, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

*[Remainder of the Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective \_\_\_\_, 2023.

**STAR DIAMOND CORPORATION**

By:

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Name:

Title:

**RIO TINTO EXPLORATION CANADA  
INC.**

By:

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Name:

Title:

**EXHIBIT B**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

[see attached]

**GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

**THIS AGREEMENT** dated as of the \_\_\_\_ day of \_\_\_\_\_, 20●,

**BETWEEN:**

**RIO TINTO EXPLORATION CANADA INC.**, a British  
Columbia corporation

(“RTEC”)

**AND:**

**STAR DIAMOND CORPORATION**, a Canadian corporation

(“SDC”)

**WHEREAS:**

- A. RTEC and SDC are parties to an exit agreement dated as of ●, 2023 (the “**Exit Agreement**”), pursuant to which SDC has agreed to purchase and RTEC has agreed to sell, the Purchased Interest, comprised of all of RTEC’s right, title and interest in the Assets, on and subject to the terms of the Exit Agreement; and
- B. RTEC and SDC wish to enter into this Agreement pursuant to the terms of the Exit Agreement for the purpose of evidencing the conveyance and assignment of the Purchased Interest by RTEC to SDC.

**NOW THEREFORE**, in consideration of the premises and the mutual agreements set out in the Exit Agreement and this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each party hereto), the parties agree as follows:

- 1. Defined Terms. All capitalized terms used in this agreement (including in the recitals to this agreement) which are not otherwise defined herein shall have the respective meanings ascribed to such terms in the Exit Agreement.
- 2. Conveyance and Assignment. RTEC hereby sells, assigns, transfers, grants, conveys and sets over to SDC, the Purchased Interest, comprised of all of RTEC’s right, title and interest in and to the Assets, other than the Surface Lease Agreements (the transfer and assignment of which is the subject of a Lease Assignment Agreement dated the date hereof), free and clear of all Encumbrances except the Permitted Encumbrances, in accordance with and subject to the terms of and conditions of the Exit Agreement.
- 3. Assumption. Subject to Section 8.3 (RTEC Personnel) of the Exit Agreement, SDC hereby agrees to assume, discharge, perform, fulfil, and be responsible for, as and from the date hereof, all obligations and liabilities of RTEC, whether in RTEC’s personal capacity or in its capacity as Manager (as defined in the Joint Venture Agreement) of the Project, and any of its predecessors or predecessors in interest, of whatsoever nature and kind, and whether

direct or indirect, disclosed or undisclosed, known or unknown, determined or undetermined, absolute or contingent or otherwise, relating or with respect to, or arising or resulting from, the Purchased Interest, the Project, any of the Properties or any of the other Assets, or any past, present or future operations or activities conducted at, on, or with respect to, the Project, any of the Properties or any of the other Assets, including, without limitation, all obligations and liabilities relating or with respect to, or arising or resulting from:

- (a) closure of the Project site, all operations or activities at, on, or with respect to, the Properties or any of the other Assets, including reclamation, restoration and remediation, any contamination at, on or under the Properties, any other lands covered by the Project or any other affected lands, and any and all environmental and other obligations and liabilities involving, related to, arising or resulting from, the Project, the Properties or any of the other Assets, any other lands covered by the Project or any other affected lands, howsoever and by whomsoever caused;
- (b) any Assigned Contracts and any Contract Authorizations;
- (c) any Assigned Permits and any Permit Authorizations;
- (d) any Permitted Encumbrances on, against or affecting any of the Assets; and
- (e) the Diamond Parcels, including any requirement to transfer possession or control of such Diamond Parcels to any applicable Governmental Authority under applicable Law,

(collectively, the “**Assumed Obligations and Liabilities**”).

Notwithstanding the foregoing, the Assumed Obligations and Liabilities shall not include any obligation or liability resulting, arising from or connected to any of the Excluded Assets or fraud or illegal conduct of RTEC or any of its Affiliates and nothing contained herein shall be construed as an agreement of SDC to assume, discharge, perform, fulfill, or be responsible for any such obligations or liabilities.

- 4. Further Assurances. Each of the parties shall execute and deliver such further documents and do such further acts and things as may be reasonably required from time to time, to carry out the full intent and meaning of this Agreement.
- 5. No Derogation. This Agreement shall in no way limit or derogate from, shall not merge with and is without prejudice to the covenants, agreements, representations, warranties, indemnities and obligations of the parties contained in the Exit Agreement, all of which shall continue in full force and effect in accordance with the terms thereof. In the event of any conflict or inconsistency between this Agreement and the Exit Agreement, the Exit Agreement shall prevail.
- 6. Survival. This Agreement shall survive the Closing of the transactions contemplated in the Exit Agreement.

7. Successors and Assigns. This Agreement shall enure to the benefit of and shall be enforceable by and against the parties and their respective successors and permitted assigns. This Agreement shall be subject to the assignment provisions of the Exit Agreement.
8. Gender and Number. Words in this Agreement which import the singular connotation shall be interpreted as plural, and vice versa, and words which import the masculine gender shall be interpreted as the feminine or neuter gender, and vice versa, each as the identity of the parties or objects referred to may require.
9. No Waiver. The failure of any party to strictly enforce any provision of this Agreement, or the waiver thereof by a party in any particular instance, shall not be construed as a general or continuing waiver of any such or similar provision, and such provision shall nevertheless be and remain in full force and effect.
10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.
11. Counterparts. This Agreement may be executed by the parties in counterparts, each of which, when delivered, either in original or facsimile or other electronic form, shall be deemed to be an original and all of which together shall constitute one and the same instrument.

**[Signature Page Follows]**

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

**RIO TINTO EXPLORATION CANADA INC.**

By:

\_\_\_\_\_  
Name:  
Title:

**STAR DIAMOND CORPORATION**

By:

\_\_\_\_\_  
Name:  
Title:

**EXHIBIT C**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**LEASE ASSIGNMENT AGREEMENT**

[see attached]

**LEASE ASSIGNMENT AGREEMENT**

**THIS AGREEMENT** is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 20●.

**BETWEEN:**

**STAR DIAMOND CORPORATION,**  
a Canadian corporation  
  
(hereinafter called “SDC”)

**AND:**

**RIO TINTO EXPLORATION CANADA INC.,**  
a British Columbia corporation  
  
 (“RTEC”)

**WHEREAS:**

- A. His Majesty the King in the right of the Province of Saskatchewan as represented by the Ministry of Environment and RTEC have entered certain industrial land lease agreements described in Schedule A hereto (the “**Surface Lease Agreements**”);
- B. SDC and RTEC are parties to joint venture agreement executed December 9, 2021 but effective November 6, 2019 (the “**Joint Venture Agreement**”) in connection with certain property in Saskatchewan;
- C. Pursuant to the Joint Venture Agreement, RTEC holds legal title to the Surface Lease Agreements and a 75% beneficial interest in the Surface Lease Agreements and SDC holds a 25% beneficial interest in the Surface Lease Agreements;
- D. SDC and RTEC have entered into an exit agreement dated ●, 2023 (the “**Exit Agreement**”), pursuant to which, amongst other things, RTEC has agreed to assign to SDC legal title to, and its beneficial interest in, the Surface Lease Agreements.
- E. The Ministry of Environment has consented to the assignment of the Surface Lease Agreements from RTEC to SDC.
- F. SDC and RTEC wish to enter into this Agreement for the purposes of evidencing the conveyance and assignment of the Surface Lease Agreements.

**NOW THEREFORE** in consideration of the premises and the mutual agreements set out in the Exit Agreement and this Agreement, the consideration provided for in the Exit Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each party), the parties agree as follows:

1. Capitalized Terms. All capitalized terms used in this Agreement but not otherwise defined in this Agreement shall have the respective meanings given thereto in the Exit Agreement.
2. Assignment. RTEC hereby assigns, transfers, conveys and sets over to SDC each of the Surface Lease Agreements, free and clear of all Encumbrances other than the Permitted Encumbrances.
3. Further Assurances. Each of the parties shall from time to time after the date of this Agreement execute and deliver all such documents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to give effect to any of the provisions of this Agreement or any of the obligations intended to be created by it.
4. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.
6. Successors and Assigns. This Agreement shall enure to the benefit of and shall be binding upon the parties and their respective successors and permitted assigns.
7. No Derogation: This Agreement shall in no way limit or derogate from, shall not merge with and is without prejudice to the covenants, agreements, representations, warranties, indemnities and obligations of the parties contained in the Exit Agreement, which shall continue in full force and effect in accordance with the terms thereof.
8. Counterparts. This Agreement may be executed by the parties in counterparts, each of which, when delivered, either in original or facsimile or other electronic form, shall be deemed to be an original and which together shall constitute one and the same instrument.

*[Remainder of page left blank. Signature page follows.]*

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

**STAR DIAMOND CORPORATION**

Per: \_\_\_\_\_  
Name:  
Title:

**RIO TINTO EXPLORATION CANADA INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**

[...\*\*\*...]<sup>1</sup>

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<sup>1</sup> Competitive Information – Commercially Sensitive Terms.

**EXHIBIT D**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**INVESTOR RIGHTS AGREEMENT**

[see attached]

## INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT is made effective as of ●, 2023

**BETWEEN:**

**RIO TINTO EXPLORATION CANADA INC.**, a British Columbia corporation of 300 – 815 West Hastings Street, Vancouver, British Columbia V6C 1B4

(“RTEC”)

**AND:**

**STAR DIAMOND CORPORATION** (formerly Shore Gold Inc.), a Canadian corporation of 600, 224<sup>th</sup> Avenue South, Saskatoon, Saskatchewan S7K 5M5

(“SDC”)

**WHEREAS:**

- A. RTEC and SDC are parties to an exit agreement dated as of ●, 2023 (the “**Exit Agreement**”) pursuant to which, *inter alia*, SDC has agreed to issue to RTEC (or to an Affiliate of RTEC) on the Closing Date (as that term is defined in the Exit Agreement) that number of Common Shares that will result in RTEC (together with its Affiliates and after taking into account the number of common shares already held by RTEC and its Affiliates) owning 19.9% (calculated on a basic, non-diluted basis) of the then issued and outstanding Common Shares in the aggregate as of the Closing Date;
- B. The Closing Date is the date hereof, and the parties have determined that SDC is required to issue to RTEC (or to an Affiliate of RTEC) ● Common Shares on the date hereof in order to comply with the terms of the Exit Agreement, and such shares have been issued to RTEC (or to an Affiliate of RTEC) concurrently with the execution and delivery of this Agreement; and
- C. The parties are required pursuant to the Exit Agreement to enter into this Agreement to grant certain rights to, and establish certain restrictions on, RTEC and its Affiliates in their capacity as a shareholder of SDC.

**NOW, THEREFORE**, in consideration of the premises and of the covenants, agreements, representations and warranties set out below and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

- 1. **Definitions.** For purposes of this Agreement:
  - 1.1 “**Acquiror**” means any Person or group of Persons acting jointly or in concert (other than RTEC or any Affiliate of RTEC or any person acting jointly or in concert with RTEC or any Affiliate of RTEC) who makes an Acquisition Proposal.

- 1.2 “**Acquisition Proposal**” means any offer, proposal or inquiry, whether oral or written, from any Acquiror made after the date hereof relating to:
- (a) any direct or indirect acquisition, whether in a single transaction or a series of related transactions, by the Acquiror of Common Shares (including securities convertible into or exercisable or exchangeable for Common Shares) representing, when taken together with the Common Shares (including securities convertible into or exercisable or exchangeable for Common Shares) held by the Acquiror, more than 50% of the Common Shares (assuming the conversion, exchange or exercise of all securities convertible into or exercisable or exchangeable for Common Shares), whether by way of take-over bid, tender offer, exchange offer, treasury issuance, arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination or other transaction involving SDC or any of its Affiliates; or
  - (b) any other transaction(s) involving SDC or any of its Affiliates the result of which allows any Acquiror to direct or cause the direction of the management and policies of SDC, directly or indirectly.
- 1.3 “**Affiliate**” means any person, partnership, limited liability company, joint venture, corporation, or other form of enterprise that directly or indirectly controls, or is controlled by or is under common control with, a party. The term “control” as used in this definition means the rights to the exercise of, directly or indirectly, more than 50% of the voting rights attributable to the shares or ownership interests of the controlled entity. In the case of RTEC, an Affiliate includes any corporation wherever situated in which Rio Tinto plc, Rio Tinto Limited, or both, owns or controls directly or indirectly more than 50% of such voting rights.
- 1.4 “**Agreement**” means this Agreement, including all written amendments and modifications thereof, and all schedules and exhibits, which are incorporated herein by reference.
- 1.5 “**Bought Deal**” means an underwritten offering on a bought deal basis pursuant to which an underwriter has committed to purchase securities of SDC pursuant to a “bought deal” letter.
- 1.6 “**Business Days**” means a day that is not a Saturday or Sunday or a statutory holiday in Vancouver, British Columbia or Saskatoon, Saskatchewan, Canada or Salt Lake City, Utah, United States of America.
- 1.7 “**Common Shares**” means the common shares in the capital of SDC.
- 1.8 “**Governmental Authority**” means any governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, any court, regulatory board or other tribunal and any stock exchange or securities regulatory authority having jurisdiction.
- 1.9 “**Insolvency Event**” means, in respect of any Person, an event where:

- (a) any proceedings are commenced by a creditor or other party seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of such Person's assets and such proceedings are not dismissed or discontinued within 60 days after the commencement thereof; or
- (b) a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of such Person's assets is appointed and such appointment is neither made ineffective nor discharged within 60 days after the making thereof, or such appointment is consented to, requested by, or acquiesced in by such Person; or
- (c) such Person:
  - (i) commences proceedings or any voluntary case under any applicable bankruptcy, insolvency, creditor protection, corporate restructuring or similar law now or hereafter in effect;
  - (ii) consents to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other such similar official of any substantial part of its assets;
  - (iii) makes a general assignment for the benefit of creditors;
  - (iv) fails generally to pay its debts as such debts become due or otherwise meets the definition of Insolvent Person as defined in the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;
  - (v) commits an Act of Bankruptcy, as contemplated by s. 42 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;
  - (vi) takes corporate or other action in furtherance of any of the foregoing.

1.10 [... \*\*\* ...] <sup>1</sup>.

1.11 “**New Securities**” means, collectively, the Common Shares or such other equity securities of SDC, whether or not currently authorized, or securities of any type whatsoever that are, or may become, exchangeable into or exercisable for such securities issued pursuant to a Qualified Financing.

1.12 “**New Securities Acceptance Notice**” is defined in Section 3.1(b).

1.13 “**New Securities Acceptance Period**” is defined in Section 3.1(b).

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<sup>1</sup> Competitive Information – Commercially Sensitive Terms.

- 1.14 “**New Securities Notice**” is defined in Section 3.1(a).
- 1.15 [... \*\*\*...]<sup>2</sup>.
- 1.16 [... \*\*\*...]<sup>3</sup>.
- 1.17 “**Person**” means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, trustee in bankruptcy, syndicate, joint venture, unincorporated organization or Governmental Authority.
- 1.18 “**Pre-Emptive Closing Date**” is defined in Section 3.1(d).
- 1.19 “**Pro Rata Portion**” means, with respect to any New Securities that are to be issued by SDC, the portion of those New Securities calculated according to the following formula:

$$\begin{array}{rcccl} \text{Maximum} & & \text{Number of Common Shares held by RTEC} & & \\ \text{number of New} & & \text{and its Affiliates immediately before the} & & \\ \text{Securities that} & & \text{proposed issuance (calculated on a basic,} & & \\ \text{RTEC may} & = & \text{non-diluted basis)} & \text{X} & \text{Number of New} \\ \text{purchase} & & & & \text{Securities that} \\ & & \text{Total number of Common Shares then} & & \text{are proposed to} \\ & & \text{issued and outstanding (calculated on a} & & \text{be issued} \\ & & \text{basic, non-diluted basis)} & & \end{array}$$

- 1.20 “**Qualified Financing**” is defined in Section 3.1.
- 1.21 “**Sale Transaction**” means (i) any take-over bid, tender offer, exchange offer, treasury issuance, arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination or other transaction involving SDC and any other Person in which the Persons who were the shareholders of SDC immediately prior to such transaction own less than fifty percent (50%) of the outstanding voting shares of the surviving or continuing entity after such transaction; or (ii) the sale, lease or exclusive license of all or substantially all of the assets of SDC.
- 1.22 “**Shares**” means all classes of shares in the capital of SDC.
- 1.23 “**Standstill Period**” means the period ending on the second anniversary of the date hereof.

## 2. **Restrictions on Share Acquisition.**

- 2.1 Subject to the terms of this Agreement, RTEC hereby agrees that it will not, and that it will not permit any of its Affiliates to, acquire, directly or indirectly, any Shares or any securities that are, or may become, exercisable for or convertible or exchangeable into Common Shares; provided that RTEC and its Affiliates shall be entitled from time to time

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<sup>2</sup> Competitive Information – Commercially Sensitive Terms.

<sup>3</sup> Competitive Information – Commercially Sensitive Terms.

to acquire up to such number of Common Shares as would return RTEC and its Affiliates, collectively, to a 19.9% (calculated on a basic, non-diluted basis) ownership threshold.

- 2.2 The prohibition set forth in Section 2.1 shall not apply to adjustments to the authorized share capital of SDC resulting from any (i) subdivision, redivision or change of the Common Shares at any time into a greater number of Common Shares; (ii) consolidation or change of the Common Shares at any time into a lesser number of Common Shares; or (iii) reclassification of the Common Shares at any time outstanding or change of the Common Shares into other Shares, or in case of the consolidation, amalgamation or merger of SDC with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other Shares), or in case of any transfer of the undertaking or assets of SDC as an entirety or substantially as an entirety to another corporation, at any time.
- 2.3 Adjustments made pursuant to Section 2.2 shall be made successively whenever any event referred to in such section shall occur at no cost to RTEC.
- 2.4 The prohibition set forth in Section 2.1 shall not apply to the purchase by RTEC of any New Securities pursuant to Section 3.
- 2.5 For greater certainty, nothing in this Agreement shall prohibit RTEC and/or its Affiliates from acquiring any Person who owns Shares at the time of such acquisition provided that: (a) the primary purpose of such acquisition is not to acquire Shares in violation of the prohibition set forth in Section 2.1, and (b) any Shares so acquired will not be considered Common Shares held by RTEC or its Affiliates for purposes of calculating RTEC's Pro Rata Portion in connection with a Qualified Financing.
- 2.6 Notwithstanding the prohibition set forth in Section 2.1, RTEC and its Affiliates shall be unfettered in their ability to increase their ownership and/or control of Shares, and to advance their interests as a shareholder of SDC in RTEC's sole discretion, from and after: (a) such date as SDC enters into an agreement providing for an Acquisition Proposal, regardless of whether the transactions comprising such Acquisition Proposal are consummated, or (b) at any time after the commencement of a formal take-over bid by any party acting independently of, and without financial or other support or encouragement from, RTEC or any of its Affiliates, regardless of whether such take-over bid is completed.

### 3. **Pre-Emptive Rights.**

- 3.1 In the event that SDC proposes to issue any New Securities for cash pursuant to a financing transaction in circumstances where RTEC (together with its Affiliates) continues to own at least 10% (calculated on a basic, non-diluted basis) of the Common Shares issued and outstanding at such time (a "**Qualified Financing**"), RTEC shall be entitled, subject to any applicable Governmental Authority (including stock exchange) and any required shareholder approvals for such Qualified Financing (including RTEC's participation therein), to purchase its Pro Rata Portion of the New Securities in accordance with the following procedure:

- (a) **New Securities Notice.** SDC must give notice in writing to RTEC advising it of the number of New Securities proposed to be issued, the price, terms and conditions of the New Securities (to the extent known and applicable), and the Pro Rata Portion of the New Securities which RTEC shall be entitled to purchase (the “**New Securities Notice**”). The New Securities Notice will be issued on the basis that [... \*\*...]<sup>4</sup> elects, in connection with the Qualified Financing, to purchase the maximum number of New Securities that it may elect to purchase pursuant to the [... \*\*...]<sup>5</sup> (the “**Maximum [... \*\*...]<sup>6</sup> Entitlement**”).
- (b) **Acceptance Notice.** RTEC will have five (5) Business Days, or one (1) Business Day in the case of a Bought Deal, after receipt of the New Securities Notice (the “**New Securities Acceptance Period**”) within which to provide written notice to SDC that it wishes to purchase some or all of its Pro Rata Portion of the New Securities on the terms and conditions set out in the New Securities Notice (the “**New Securities Acceptance Notice**”). If RTEC fails to deliver a New Securities Acceptance Notice as provided in this Section 3.1(b), RTEC will be deemed to have declined the right to purchase its Pro Rata Portion of the New Securities.
- (c) [... \*\*...]<sup>7</sup>.
- (d) **Pre-Emptive Closing Date.** Subject to Section 3.1(e), the transaction of purchase and sale contemplated by the New Securities Notice will be completed by RTEC and SDC concurrently with the final closing of the Qualified Financing (the “**Pre-Emptive Closing Date**”).
- (e) **Remaining Residual Securities.** Any New Securities that are described in the New Securities Notice and that remain unsold after the Pre-Emptive Closing Date may be sold by SDC to any Person willing to buy them.

3.2 For greater certainty, the pre-emptive rights described in Section 3.1 do not apply to any issue of New Securities:

- (i) as a stock dividend to any shareholder of SDC or pursuant to any other distribution or in-kind interest or upon any reclassification, split or other subdivision or consolidation of Shares;
- (ii) granted under any stock option plan or other equity compensation plan instituted by SDC;
- (iii) upon the exercise of options, warrants, or rights to purchase Common Shares or the conversion or exchange of convertible or exchangeable equity securities;

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<sup>4</sup> Competitive Information – Commercially Sensitive Terms

<sup>5</sup> Competitive Information – Commercially Sensitive Terms

<sup>6</sup> Competitive Information – Commercially Sensitive Terms

<sup>7</sup> Competitive Information – Commercially Sensitive Terms.

- (iv) issued as consideration for a bona fide acquisition of assets from, or securities of, an arm's length third party;
- (v) issued pursuant to a shareholder rights plan of SDC; or
- (vi) issued to RTEC or its Affiliates.

3.3 The pre-emptive right set forth in Section 3.1 shall terminate and be of no further force or effect from and after such time as RTEC (together with its Affiliates) first ceases to own at least 10% (calculated on a basic, non-diluted basis) of the Common Shares issued and outstanding.

4. **Standstill.**

4.1 During the Standstill Period, unless approved in advance in writing by the board of directors of SDC, RTEC will not, and will not permit any of its Affiliates to, directly or indirectly:

- (a) make, or in any way participate in, any solicitation of proxies to vote, or seek to advise or influence any other Person with respect to voting of, any securities of SDC in a way other than as recommended by SDC's board of directors;
- (b) seek to control or influence the management, directors or corporate policies of SDC or obtain representation on SDC's board of directors;
- (c) engage in any discussions or negotiations, enter into any agreement or submit any proposal or offer (with or without conditions) in connection with any business combination or other acquisition transaction or extraordinary transaction involving SDC or any Affiliate of SDC or any of their respective securities or assets;
- (d) enter into any discussions or arrangements with any third party with respect to any of the foregoing;
- (e) make any public announcement of any intention to do or take any of the foregoing; or
- (f) assist, advise or encourage any other Person to do any of the foregoing.

4.2 Notwithstanding anything in Section 4.1 to the contrary, RTEC shall be permitted to:

- (a) vote its Shares at any meeting of SDC shareholders (or written resolution in lieu thereof);
- (b) tender its Shares in response to an Acquisition Proposal; or
- (c) confidentially communicate its views on any matter solely to SDC's board of directors or its President and Chief Executive Officer.

4.3 The covenants set forth in Section 4.1 shall terminate and be of no further force or effect:

- (a) upon the dissolution of SDC or the occurrence of an Insolvency Event of SDC;
- (b) immediately following completion of a Sale Transaction; or
- (c) upon termination of this Agreement by written agreement of the parties.

## 5. **Covenant Regarding Share Repurchase**

- 5.1 SDC shall refrain from undertaking any alteration to its share capital that would result in RTEC owning greater than 19.9% (calculated on a basic, non-diluted basis) of the Common Shares without: (a) publicly disclosing its intention to undertake such alteration at least 60 days prior to it becoming effective, and (b) within two Business Days of such public disclosure being made, providing RTEC with written notice of SDC's intention to undertake such alteration.

## 6. **Arbitration**

- 6.1 **Arbitration.** In the event of any dispute, claim or difference between the parties hereto arising out of or in connection with this Agreement, including any question regarding its subject matter, enforceability, interpretation, effect, existence, validity or termination, or in respect of any legal relationship associated therewith or derived therefrom (the "**Dispute**"), the parties hereto will first attempt to resolve such Dispute by good faith negotiation and consultation between themselves. In the event that such Dispute is not resolved on an informal basis within 7 days from receipt from any party hereto to the other of written notice of a Dispute, any party hereto may, by written notice to the other, have such dispute referred to a senior decisionmaker of each party hereto with oversight responsibility for the matters contemplated by this Agreement, who will attempt to resolve such Dispute by good faith negotiation and consultation for a 14 day period following the expiry of such initial 7 day period. In the event that such Dispute is not resolved during such 14 day period, such Dispute shall be settled by confidential, final and binding arbitration in accordance with *The Arbitration Act 1992* (Saskatchewan), as amended from time to time, including any successor legislation thereto and any regulations promulgated thereunder, in the following manner:

- (a) the Dispute shall be resolved by a single arbitrator (the "**Arbitrator**");
- (b) failing agreement by the parties, the Arbitrator shall be appointed by the ADR Institute of Canada pursuant to their ADRIC Arbitration Rules of Procedure (the "**ADRIC Rules**");
- (c) the seat of the arbitration shall be Saskatchewan;
- (d) the location of the hearings shall be in Saskatoon, Saskatchewan (subject to an alternative agreement by the parties);
- (e) the language of the arbitration shall be English;
- (f) the arbitration shall be governed by the ADRIC Rules, as amended;

- (g) the arbitration award shall be made in writing and shall be final and binding on the parties, and shall deal with the question of costs and all matters related thereto; and
- (h) nothing in this Agreement shall prejudice or impair a party's ability to apply to the Court of King's Bench of Saskatchewan, or to the Arbitrator, to obtain interim or interlocutory injunctive relief.

7. **General.**

7.1 **Assignment.** This Agreement may not be assigned by either party without prior written consent of the other party.

7.2 **Notice.** Any notice to be given to one party by the other may be sent by email or may be mailed (by registered mail, return receipt requested) personally delivered addressed as follows:

To RTEC

Rio Tinto Exploration Canada Inc.  
300 – 815 West Hastings Street  
Vancouver, British Columbia V6C 1B4  
Email: [... \*\*\*...]<sup>8</sup>

Subject line must start with "RIO TINTO, RT Exploration Canada"  
Attention: Vice President Commercial

with a copy to:

Lawson Lundell LLP  
Suite 1600 Cathedral Place  
925 West Georgia Street  
Vancouver, BC V6C 3L2  
Attention: Khaled Abdel-Barr  
Email: [... \*\*\*...]<sup>9</sup>

To SDC:

Star Diamond Corporation  
600, 224 – 4th Avenue South  
Saskatoon, SK S7K 5M5  
Attention: Ewan Mason  
Email: [... \*\*\*...]<sup>10</sup>

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<sup>8</sup> Personal Information—Contact Information.

<sup>9</sup> Personal Information—Contact Information.

<sup>10</sup> Personal Information—Contact Information.

with a copy to:

Bennett Jones LLP  
 3400 One First Canadian Place  
 100 King Street West  
 Toronto, ON M5X 1A4  
 Attention: Sander Greive and Ali Naushahi  
 Email: [... \*\*\*...]<sup>11</sup>

or at such other address as either party may from time to time designate by written notice to the other party and any such notice shall be deemed to have been given and received by the party to which it is addressed on delivery if delivered and on the day following transmission if emailed.

- 7.3 Further Assurances. The parties to this Agreement agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.
- 7.4 Enurement. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.
- 7.5 Governing Law. The terms and provisions of this Agreement will be interpreted in accordance with the laws of Saskatchewan and the laws of Canada applicable therein and, subject to Article 6, the Parties agree to attorn to the exclusive jurisdiction of the courts of Saskatchewan.
- 7.6 Severability. Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.
- 7.7 Counterparts. This Agreement may be executed by the parties in counterparts, each of which, when delivered, either in original or facsimile or other electronic form, shall be deemed to be an original and both of which together shall constitute one and the same instrument.

*[Signature page follows]*

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<sup>11</sup> Personal Information—Contact Information.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as at the date and year first written above.

**RIO TINTO EXPLORATION CANADA INC.**

By:

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Name:  
Title:

**STAR DIAMOND CORPORATION**

By:

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Name:  
Title:

**EXHIBIT E**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**SDC NOTE**

[see attached]

PROMISSORY NOTE

TO: **RIO TINTO EXPLORATION CANADA INC.** PRINCIPAL AMOUNT: **CDN\$9,900,000**

DATE: ♦

FOR VALUE RECEIVED, the undersigned, **STAR DIAMOND CORPORATION** (the “Debtor”), hereby acknowledges itself indebted and promises to pay to or to the order of **RIO TINTO EXPLORATION CANADA INC.** (the “Holder”) the principal sum of **Nine Million Nine Hundred Thousand Dollars in lawful currency of Canada (CDN\$9,900,000)**, subject to adjustment in accordance with Section 2(b) hereunder, together with interest thereon, all as more particularly provided and on the terms and conditions hereinafter set out in this promissory note (the “Note”). This Note is the “**SDC Note**” as defined in the Exit Agreement (as defined below).

1. **Definitions.** For the purposes of this Note, capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Exit Agreement and the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meaning:

“**Alternate Support Arrangements Liability**” means that term as defined in Section 2(b) below;

“**Collateral**” means, collectively, all of the property, assets and undertaking which are expressed to be the subject of or subject to the Security;

“**Debenture**” means the debenture dated as of ♦ by the Debtor in favour of the Holder, as it may be amended, supplemented, restated or replaced from time to time;

“**Disposition**” means any sale, assignment, transfer, conveyance, lease, license, granting of an option, release, surrender, abandonment or other disposition (or agreement to dispose) of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb “**Dispose**” has a correlative meaning;

“**Dollars**”, “**Canadian Dollars**”, “**\$**” and “**CDN\$**” each mean the stated amount in lawful currency of Canada;

“**Event of Default**” means that term as defined in Section 10 below;

“**Exit Agreement**” means the exit agreement dated as of November ♦, 2023 and made between the Holder and the Debtor, as it may be amended, supplemented, restated or replaced from time to time;

“**Financial Indebtedness**” means, in relation to any Person, any indebtedness or other obligation for the payment of money, including any obligation in respect of:

- (a) any monies borrowed;

- (b) any bill of exchange, bond, debenture, note or similar instrument;
- (c) any acceptance, endorsement or discounting arrangement;
- (d) any finance lease or any rental payments under leases entered into primarily as a means of financing the acquisition of the asset leased;
- (e) any guarantee, indemnity, letter of credit or similar assumption of any responsibility or obligation in respect of any other Person;
- (f) deferred payment for any asset or service; or
- (g) the marked to market exposure (determined in accordance with generally accepted accounting principles applicable to such Person) under all derivatives agreements and hedging agreements to which such Person is a party, together with any unpaid amounts and all liabilities and obligations of such Person at any time accruing or owing thereunder,

in each case irrespective of whether the debt or liability:

- (i) is owed at the present time or in the future;
- (ii) is owed or incurred alone or severally or jointly or both with another Person;  
or
- (iii) is a combination of any of the above,

but excluding:

- (A) any deferred payment for any asset or service that is not overdue and that is required to be paid in full within 90 days of its incurrence;  
and
- (B) any indebtedness (whether contingent or otherwise) in respect of employee benefits, pension benefits or entitlements, employee termination or severance payments or similar obligations until the indebtedness or obligation in respect thereof becomes due and payable;

**“Insolvency Event”** means, in respect of any Person, an event where:

- (a) any proceedings are commenced by a creditor or other party seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of such Person’s assets and such proceedings are not dismissed or discontinued within 60 days after the commencement thereof;  
or
- (b) a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of such Person’s assets is appointed and such appointment is neither made ineffective nor discharged within 60 days after the making thereof,

or such appointment is consented to, requested by, or acquiesced in by such Person; or

- (c) such Person:
- (i) commences proceedings or any voluntary case under any applicable bankruptcy, insolvency, creditor protection, corporate restructuring or similar law now or hereafter in effect;
  - (ii) consents to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other such similar official of any substantial part of its assets;
  - (iii) makes a general assignment for the benefit of creditors;
  - (iv) fails generally to pay its debts as such debts become due or otherwise meets the definition of Insolvent Person as defined in the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;
  - (v) commits an Act of Bankruptcy, as contemplated by s. 42 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;
  - (vi) takes corporate or other action in furtherance of any of the foregoing.

**“Issued RTEC LoCs”** means that term as defined in Section 2(b) below;

**“Lender Event”** means, in relation to any Person, the occurrence of any one or more of the following events or circumstances:

- (a) (i) a demand is made by a Person for the payment in full of any Financial Indebtedness then due, or becoming due upon the making of a demand, in an amount greater than CDN\$500,000, or other enforcement steps are taken by such Person with respect thereto, or (ii) an event of default under any Financial Indebtedness in an amount greater than CDN\$500,000 shall occur resulting in the acceleration of the time for payment of such Financial Indebtedness to a time prior to its stated maturity, and, in either case, such demand or acceleration shall not have been paid prior to the expiry of any applicable grace or cure period, if any; or
- (b) any action, which is not being contested in good faith and by appropriate proceedings, is taken by a Person to enforce any Encumbrance in, over or against any of the Collateral which, if successful, would reasonably be expected to result in a material disruption to the Project or to adversely affect in any material respect any Collateral or any SDC Security;

**“Material Adverse Effect”** means any event, change, circumstance, fact or state of being (or any series thereof) which would reasonably be expected to have a material adverse effect on: (a) the Collateral or the development, construction or operation of the Project; (b) the ability of the Debtor to perform its obligations under this Note, Article 11 of the Exit Agreement or any SDC Security in accordance with the terms hereof or thereof; or (c) the

validity or enforceability of this Note, the Exit Agreement or any SDC Security or any of the rights or remedies of the Holder thereunder, or the priority of the Security;

**“Maximum Permissible Rate”** means, with respect to interest payable on any amount, the rate of interest on such amount that, if exceeded, could, under applicable Law, result in (a) civil or criminal penalties being imposed on the payee, or (b) the payee’s being unable to enforce payment of (or, if collected, to retain) all or any part of such amount or the interest payable thereon;

**“Minerals”** has the meaning given to such term in the Debenture;

**“Mineral Disposition”** has the meaning given to such term in the Debenture;

**“Permitted Encumbrances”** has the meaning given to such term in the Debenture;

**“Permitted Equipment Sale”** means any Disposition by the Debtor of any of the assets comprising the Processing Plant or the Trench Cutter and Trench Cutter Equipment, provided that such Disposition is made in accordance with Section 2.3 or Section 2.4 of the Exit Agreement and the Debtor complies with its obligations thereunder;

**“Permitted Ordinary Course Disposition”** means a sale, assignment, transfer or other Disposition of tangible personal property (which, for greater certainty and without limitation, does not include any Mineral Dispositions or Surface Leases), excluding any Diamond Parcels, by the Debtor to any other Person (other than an Affiliate of the Debtor) in the usual and ordinary course of the normal day-to-day operations or business of the Debtor, up to a maximum aggregate amount in each calendar year of CDN\$500,000;

**“Prime Rate”** means, at any particular time, the annual rate of interest announced from time to time by the Royal Bank of Canada, main branch, Vancouver, British Columbia, as a reference rate then in effect for determining floating rates of interest on Canadian dollar loans made in Canada and as to which, from time to time, a certificate of an officer of the Royal Bank of Canada is conclusive evidence;

**“Project”** has the meaning given to such term in the Debenture;

**“Property”** means, with respect to the Debtor, any or all of its property, assets or undertaking, whether tangible or intangible, real or personal, moveable or immovable;

**“Security”** means any and all Encumbrances created or expressed to be created pursuant to any of the SDC Security;

**“Surface Lease”** has the meaning given to such term in the Debenture; and

**“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.

2. **Payment.**

- (a) The principal amount under this Note shall become immediately due and payable, in full, by the Debtor on the earlier of: (i) ♦;<sup>1</sup> (ii) the date on which the RTEC LoCs are at any time partially or fully drawn upon; (iii) the date on which any demand for payment is made, or any other enforcement action taken, against RTEC pursuant to any Alternate Support Arrangements; and (iv) the occurrence of an Event of Default that is continuing as set out in Section 10 hereof and the Holder making demand for payment as contemplated herein.
- (b) Notwithstanding the expressed principal amount of this Note, the principal indebtedness actually owing and payable under this Note from time to time and at any time shall be equal to the sum of the following amounts (as applicable): (i) the aggregate face amount of the RTEC LoCs which RTEC has provided or caused to be issued pursuant to Article 11 of the Exit Agreement (including any such RTEC LoCs which have been fully or partially drawn upon) and which have not been released and surrendered for cancellation undrawn by the applicable Governmental Authority as contemplated therein (collectively, the “**Issued RTEC LoCs**”); and (ii) the maximum amount of all indebtedness, liabilities and obligations (whether actual, contingent or otherwise) of RTEC pursuant to any Alternate Support Arrangements (the “**Alternate Support Arrangements Liability**”).
- (c) The Debtor hereby authorizes and directs the Holder to endorse upon the grid attached as Schedule “A” of this Note, the date and amount of any increase or decrease of the aggregate face amount of the Issued RTEC LoCs and/or increase or decrease of the Alternate Support Arrangements Liability, together with any resulting adjustment to the principal indebtedness owing under this Note. In the absence of manifest mathematical error, each such endorsement shall be *prima facie* evidence of such adjustments and the amount of principal indebtedness owing under this Note from time to time. The failure to record any amount on the grid (or any errors in notation) shall not affect the obligations of the Debtor or the rights, remedies and recourses of the Holder hereunder with respect to the principal amount actually owing hereunder from time to time, as it may be adjusted in accordance with Section 2(b).

3. **Interest, Fees and Costs.** Without in any way limiting the obligation of the Debtor to pay the principal amount when due and payable and the right of the Holder to make demand for payment thereof in accordance with the terms of this Note, interest shall accrue and be payable on the principal amount and accrued and unpaid interest owing under this Note from time to time, as and from (and not before) the date on which the principal amount owing hereunder becomes due in accordance with Section 2(a) above, at a floating rate equal to the Prime Rate (as such Prime Rate may change from time to time) [... \*\*\*...]<sup>2</sup> per annum, calculated and compounded monthly, not in advance, until all amounts owing hereunder, including all accrued and unpaid interest, shall have been received by the Holder.

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<sup>1</sup> **NTD:** Date to be as per Section 11.2(a) of the Exit Agreement (the fifth anniversary of the Closing Date).

<sup>2</sup> Competitive Information – Commercially Sensitive Terms.

Interest shall continue to accrue and shall be payable on the principal amount and accrued interest owing hereunder as aforesaid, both before and after demand, default and judgment until all principal and interest owing hereunder shall have been indefeasibly paid to and received by the Holder in full in immediately available funds.

The Debtor shall also be liable for and shall pay to the Holder on demand all reasonable and documented fees, costs and expenses (including, without limitation, legal fees and costs on a full indemnity basis) incurred by the Holder in connection with the collection of amounts due and the enforcement of its rights and remedies under or in connection with this Note.

4. **Holder's Records.** The Debtor acknowledges that the actual recording by the Holder of all amounts owing under this Note and any repayment thereof shall, in the absence of manifest mathematical error, constitute *prima facie* evidence of the Debtor's indebtedness and liability from time to time under this Note; provided that the obligation of the Debtor to pay or repay any indebtedness and liability in accordance with this Note shall not be affected by the failure of the Holder to make such recording. The Debtor also acknowledges being indebted *prima facie* to the Holder for the principal amount shown as outstanding from time to time in the Holder's account records, and all accrued and unpaid interest in respect of such amounts, in accordance with this Note.
5. **Surrender for Cancellation.** If the Debtor fulfils its obligations pursuant to Section 11.2 of the Exit Agreement or otherwise irrevocably, indefeasibly and unconditionally pays and satisfies all of its indebtedness, liabilities and obligations under this Note in full, the Holder shall surrender and deliver this Note to the Debtor for cancellation, whereupon (without limiting any other indebtedness, liabilities and obligations of the Debtor), the Debtor shall have no further obligations or liabilities hereunder.
6. **Representations and Warranties.** The Debtor represents and warrants to and in favour of the Holder, as follows:
  - (a) **Organization and Powers.** The Debtor is a corporation duly incorporated, organized, validly existing and in good standing under the laws of Canada and is qualified to do business and is in good standing under the Laws of Saskatchewan, and has all necessary corporate power and authority to enter into and perform its obligations under this Note, the Exit Agreement and the SDC Security, to grant the Security and to carry on its business as now conducted;
  - (b) **Authorization, Execution and Delivery.** All necessary corporate action has been taken by the Debtor to authorize the execution and delivery of this Note, the Exit Agreement and the SDC Security, the performance by the Debtor of its obligations thereunder and the transactions contemplated thereby, and the grant of the Security, and this Note, the Exit Agreement and the SDC Security have been duly executed and delivered by it;
  - (c) **No Violation or Default.** The execution and delivery by the Debtor of this Note, the Exit Agreement and the SDC Security, the performance of its obligations hereunder and thereunder and the transactions contemplated hereby and thereby, and the grant of the Security, do not breach or violate or result in a default under any applicable Law, the constating documents of the Debtor or any agreement or document by which the Debtor or the Collateral is bound or affected; and

- (d) **Enforceability.** Each of this Note, the Exit Agreement and the SDC Security constitutes a valid and legally binding obligation of the Debtor enforceable against the Debtor in accordance with its terms.
7. **Affirmative Covenants.** So long as any amount owing under this Note remains unpaid, the Debtor shall do the following:
- (a) **Payments.** Pay the principal amount, all interest and all other amounts owing under this Note upon the same becoming due and payable in accordance with the terms hereof;
  - (b) **Corporate Existence; Compliance with Laws, Etc.** (i) Preserve and maintain its corporate existence in good standing and qualify and remain duly qualified to carry on business and own property in each jurisdiction in which the nature of its business makes such qualifications necessary; and (ii) Comply in all material respects with all applicable Laws;
  - (c) **Taxes.** (i) Pay all Taxes levied, assessed or imposed upon it and upon its property or assets or any part thereof, as and when the same become due and payable, save and except when and so long as the validity of any such Taxes is being contested in good faith by appropriate proceedings and reserves are being maintained in accordance with International Financial Reporting Standards; and (ii) File all returns, reports, filings, statements and all other documents required to be filed by it in respect of Taxes by any Governmental Authority in all applicable jurisdictions;
  - (d) **Notice.** Give notice to the Holder in writing as soon as it becomes aware of (i) any Event of Default or (ii) the occurrence or existence of any event or circumstance known to it which would reasonably be expected to have a Material Adverse Effect;
  - (e) **Further Assurances.** Upon request of the Holder, execute and deliver, or cause to be executed and delivered, to the Holder such further instruments and agreements and do and cause to be done such further acts as may be necessary or proper in the opinion of the Holder, acting reasonably, to carry out more effectively the provisions and purposes of this Note, the Exit Agreement and the SDC Security or any part thereof; and
  - (f) **Performance of Obligations.** Duly and punctually perform and carry out all of the covenants and acts or things to be done by it as provided in this Note, Article 11 of the Exit Agreement and the SDC Security.
8. **Additional Obligations.** The obligations of the Debtor pursuant to Sections 11.1, 11.2 and 11.3 of the Exit Agreement are incorporated in this Note *mutatis mutandis* as obligations of the Debtor hereunder, in addition to and separate from its obligations under the Exit Agreement, and subject in all respects to the terms of this Note.
9. **Negative Covenants.** Except with the prior written consent of the Holder (acting in its sole and absolute discretion), so long as any amount owing under this Note remains unpaid, the Debtor shall not:

- (a) **Grant Security.** create, grant or permit to exist any Encumbrance in or on all or any part of its present or future property, assets or undertaking comprising the Collateral except for Permitted Encumbrances;
- (b) **Disposition of Assets.** Dispose of any of the property, assets or undertaking comprising the Collateral (including for avoidance of doubt, any part of the Project), including the sale of any Minerals, other than by way of a Permitted Ordinary Course Disposition or a Permitted Equipment Sale, except that the Debtor may transfer and assign up to (but no more than) a [... \*\*\*)<sup>3</sup> percent undivided interest in the Project as a whole (a “**Permitted Ownership Interest Transfer**”), provided that:
- (i) no more than one Permitted Ownership Interest Transfer shall be permitted and the Permitted Ownership Interest Transfer may only be made to a single transferee (the “**Transferee**”);
  - (ii) the entire interest in the Project subject to the Permitted Ownership Interest Transfer may only be transferred and assigned in its entirety at the same time in a single transfer and assignment, and may not be further transferred or assigned or otherwise Disposed of by the Transferee;
  - (iii) in no event may the Debtor Dispose of any part of the Collateral (including, for avoidance of doubt, any part of the Project) pursuant to a Permitted Ownership Interest Transfer other than up to (but no more than) a [... \*\*\*)<sup>4</sup> undivided interest in the Project as a whole;
  - (iv) prior to and after giving effect to the Permitted Ownership Interest Transfer, no Event of Default shall have occurred and be continuing or would reasonably be expected to occur;
  - (v) prior to the Permitted Ownership Interest Transfer, the Debtor and the Transferee shall have entered into such agreements, documents and instruments, provided such assurances (including, without limitation, legal opinions in form and content reasonably acceptable to the Holder) and taken all such further actions as may be necessary or advisable or as the Holder may reasonably request to preserve the rights, remedies and recourses of the Holder under Article 11 of the Exit Agreement, this Note and the SDC Security and in respect of the Collateral, and to grant, preserve, protect and perfect the validity and priority of the Security (and for clarity, notwithstanding the Permitted Ownership Interest Transfer, the interest in the Project subject to the Permitted Ownership Interest Transfer shall continue to be subject to a first priority Encumbrance in favour of the Holder);
- (c) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction without the prior

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<sup>3</sup> Competitive Information – Commercially Sensitive Terms.

<sup>4</sup> Competitive Information – Commercially Sensitive Terms.

written consent of the Secured Party, such consent not to be unreasonably withheld or delayed.

10. **Events of Default.** The occurrence of any of the following events shall constitute an “Event of Default”:
- (a) **Non-Payment.** The Debtor fails to make payment of the principal, interest or any other amount owing under this Note when due and payable pursuant to the terms hereof;
  - (b) **Breach of Covenants or Obligations.** The Debtor fails to observe, perform or comply with any covenant, condition or any other provision or obligation to be observed, performed or complied with by it under this Note (including, without limitation, Section 8 above), Article 11 of the Exit Agreement or the SDC Security (other than any failure to make any payment due hereunder addressed in Section 10(a) above), and, if such failure is reasonably capable of being remedied by the Debtor in a manner such that no detriment is suffered by the Holder as a result of such failure, such remediable failure is not so remedied within the earlier of seven days after (i) notice of the remediable failure has been provided to the Debtor by the Holder; and (ii) the Debtor becomes aware of such remediable failure; provided, for certainty, that the foregoing cure period shall not apply to any failure that is not reasonably capable of being remedied by the Debtor in a manner such that no detriment is suffered by the Holder as a result of such failure;
  - (c) **Representations and Warranties.** Any representation or warranty given by the Debtor in this Note, the Exit Agreement or the SDC Security shall prove to be incorrect, incomplete or misleading in any material respect when made or deemed to be made;
  - (d) **Material Adverse Effect.** The occurrence or existence of a Material Adverse Effect;
  - (e) **Effectiveness and Priority.** Any of this Note, the Exit Agreement or any of the SDC Security ceases to be in full force and effect or the Security ceases to constitute a valid and perfected first priority Encumbrance in or on the Collateral expressed to be subject thereto by the terms of the applicable SDC Security, except for any Permitted Encumbrance which has priority by operation of applicable Laws;
  - (f) **Insolvency.** An Insolvency Event occurs in relation to the Debtor;
  - (g) **Lender Event.** A Lender Event occurs in relation to the Debtor;
  - (h) **Obligations under Note, Exit Agreement and SDC Security.** The Debtor denies its obligations under this Note, the Exit Agreement or the SDC Security or claims any of this Note, the Exit Agreement or any SDC Security to be invalid or unenforceable, in whole or in part; or this Note, the Exit Agreement or any SDC Security shall for any reason be invalidated or cease in whole or in part to be the legal, valid, binding and enforceable obligations of the Debtor;

- (i) **Judgments.** If one or more final judgments are rendered by a court of competent jurisdiction against the Debtor or the Property of the Debtor in an aggregate amount in excess of [... \*\*\*)<sup>5</sup> (or, if applicable, the equivalent thereof in other currencies) and (i) the same are not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 10 days after their entry, commencement or levy or (ii) the Debtor is not contesting such judgments or decrees in good faith and by appropriate proceedings and adequate reserves in accordance with International Financial Reporting Standards have not been set aside on the books of the Debtor in respect thereof;
  - (j) **Seizure Proceedings.** If any Property of the Debtor having an aggregate value of more than [... \*\*\*)<sup>6</sup> (or, if applicable, the equivalent thereof in other currencies) is seized or taken possession of (or subject to other similar legal proceedings by a creditor for seizure or possession of Property) (the “**Seizure Proceeding**”), except to the extent that the Debtor is diligently and in good faith contesting any such Seizure Proceeding by appropriate proceedings and such Seizure Proceeding remains undismissed or unstayed for a period of three consecutive days; or the Debtor takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in, any such Seizure Proceeding;
  - (k) **Expropriation.** The expropriation, condemnation or abandonment of all or any material part of the Property or any restriction or limitation imposed by any Governmental Authority on the Debtor’s legal right to use any all or any material part of its Property (including any such property, assets or undertaking comprising the Collateral);
  - (l) **Abandonment of Project.** Any destruction, suspension or abandonment of the Project or any part thereof which destruction, suspension or abandonment causes any material reduction in the value thereof or material delay of its development;
  - (m) **Material Contracts.** The Debtor is in default of any material provision under any Material Contract and that default continues unremedied after the relevant cure period provided for under such Material Contract; or
  - (n) **Trading of Securities.** An order or ruling suspending the sale or ceasing the trading in any securities of the Debtor or prohibiting the sale of such securities has been issued by any securities regulatory authority to or against the Debtor and has not been vacated for a period of ten consecutive Business Days.
11. **Remedies.** All amounts owing under this Note shall, at the option of the Holder, exercisable by making demand for payment on the Debtor hereunder, become immediately due and payable upon the occurrence of any Event of Default specified in Section 10 that is continuing. The Debtor shall not have the right to invoke against the Holder any defence or right of action, indemnification or compensation of any nature or kind whatsoever that the Debtor may at any time have or have had against the Holder. At such time the Holder may exercise all of its rights, remedies and recourses available to it at Law, in equity and under the provisions of this Note, the Exit Agreement and the SDC

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<sup>5</sup> Competitive Information – Commercially Sensitive Terms.

<sup>6</sup> Competitive Information – Commercially Sensitive Terms.

Security. In determining the occurrence of an Event of Default, making any demand for payment on the Debtor hereunder and in the exercise of any such rights, remedies and recourses, the Holder shall not be bound by or subject to Article 16 (Arbitration) of the Exit Agreement.

12. **Set-Off and Taxes.** All payments to be made by the Debtor hereunder shall be made in immediately available funds, free and clear of and without any set-off, compensation, deduction or counterclaim and without deduction for any Taxes, restrictions or conditions of any nature whatsoever. If the Debtor shall be required by applicable Law to deduct or withhold any Taxes from any payment owing to the Holder, then such payments shall be increased as may be necessary so that after making all required deductions or withholdings, the Holder receives an amount equal to the sum it would have received if no withholding or deduction had been made.
13. **Place of Payment.** All amounts owing under this Note, including the principal amount hereof, all interest accrued hereunder and all fees, costs and expenses of the Holder which are payable by the Debtor hereunder shall be paid when due in Canadian Dollars in immediately available funds and either: (i) delivered to the Holder at its address indicated in Section 20 or such other address as the Holder may direct in writing not less than two (2) Business Days prior to the date on which such payment is due; or (ii) made by way of wire transfer to the bank account of the Holder designated by the Holder in writing to the Debtor.
14. **Security.** The obligations, liabilities and indebtedness of the Debtor hereunder shall be evidenced and secured by the SDC Security completed and, where appropriate, registered in form and manner satisfactory to the Holder.
15. **Waiver.** The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Note, the Exit Agreement or any of the SDC Security and no waiver shall be valid unless in writing and signed by the Holder, and then only to the extent therein set forth. A waiver by the Holder of any right or remedy under this Note, the Exit Agreement or any of the SDC Security on any one occasion shall not be construed as a bar to any right or remedy which the Holder would otherwise have on any future occasion. No failure to exercise, nor any delay in exercising on the part of the Holder, any right, power or privilege under this Note, the Exit Agreement or any of the SDC Security shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies under this Note, the Exit Agreement and the SDC Security are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law.

The Debtor hereby waives presentment for payment, notice of non-payment, protest and notice of protest and waives any defences based upon any and all indulgences and forbearances which may be granted by the Holder to the Debtor at any time.

16. **Enurement and Assignment.** This Note shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. This Note may not be assigned or transferred by the Debtor without the prior written consent of the Holder, which may be withheld in the Holder's sole and absolute discretion. This Note is not a negotiable instrument and may not be assigned by the Holder without the prior written consent of the Debtor, unless an Event of Default has occurred and is then

continuing, in which case this Note may be assigned by the Holder together with an assignment of the Holder's rights, title and interest under the SDC Security. Except as set forth above, following the occurrence of an Event of Default, there shall be no restriction on the Holder's ability to assign this Note and any and all of its rights and benefits hereunder and no consent or other authorization of or from the Debtor whatsoever shall be required in connection with any such assignment.

17. **Severability.** In the event that any one or more of the provisions of this Note shall be held to be illegal, invalid or unenforceable in any respect, the same shall not in any respect affect the validity, legality or enforceability of the remainder of this Note.
18. **Maximum Interest Rate.** Nothing contained in this Note or in any other document entered into in connection herewith (including, without limitation, the SDC Security) shall require the Debtor to pay interest at a rate exceeding the Maximum Permissible Rate. If interest payable by the Debtor on any date would exceed the maximum amount permitted by the Maximum Permissible Rate, such interest payment shall automatically be reduced to such maximum permitted amount, and interest for any subsequent period, to the extent less than the maximum amount permitted for such period by the Maximum Permissible Rate, shall be increased by the unpaid amount of such reduction. Any interest actually received for any period in excess of such maximum amount permitted for such period shall be deemed to have been applied as a prepayment of principal amount hereunder.
19. **Calculation of Interest Rate.** For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid under this Note or the SDC Security is to be calculated on the basis of a period (the "deemed interest period") other than the actual number of days in the calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the deemed interest period. The rates of interest under this Note and the SDC Security are nominal rates and not effective rates, and the principle of deemed reinvestment of interest does not apply to any interest calculation under this Note or the SDC Security. The Debtor confirms that it fully understands and is able to calculate the rate or rates of interest applicable to this Note and the SDC Security based on the methodology for calculating per annum rates provided for herein, and hereby irrevocably agrees not to plead or assert, whether by defence or otherwise, in any proceeding relating to this Note or the SDC Security, that the interest payable under this Note or the SDC Security and the calculation thereof has not been adequately disclosed to the Debtor pursuant to Section 4 of the *Interest Act* (Canada).
20. **Governing Law and Attornment.** This Note shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada in effect therein. Without prejudice to the ability of the Holder to enforce this Note in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such Province. To the extent permitted by applicable Law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Note in the courts of such Province.
21. **Notice.** Any notice or communication in respect of this Note will be sufficiently given to a party if in writing and delivered in person, sent by overnight courier or given by email with pdf or other written attachment at the address specified below:

If to the Holder, at:

Rio Tinto Exploration Canada Inc.  
300 – 815 West Hastings Street  
Vancouver, British Columbia V6C 1B4  
Email:

Subject line must start with “RIO TINTO, RT Exploration Canada”  
Attention: Vice President Commercial

with a copy (which shall not constitute notice) to:

Lawson Lundell LLP  
Suite 1600 Cathedral Place  
925 West Georgia Street  
Vancouver, BC V6C 3L2  
Attention: Khaled Abdel-Barr  
Email: [... \*\* ...]<sup>7</sup>

If to the Debtor, at:

Star Diamond Corporation  
600, 224 – 4th Avenue South  
Saskatoon, SK S7K 5M5  
Attention: Ewan Mason  
Email: [... \*\* ...]<sup>8</sup>

with a copy (which shall not constitute notice) to:

Bennett Jones LLP  
3400 One First Canadian Place  
100 King Street West  
Toronto, ON M5X 1A4  
Attention: Sander Greive and Ali Naushahi  
Email: [... \*\* ...]<sup>9</sup>

A notice or communication will be effective:

- (a) if delivered by hand or sent by overnight courier, on the date it is delivered or if that day is not a day on which commercial banks are open for business in the city specified in the address for notice provided by the recipient (a “**Local Banking Day**”), or if delivered after the close of business of a Local Banking Day, on the first following day that is a Local Banking Day; or
- (b) if sent by e-mail of a PDF document (with confirmation of transmission), if sent during normal business hours on a Local Banking Day of the recipient, on the date sent, or if sent after normal business hours of the recipient on a Local Banking Day

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<sup>7</sup> Personal Information—Contact Information.

<sup>8</sup> Personal Information – Contract Information.

<sup>9</sup> Personal Information – Contact Information.

or on a day that is not a Local Banking Day of the recipient, on the first following day that is a Local Banking Day for the recipient.

Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 20.

*[The remainder of this page has been intentionally left blank. The next page is the signature page]*

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

**STAR DIAMOND CORPORATION**

by \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**

<b>Date</b>	<b>Aggregate Face Amount of Issued RTEC LoCs / Alternate Support Arrangements Liability</b>	<b>Amount of any Increase or Reduction of Face Amount of Issued RTEC LoCs / Alternate Support Arrangements Liability</b>	<b>Adjusted Face Amount of Issued RTEC LoCs / Alternate Support Arrangements Liability (Adjusted Principal Balance)</b>	<b>Recorded By</b>

**EXHIBIT F**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**DEBENTURE**

[see attached]

## DEBENTURE

THIS DEBENTURE is made as of the ♦ day of ♦, 2023 by Star Diamond Corporation (the “**Debtor**”) in favour of Rio Tinto Exploration Canada Inc. (the “**Secured Party**”), having an office at 300 - 815 West Hastings Street, Vancouver, British Columbia V6C 1B4.

### BACKGROUND:

A. The Debtor and the Secured Party are party to the Exit Agreement (as defined below), pursuant to which, among other things, the Secured Party agreed to provide and maintain the RTEC LoCs or, alternatively, the Alternate Support Arrangements until the LoC Termination Date (as such terms are defined in the Exit Agreement) for the benefit of the Debtor, subject to and in accordance with the terms and conditions of the Exit Agreement.

B. In connection with the Exit Agreement, the Debtor issued the SDC Note (as defined below) to the Secured Party.

C. It is a condition of the Exit Agreement and the SDC Note that the Debtor enter into this Debenture.

### AGREEMENTS:

FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the Debtor covenants, agrees, grants, acknowledges, represents and warrants in favour of the Secured Party as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

Each word and phrase defined or given an extended meaning in Schedule 1.1 is used in this Debenture with the defined or extended meaning assigned to it in Schedule 1.1. Words and phrases defined in the PPSA and used without initial capitals in this Debenture (including in Schedule 1.1) have the respective defined meanings assigned to them in the PPSA, unless the context otherwise requires.

### 1.2 Statutes

Each reference in this Debenture to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision of any thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each change thereto made at or before that time.

### 1.3 Headings

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture. The Article and Section headings in this Debenture are included solely for convenience, are not intended to be full or accurate descriptions and shall not be considered part of this Debenture.

### 1.4 Number and Gender

In this Debenture, words (including defined terms) in the singular include the plural and *vice-versa* (the necessary changes being made to fit the context) and words in one gender include all genders.

## 1.5 Reference to Agreements

Each reference in this Debenture to any agreement (including this Debenture and any other term defined in Schedule 1.1 that is an agreement), document or instrument shall be construed so as to include such agreement (including any attached schedules, appendices and exhibits), document or instrument and each amendment, supplement, other modification, amendment and restatement, novation and replacement made to it at or before the time in question.

## 1.6 Currency

Any reference in this Debenture to “**Dollars**”, “**dollars**” or “**\$**” shall be deemed to be a reference to lawful money of Canada and any reference to any payments to be made by the Debtor shall be deemed to be a reference to payments made in lawful money of Canada. Except as specifically provided in this Debenture or in any other Exit Document, the equivalent on any given date in one currency of an amount denominated in another currency is a reference to the amount of the first currency which could be purchased with the amount of the second currency at the screen rate published on Reuters or any substitute or successor of such service selected by the Secured Party or, if not available, the spot rate of exchange quoted to the Secured Party in the Ordinary Course at or about 11:00 a.m. (Vancouver time) on such date for the purchase of the first currency with the second currency.

## ARTICLE 2 GRANT OF SECURITY

### 2.1 Security

As general and continuing collateral security for the due payment and performance of the Obligations up to a maximum principal amount of **\$15,000,000**, plus interest, fees, costs and all other amounts now or hereafter payable hereunder or under the SDC Note or from time to time secured hereby, and subject to the exceptions in Section 2.4, the Debtor hereby charges, mortgages, assigns and transfers and grants a security interest in, as and by way of a fixed and specific mortgage, charge and security interest to and in favour of the Secured Party, all of the Debtor’s present and after-acquired real and personal property, in each case, which now or hereafter forms part of, relates to, or is held for or in respect of, used in connection with, or derived or arises from, the Project, and all Proceeds and Replacements thereof, including but not limited to all of the following (in each case, both present and after-acquired):

- (a) all of the Debtor’s right, title and interest in and to all Mineral Dispositions, including without limitation, the Mineral Dispositions listed in Schedule 2.1(a), and any extension, renewal, replacement, conversion or substitution of any such Mineral Disposition;
- (b) all of the Debtor’s right, title and interest in and to all Surface Leases, including without limitation, the Surface Leases listed in Schedule 2.1(b), including all Surface Rights in respect thereof, together with all renewals, conversions and replacements thereof, and all other rights relating thereto;
- (c) all of the Debtor’s right, title and interest in and to all Licences and Permits, including without limitation, all Licences and Permits listed in Schedule 2.1(c), together with any renewals and replacements thereof;
- (d) all Minerals;
- (e) all Accounts;
- (f) all Goods and Equipment;
- (g) all Inventory;

- (h) the property described in Schedule 3.3;
- (i) all chattel paper, documents of title, instruments, money and investment property which form part of, relate to, or are held for or in respect of, used in connection with, or derived or arise from, the Project;
- (j) all Material Contracts, including without limitation, any Material Contracts listed in Schedule 2.1(j), intangibles and intangible property (except for Accounts) including, without limitation, all contractual rights, licences, goodwill, patents, trade-marks, tradenames, copyrights, other industrial designs and other industrial or intellectual property and undertaking of the Debtor and all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor which is not Accounts, goods, chattel paper, documents of title, instruments, money or investment property, and in each case which form part of, relate to, or are held for or in respect of, used in connection with, or derived or arise from, the Project;
- (k) the Data;
- (l) all books, documents, materials and other Records in any form, whether paper, electronic or otherwise, recording, evidencing or otherwise relating to the Collateral described in Sections 2.1(a) through 2.1(k) inclusive, or any part or parts thereof; and
- (m) all Proceeds and Replacements of or to Collateral referred to in Sections 2.1(a) through 2.1(l) inclusive, including all rights thereto;

and the Debtor hereby charges, mortgages, assigns and transfers and grants a security interest in the following Collateral as and by way of a floating charge to and in favour of the Secured Party:

- (n) all of the Debtor's right, title and interest in and to all presently owned or held and after-acquired owned or held real property, whether in fee simple or a lesser estate, together with all commons, ways, profits, easements, rights-of-way, privileges, benefits, licences, improvements, immunities and rights connected therewith or appurtenant thereto and all structures, buildings, plant, fixed machinery, fixtures, appurtenances and other assets belonging, affixed or appurtenant to the said real property, in each case, which form part of, relate to, or are held for or in respect of, used in connection with, or derived or arise from, the Project (the "**Real Property Rights**"); and
- (o) all of the Debtor's present and after-acquired personal property of whatever description or kind and wherever situated which forms part of, relates to, or is held for or in respect of, used in connection with, or derived or arises from, the Project, and all Proceeds and Replacements thereof, including all rights thereto.

The Security granted hereunder is given in addition to and not in substitution for any other security granted pursuant to the Exit Agreement, the SDC Note or any other Exit Documents.

## **2.2 Attachment**

The Debtor acknowledges that value has been given, that the Debtor and the Secured Party have not agreed to postpone the time for attachment of the Security and that the Security is intended to attach, as to all of the Collateral in which the Debtor now has rights, when the Debtor executes this Debenture, and, as to all Collateral in which the Debtor only has rights after the execution of this Debenture, when the Debtor

first has or acquires such rights. For greater certainty, the Debtor confirms and agrees that the Security is intended to attach to all present and future Collateral of the Debtor and each successor of the Debtor.

### 2.3 Proceeds Held in Trust

After the occurrence of an Event of Default that is continuing, the Debtor shall receive and hold all Proceeds in trust for the benefit of the Secured Party, separate and apart from other monies, instruments or property and shall forthwith endorse as necessary and pay over or deliver all such Proceeds to the Secured Party.

### 2.4 Certain Exceptions

- (a) The last day of the term of any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor shall be excepted from the Security and shall not form part of the Collateral but the Debtor shall stand possessed of such one day remaining upon trust to assign and dispose of the same as the Secured Party directs. Subject to Section 2.4(c), if any such lease or agreement therefor contains a provision which provides in effect that such lease or agreement may not be assigned, sub-leased, charged or made the subject of any Encumbrance without the consent of the lessor, the application of the Security to any such lease or agreement shall be conditional upon such consent being obtained. The Debtor shall forthwith use commercially reasonable best efforts to obtain, as soon as reasonably practicable, such consent.
- (b) Upon any sale by the Secured Party or any Receiver of any leasehold interest pursuant to this Debenture, the Secured Party or any Receiver, for the purpose of vesting the one day residue of the term or renewal thereof in any purchaser or purchasers, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place and stead of the Debtor and to vest such residue in the new trustee or trustees so appointed, free from any obligation respecting the same.
- (c) Notwithstanding anything to the contrary contained herein, if the Debtor cannot lawfully grant the Security in any Mineral Disposition, Surface Right, Licence, Permit or Material Contract in which it now or hereafter has rights because (i) such Mineral Disposition, Surface Right, Licence, Permit or Material Contract prohibits or restricts such Security, (ii) such Mineral Disposition, Surface Right, Licence, Permit or Material Contract requires the consent of any Person which has not been obtained, or (iii) the grant of such Security in such Mineral Disposition, Surface Right, Licence, Permit or Material Contract would contravene applicable Law, that Mineral Disposition, Surface Right, Licence, Permit or Material Contract shall not, to the extent it would be illegal or result in a breach or default under that Mineral Disposition, Surface Right, Licence, Permit or Material Contract (each, a "**Prescribed Right**"), be subject to the Security (save to the extent provided below) unless and until such agreements, consents, waivers and approvals as may be required to avoid such illegality, breach or default have been obtained ("**Required Approvals**"). The Security shall nonetheless immediately attach to any rights of the Debtor arising under, by reason of, or otherwise in respect of such Mineral Disposition, Surface Right, Licence, Permit or Material Contract, such as the right to receive payments thereunder and all Proceeds and Replacements of the Mineral Disposition, Surface Right, Permit, Licence or Material Contract ("**Related Rights**"), if and to the extent and as at the time such attachment to the Related Rights is not illegal or would not result in a breach or default thereunder.

- (d) To the extent permitted by applicable Law and the Prescribed Rights, the Debtor will hold in trust for the Secured Party, and provide the Secured Party with the benefits of, each Prescribed Right and will enforce all Related Rights at the direction of the Secured Party or at the direction of such other Person (including any purchaser of Collateral from the Secured Party or any Receiver) as the Secured Party may designate.
- (e) The Debtor shall at the request of the Secured Party forthwith use commercially reasonable efforts to obtain, as soon as reasonably practicable, all such Required Approvals and acknowledgements of the nature referred to in Subsection 2.4(c) and required for the assignment by way of security of all such Mineral Dispositions, Surface Rights, Licences, Permits and Material Contracts.
- (f) Nothing in Section 2.1 shall be construed as constituting an absolute transfer or assignment of any present or future intellectual property comprised in the Collateral or rights and interests therein, but Section 2.1 shall still be construed as granting to the Secured Party a security interest in and a charge on all of the Debtor's present and after-acquired intellectual property and rights and interests in intellectual property.
- (g) The Security does not extend to consumer goods.

## 2.5 Floating Charge

For all purposes, including for the purposes of any application to register a crystallized floating charge against real property, and without limiting the rights of the Secured Party to crystallize the floating charge created by this Debenture in any other manner, the floating charge created by this Debenture shall be crystallized and become a fixed charge against the property which is then subject to the floating charge upon the earliest of:

- (a) a declaration by the Secured Party pursuant to Section 5.1 or a demand for payment otherwise being made by the Secured Party;
- (b) the Secured Party taking any action to appoint a Receiver or to enforce the Security or to realize upon all or any part of the Collateral; or
- (c) the Secured Party taking any action to register the floating charge granted hereunder or any caveat, security notice or other instrument in respect thereof against all or any part of the property which was subject to the charge at any public registry or similar office.

## 2.6 Notification

After an Event of Default has occurred and while it is continuing, the Secured Party may notify any debtor of the Debtor on any Account, or any obligor on an instrument constituting Collateral ("**Account Debtor**") of the Security created hereby, to make all payments to the Secured Party. The Debtor acknowledges that upon an Event of Default that has occurred and is continuing, the proceeds of all sales, or any payments on or other proceeds of the Collateral, including but not limited to payments on, or other proceeds of, the Collateral received by the Debtor from any Account Debtor, whether before or after notification to such Account Debtor, will be received and held by the Debtor in trust for the Secured Party and will be turned over to the Secured Party upon request, and the Debtor will not commingle any proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants to and in favour of the Secured Party, as follows:

#### 3.1 Title and Encumbrances

The Debtor is the legal and beneficial owner of the Collateral, and has and will have good and marketable title to the Collateral, free and clear of all Encumbrances whatsoever, subject only to Permitted Encumbrances. The Security constitutes first ranking Security Interests over the Collateral, subject only to Permitted Encumbrances which have priority by operation of applicable Laws. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Encumbrances which are listed in Schedule 3.1.

#### 3.2 Mineral Dispositions, Surface Leases, Licences and Permits

Schedules 2.1(a), 2.1(b) and 2.1(c) include a complete list of all Mineral Dispositions, Surface Leases, Licences and Permits owned, held or used by the Debtor, or in which the Debtor otherwise has any right, title or interest, as at the date hereof. As of the date hereof, the Mineral Dispositions, Surface Leases, Licences and Permits as listed in Schedules 2.1(a), 2.1(b) and 2.1(c) are all of the Mineral Dispositions, Surface Leases, Licences and Permits comprised in the Project.

#### 3.3 Accuracy of Information

The Debtor's registered office, places of business, chief executive office and the locations of the Collateral (except goods in transit in the Ordinary Course), including its Records relating thereto, are listed in Schedule 3.3. The Debtor's full legal name (as stated in its constating documents) is set out in Schedule 3.3, the Debtor does not have or use a French language form of its name or a combined English language and French language form of its name and *vice versa*, and the Debtor has previously disclosed in writing to the Secured Party all prior names under which the Debtor has operated. To the extent that any of the Collateral includes serial numbered goods and motor vehicles, in each case with an individual value in excess of \$[...\*\*\*...]<sup>1</sup>, which require serial number registration by virtue of the PPSA and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to the Secured Party, all of which are set forth in Schedule 3.3.

#### 3.4 Reliance and Survival

All representations and warranties of the Debtor made herein or in any certificate or other document delivered by or on behalf of the Debtor to the Secured Party on or about the date of this Debenture are material and shall survive the issuance of this Debenture. The Secured Party shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Secured Party at any time.

### ARTICLE 4 COVENANTS OF DEBTOR

The Debtor covenants with the Secured Party, as follows:

#### 4.1 Use and Maintenance; Conduct of Business

The Debtor shall use and maintain the Collateral in good condition and repair and shall not allow the value of the Collateral to be materially impaired, and shall permit the Secured Party and such Persons

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<sup>1</sup> Competitive Information – Commercially Sensitive Terms.

as the Secured Party may appoint, without charge, to enter into any premises during business hours and on reasonable prior notice (or, following the occurrence of an Event of Default, at any time without prior notice) where the Collateral is located to view its condition. The Debtor shall keep proper Records of its business and in relation to the Collateral, and upon request shall furnish access to its Records at all reasonable times, and shall give the Secured Party any information which it may reasonably require relating to the Debtor's business and the Collateral.

#### **4.2 Payment and Performance of Obligations**

The Debtor shall promptly pay and satisfy the Obligations as they become due or are demanded. The Debtor shall punctually pay all debts and obligations to labourers, workers, employees, contractors, subcontractors, suppliers of materials and other creditors which, when unpaid, might under applicable federal, provincial, state or other laws have priority over the Security. The Debtor shall punctually make all payments and perform all of its obligations under all Surface Leases, Mineral Dispositions, Permits, Licences, Material Contracts and all other contracts pursuant to which any material Collateral is held or to which it is subject, including any which are required to keep such Collateral in good standing.

#### **4.3 No Disposition of Collateral**

The Debtor shall not grant, sell, assign or otherwise Dispose of any of the Collateral except as expressly permitted under the Exit Agreement and the SDC Note. Any Disposition of any Collateral, except as expressly permitted under the Exit Agreement and the SDC Note, shall result in the Debtor holding the Proceeds of such Disposition for and on behalf of the Secured Party and subject to the Secured Party's exclusive direction and control. Nothing restricts the Secured Party's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or otherwise Disposed of, unless it is sold or otherwise Disposed of with the Secured Party's prior written consent.

#### **4.4 Maintain Insurance**

The Debtor has insured and shall use commercially reasonable efforts to keep insured any tangible Collateral against loss or damage by insurable hazards to the extent of its full insurable value. The loss under the policies of insurance maintained by the Debtor shall be made payable to the Secured Party as its interest may appear, and the Debtor shall provide the Secured Party with copies of the same together with confirmation from the insurer, in form and content reasonably acceptable to the Secured Party, that losses thereunder are payable to the Secured Party as first loss payee. The Debtor shall pay all premiums and other sums of money necessary for such purposes as they become due and shall, upon request by the Secured Party, deliver to the Secured Party proof of said payment. The Debtor shall not allow anything to be done by which such policies of insurance may become vitiated. Upon the happening of any loss or damage to insured Collateral, the Debtor shall furnish at its expense all necessary proofs and shall do all necessary acts to enable the Secured Party to obtain payment of the insurance monies.

#### **4.5 Encumbrances**

The Debtor shall keep the Collateral free at all times from Encumbrances, except Permitted Encumbrances, and shall defend the Collateral against all claims and demands of Persons claiming the Collateral or an interest therein. The Debtor shall not permit any Collateral to become an accession to or commingled with any property other than the other Collateral or to become a fixture unless the Security ranks prior to the interests of all Persons in the subject realty, subject to Permitted Encumbrances which have priority by operation of applicable Law. The foregoing shall not in any way prevent the Secured Party from, at any time, contesting the validity, enforceability or priority of any Encumbrance. No Encumbrance shall be entitled to priority over the Security except to the extent that it is a Permitted Encumbrance and has such priority by operation of applicable Law, it being the intention of the Debtor and the Secured Party that the Security shall, at all times, to the maximum extent permitted by applicable Law, rank as a first priority Encumbrance in priority to any other Encumbrance. Nothing in this Debenture is intended to create any rights (including subordination rights) in favour of any Person other than the Secured Party and any Receiver.

#### 4.6 Mineral Tenures

After the date hereof, upon the Debtor's acquisition of any material rights in any Real Property Rights, Surface Right, Material Contract, Mineral Disposition, Licence or Permit, the Debtor will promptly give written notice to the Secured Party of full particulars of the same and subject to Sections 2.4(c) and 2.4(d) execute and deliver to the Secured Party all such documents and instruments as the Secured Party may reasonably require to perfect a first priority Security Interest over all such additional Collateral, subject only to Permitted Encumbrances.

#### 4.7 Notices

The Debtor shall forthwith notify the Secured Party in writing of:

- (a) any change in the location of any Collateral from that specified in Section 3.3 (other than goods in transit in the Ordinary Course);
- (b) any change of its name or of any trade or business name used by it;
- (c) any change of its place of business or, if it has more than one place of business, of its chief executive office;
- (d) any merger or amalgamation of the Debtor with any other Person;
- (e) the details of any material acquisition or disposition of Collateral (whether authorized by the Secured Party or not);
- (f) any material loss of or damage to the Collateral;
- (g) the details of any Litigation which would reasonably be expected to materially adversely affect any Collateral or the Security therein;
- (h) any non-compliance by the Debtor with any applicable Laws which would reasonably be expected to materially adversely affect any Collateral or the Security therein,
- (i) any Order for suspension of mining or exploration activities with respect to the Project;
- (j) the cancellation or forfeiture of or the failure to renew or expiry of any Real Property Rights, Mineral Disposition, Surface Right other than any Real Property Rights, or any material Licence or Permit;
- (k) the serial number, year, make and model of each serial numbered good with a value of at least \$[...\*\*\*...]² at any time included in the Collateral;
- (l) the occurrence of any Event of Default; and
- (m) all other information reasonably requested by the Secured Party at any time concerning the Collateral or the Debtor,

and, without limiting any other provision of this Debenture or the SDC Note, the Debtor agrees not to effect or permit any of the changes referred to in Subsections 4.7(a) through 4.7(e) inclusive unless all filings have been made and all other actions have been taken that are required or desirable (as determined by the Secured Party, acting reasonably) in order for the Secured Party to continue to have

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<sup>2</sup> Competitive Information – Commercially Sensitive Terms.

a valid and perfected first priority Security Interest in respect of the Collateral at all times following such change.

#### **4.8 Updated Lists**

After the date hereof, as soon as the Debtor acquires any material rights in any Real Property Rights, Surface Rights, Mineral Dispositions, Licences, Permits or Material Contracts, a written description describing such Real Property Rights, Surface Rights, Mineral Dispositions, Licences, Permits or Material Contracts shall be deemed to have been incorporated into Schedules 2.1(a), 2.1(b), 2.1(c) or 2.1(j), as applicable, and the Debtor shall promptly deliver to the Secured Party an updated version of such Schedules 2.1(a), 2.1(b), 2.1(c) and 2.1(j), as applicable, showing changes to the Collateral since the prior version forming a part hereof. Each such delivered version, as approved by the Secured Party, shall be deemed to be part of this Debenture as of its preparation date.

#### **4.9 Further Assurances; Attorney in Fact**

Subject to Sections 2.4(c) and 2.4(d), the Debtor shall at its expense and at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, mortgages, pledges and charges, security agreements, assignments, agreements, debentures and assurances as the Secured Party may reasonably require in order to give effect to the provisions of this Debenture and for the better confirming, registering, securing or perfecting, or maintaining the perfection of, the Security and the priority accorded to the Security intended under this Debenture, including all amendments, modifications and supplements as may be contemplated in this Debenture or as may be required from time to time to ensure that the charges, mortgages, assignments, transfers and security interests granted under this Debenture at all times constitute valid and perfected first ranking security on all of the Collateral, subject only to Permitted Encumbrances which have priority by operation of applicable Laws. Upon the request of the Secured Party, the Debtor shall specifically mortgage, pledge, charge, grant a security interest in, or assign in favour of the Secured Party any property that forms part of the Collateral and shall execute all documents reasonably required by the Secured Party in connection therewith. The Debtor hereby irrevocably appoints the Secured Party (acting by any officer for the time being of the Secured Party located at its address for notices prescribed by Section 7.4 from time to time) to be its attorney with full power of substitution to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney, including to do, make and execute all such agreements, deeds, acts, matters or things, with the right to use the name of the Debtor, whenever and wherever it deems necessary or expedient and to carry out the Debtor's obligations under this Debenture, and as further evidence of such power of attorney, upon written request by the Secured Party, the Debtor will execute a power of attorney in the form attached hereto as Schedule 4.9. Such power of attorney, being coupled with an interest will be irrevocable until Payment and Performance in Full of the Obligations and may be exercised by the Secured Party only at such time as an Event of Default has occurred and is continuing.

#### **4.10 Costs**

The Debtor shall forthwith reimburse to the Secured Party or any Receiver, on demand and on a full indemnity basis, all commissions, premiums (including any insurance premiums that the Secured Party or any Receiver may have to pay to insure the Collateral), fees and disbursements (including that of any appraiser, contractor, accountant, agent or consultant that may be appointed by the Secured Party or any Receiver), costs of realization and other reasonable out of pocket costs and expenses (including the Secured Party's or Receiver's solicitor and own client costs on a fully indemnity basis), incurred by the Secured Party or any Receiver in connection with the enforcement of this Debenture and the enforcement of the Security (collectively the "**Costs**"), including all reasonable Costs arising in connection with the preservation, protection, insuring, repairing, realization, disposition, retention, collection, or establishing or confirming the Secured Party's or any Receiver's priority, of, in or to (as applicable) any Collateral and the protection or the enforcement of the rights of the Secured Party or any Receiver, plus interest that shall accrue at the Interest Rate on all Costs from the date of demand by the Secured Party or any Receiver.

#### **4.11 Reimbursements as Obligations**

All amounts for which the Debtor is required hereunder to reimburse the Secured Party or any Receiver shall, from the date of disbursement until the date the Secured Party or such Receiver receives reimbursement, be deemed advanced to the Debtor by the Secured Party or such Receiver, as the case may be, on the faith and security of this Debenture, shall be deemed to be Obligations secured by the Security and shall bear interest at the Interest Rate from the date of disbursement, compounded and payable monthly, both before and after demand, default and judgment, until payment of such amount is paid in full.

#### **4.12 General Indemnity**

In addition to any indemnity contained in any other Exit Document, the Debtor hereby indemnifies and holds harmless the Secured Party, its shareholders and affiliates and its directors, officers, employees, agents, any Receiver and their respective Representatives, heirs, successors and assigns (collectively the **"Indemnified Parties"** and each an **"Indemnified Party"**) in respect of, and agrees to save each Indemnified Party fully harmless from and against, all loss and expense which an Indemnified Party may suffer or incur in connection with (a) any breach by the Debtor of the representations or warranties of the Debtor contained herein, or (b) any breach by the Debtor of, or any failure by the Debtor to observe or perform, any of the Obligations, save that the Debtor shall not be obliged to so indemnify any Indemnified Party to the extent such losses and expenses are determined by a final Award (from which no appeal may be made or the applicable appeal periods have lapsed without any appeal therefrom having been perfected) to have directly resulted from the willful misconduct or gross negligence of the Indemnified Party. The Secured Party shall be constituted as the trustee of each Indemnified Party, other than itself, and shall hold and enforce each such other Indemnified Party's rights under this Section 4.12 for their respective benefits.

#### **4.13 Environmental Indemnity**

The Debtor hereby indemnifies and holds harmless and will defend each Indemnified Party against any loss, expenses, claim, proceedings, judgment, liability or asserted liability (including strict liability and including costs and expenses of investigation, abatement and remediation and monitoring of spills or releases of Hazardous Materials and including liabilities of the Indemnified Parties to, and obligations or claims asserted against the Indemnified Parties by, third parties (including governmental agencies), in any case in respect of liabilities, violations or obligations under Environmental Laws, bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage and including liabilities to third parties for the third parties' foreseeable and unforeseeable consequential damages) incurred or sustained by or threatened upon the Indemnified Party as a result of or in connection with the administration or enforcement of this Debenture, including without limitation the exercise by the Secured Party or any agent thereof of any rights under this Debenture, which result from or relate, directly or indirectly, to:

- (a) the presence or release of any Hazardous Materials, by any means or for any reason, on, to, from, beneath or in the vicinity of the Secured Assets or the Debtor's other property;
- (b) any violation, liability under or any breach or alleged breach of any Environmental Laws by the Debtor; or
- (c) any other matter relating to the environment or Environmental Laws affecting the property or the operations and activities of the Debtor,

save that the Debtor shall not be obliged to so indemnify any Indemnified Party to the extent such losses and expenses are determined by a final Award (from which no appeal may be made or the applicable appeal periods have lapsed without any appeal therefrom having been perfected) to have directly resulted from the willful misconduct or gross negligence of the Indemnified Party.

For purposes of this Section 4.13, “**liability**” shall include (A) any liability for costs and expenses of any investigation, abatement and remediation of spills and releases of Hazardous Materials where such investigation, abatement and remediation is (1) prudent for the continued operation of the Project or any part thereof, (2) required by Environmental Laws, or (3) required to maintain the value and use of the Secured Assets or other property, (B) liability under any Environmental Laws including to any third party to reimburse the third party for bodily injuries, property damages and other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnified Party is liable therefor) foreseeable and unforeseeable consequential damages suffered by the third party, (C) any liability for damage suffered by the third party referred to in clause (B) above, (D) any liability of an Indemnified Party for damage to or impairment of the environment and (E) any liability for court costs, expenses of alternative dispute resolution proceedings, and fees and disbursements of expert consultants and legal counsel on a solicitor and own-client basis.

## **ARTICLE 5 DEFAULT**

### **5.1 Acceleration on Event of Default**

Upon the occurrence of an Event of Default that is continuing, the Secured Party may declare any or all of the Obligations (whether or not payable on demand) to be immediately due and payable, and the Security shall thereupon immediately become enforceable, all without the necessity for any further action or notice by the Secured Party.

### **5.2 Demand Obligations**

The Debtor agrees that the provisions of Section 5.1 will not affect the demand nature of any Obligations payable on demand and the Secured Party may demand payment of such Obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Debenture or any other instrument between the Debtor and the Secured Party.

### **5.3 Waiver**

The Secured Party may waive any Event of Default or any breach by the Debtor of any of the provisions of this Debenture. No waiver, however, shall be deemed to extend to a subsequent breach or Event of Default, whether or not the same as or similar to the breach or Event of Default waived, and no act or omission by the Secured Party shall extend to, or be taken in any manner whatsoever to affect, any subsequent breach or Event of Default or the rights of the Secured Party arising therefrom. Any such waiver must be in writing and signed by the Secured Party to be effective. No failure on the part of the Secured Party to exercise, and no delay by the Secured Party in exercising, any right under this Debenture shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

## **ARTICLE 6 REMEDIES ON DEFAULT**

### **6.1 Remedies of Secured Party**

If the Security becomes enforceable in accordance with ARTICLE 5, the Secured Party shall have the rights set out in this ARTICLE 6.

### **6.2 Right to Appoint a Receiver**

The Secured Party may appoint by instrument in writing one or more Receivers of any Collateral. Any such Receiver shall have the rights set out in this ARTICLE 6. In exercising such rights, any Receiver shall act as and for all purposes shall be deemed to be the agent of the Debtor and the Secured Party shall not be responsible for any act or default of any Receiver. The Secured Party may remove any Receiver and

appoint another Receiver from time to time. An officer or employee of the Secured Party may be appointed as a Receiver. No Receiver appointed by the Secured Party need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court. If two or more Receivers are appointed to act concurrently, they shall, unless otherwise expressly provided in the instrument appointing them, so act severally and not jointly and severally. The appointment of any Receiver or anything done by a Receiver or the removal or termination of any Receiver shall not have the effect of constituting the Secured Party a mortgagee in possession in respect of the Collateral.

### **6.3 Rights of a Receiver**

Any Receiver appointed by the Secured Party shall have the following rights:

- (a) *Power of Entry.* The Debtor shall forthwith upon demand deliver to a Receiver possession of any Collateral at the place specified by the Receiver. Any Receiver may at any time enter upon any premises owned, leased or otherwise occupied by the Debtor or where any Collateral is located to take possession of, preserve, insure, repair, disable or remove any Collateral, and may use whatever means the Receiver considers advisable to do so.
- (b) *Power of Sale.* Any Receiver may sell, lease, consign, licence, assign or otherwise dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor to the extent permitted by applicable Law. Any Receiver may, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. Any Receiver may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any other Collateral again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Receiver has taken possession of the Collateral. The exercise by the Receiver of any power of sale does not preclude the Receiver from further exercise of its power of sale in accordance with this clause.
- (c) *Carrying on Business.* With respect to, and to the extent of, the Collateral, any Receiver may carry on, concur in the carrying on of or cease to carry on, as the Receiver deems fit, any of the business or undertaking of the Debtor and may, to the exclusion of all others, including the Debtor after written notice, enter upon, occupy and use any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor and, for such time and such purposes as the Receiver sees fit, may use any of the equipment and intangibles of the Debtor that the Debtor has not removed after the Secured Party or the Receiver has given the Debtor written notice to do so. No Receiver shall be liable to the Debtor in respect of any rent, charges, costs, depreciation or damages in connection with any such action.
- (d) Any Receiver may complete any unfinished construction upon or in the Collateral including having the power to:
  - (i) appoint and engage superintendents, architects, engineers, miners, geologists, consultants, contractors, managers, advisors and such other personnel which, in the discretion of the Receiver, may be required to insure, construct, complete, develop, explore, preserve, repair or operate the Collateral;

- (ii) enter into contracts for the supply of materials and services which the Receiver deems necessary to construct, complete, develop, explore or operate the Collateral;
  - (iii) enter into and enforce and take the benefit of Real Property Rights, Surface Leases and all other Surface Rights, Mineral Dispositions, Licences, Permits, agreements and other arrangements in respect of the Collateral from Governmental Authorities or from any other source whatsoever;
  - (iv) enter into, enforce, use and take the benefit of construction contracts, contracts for services or materials, performance bonds, insurance contracts, development agreements, plans, studies, reports, information or any other matter, material or arrangement in respect of the Collateral; and
  - (v) with the approval of a court of competent jurisdiction if required by applicable Law, terminate any Real Property Rights, Surface Leases and all other Surface Rights, Mineral Dispositions, Permits, Licences, agreements or other arrangements made by the Debtor in connection with the Collateral on such terms as the Receiver deems reasonable.
- (e) *Pay Encumbrances.* Any Receiver may pay any liability secured by any actual or threatened Encumbrance against any Collateral. A Receiver may borrow money at available rates for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor, and may grant Encumbrances over any Collateral in priority to the Security as security for the money so borrowed. The Debtor will forthwith on demand reimburse the Receiver for all such payments and borrowings, inclusive of all interest, until paid.
- (f) *Dealing with Collateral.* Any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Collateral in such manner, upon such terms and conditions and at such time as it deems advisable without notice to the Debtor (except as otherwise required by applicable Law), and may charge on its own behalf and pay to others its costs and expenses (including the Receiver's solicitor and own client costs, the Receiver's and accounting fees and expenses, on a full indemnity basis) incurred in connection with such actions. The Debtor will forthwith upon demand reimburse the Receiver for all such costs or expenses.
- (g) *Powers re Collateral.* Any Receiver may have, enjoy and exercise all of the rights of and enjoyed by the Debtor with respect to the Collateral or incidental, ancillary, attaching or deriving from the ownership by the Debtor of the Collateral, the right to commence or continue Litigation to preserve or protect Collateral and the right to grant or agree to Encumbrances and grant or reserve profits a prendre, easements, rights of ways, rights in the nature of easements and licences over or pertaining to the whole or any part of the Collateral.
- (h) *Retain Services.* Any Receiver may retain the services of such real estate brokers, insurers, lawyers, accountants, appraisers, contractors, agents, and other consultants as the Receiver may deem necessary or desirable in connection with anything done or to be done by the Receiver or with any of the rights of the Receiver set out herein and pay their commissions, premiums, fees and disbursements and other amounts (which payment shall constitute part of the Receiver's disbursements reimbursable by the Debtor hereunder on a full indemnity basis), including without limitation the Receiver's reasonable solicitor and own client costs on a full indemnity basis. The Debtor shall forthwith on

demand reimburse the Receiver for all such payments, plus interest thereon from the date any such Costs are paid by the Receiver accruing at the Interest Rate.

#### **6.4 Right to have Court Appoint a Receiver**

The Secured Party may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Secured Party pursuant to this Debenture.

#### **6.5 Secured Party may exercise rights of a Receiver**

In lieu of, or in addition to, exercising its rights under Sections 6.3 and 6.4, the Secured Party has, and may exercise, subject to applicable Law, any of the rights which are capable of being granted to a Receiver appointed by the Secured Party pursuant to this Debenture.

#### **6.6 Retention of Collateral**

The Secured Party may elect to retain any Collateral in satisfaction of the Obligations. Subject to applicable Laws, the Secured Party may designate any part of the Obligations to be satisfied by the retention of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations shall be deemed to be satisfied by the retention of the particular Collateral.

#### **6.7 Limitation of Liability**

Except for any loss or expense resulting from any gross negligence or willful misconduct of the Secured Party, any Receiver or any of their respective Representatives, neither the Secured Party nor any Receiver shall be liable or accountable for any failure of the Secured Party or any Receiver to seize, collect, realize, dispose of, enforce or otherwise deal with any Collateral nor shall any of them be bound to institute Litigation for any such purposes or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Person in respect of any Collateral. If any Receiver or the Secured Party takes possession of any Collateral, neither the Secured Party nor any Receiver shall have any liability as a mortgagee in possession or be accountable for anything except actual receipts.

#### **6.8 Extensions of Time**

The Secured Party and any Receiver may grant renewals, extensions of time and other indulgences, take and give up Encumbrances, accept compositions, grant releases and discharges, perfect or fail to perfect any Encumbrances, release any Collateral to third parties and otherwise deal or fail to deal with the Debtor, debtors of the Debtor, guarantors, sureties and others and with any Collateral and other Encumbrances as the Secured Party may see fit, all without prejudice to the liability of the Debtor to the Secured Party or the rights of the Secured Party and any Receiver under this Debenture.

#### **6.9 Application of Payments against Obligations**

Any Recovery received by the Secured Party in respect of the Obligations from time to time and any Recovery realized by the Secured Party on any Collateral shall be appropriated and applied by the Secured Party in accordance with Section 6.17.

#### **6.10 Set-Off and/or Crossclaims Etc.**

The Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Secured Party or any right of set-off, cross-claim or counterclaim, and without deduction or withholding for any Taxes whatsoever. If the Debtor shall be required by applicable Law to deduct or withhold any Taxes from any payment owing to the Secured Party, then such payments shall be increased as may be

necessary so that after making all required deductions or withholdings, the Secured Party receives an amount equal to the sum it would have received if no withholding or deduction had been made. Any indebtedness owing by the Secured Party to the Debtor, direct or indirect, extended or renewed, actual or contingent, mutual or not, may be set off or applied against, or combined with, the Obligations by the Secured Party at any time either before or after maturity, without demand upon anyone.

#### **6.11 Deficiency**

If the proceeds of the realization of any Collateral are insufficient to repay all liquidated Obligations, the Debtor shall forthwith pay or cause to be paid to the Secured Party such deficiency.

#### **6.12 Validity of Sale**

No Person dealing with the Secured Party or any Receiver or with any Representative of the Secured Party or any Receiver shall be required to inquire whether the Security has become enforceable, whether any right of the Secured Party or any Receiver has become exercisable, whether any Obligations remain outstanding or otherwise as to the propriety or regularity of any dealing by the Secured Party or any Receiver with any Collateral or to see to the application of any money paid to the Secured Party or any Receiver, and in the absence of fraud on the part of such Person such dealings shall be deemed, as regards such Person, to be within the rights hereby conferred and to be valid and effective accordingly.

#### **6.13 Secured Party or Receiver may Perform**

If the Debtor fails to perform any Obligations, without limiting any other provision hereof, the Secured Party or any Receiver may perform those Obligations as attorney for the Debtor in accordance with Section 4.9. The Debtor shall remain liable under each agreement, Real Property Right, Surface Right, Mineral Disposition, Permit and Licence to which it is party or by which it or any of the Collateral is bound and shall perform all of its obligations thereunder, and shall not be released from any of its obligations under any such agreement, Real Property Right, Surface Right, Mineral Disposition, Licence or Permit by the exercise of any rights by the Secured Party or any Receiver. Neither the Secured Party nor any Receiver shall have any obligation under any such agreement, Real Property Right, Surface Right, Mineral Disposition, Licence or Permit by reason of this Debenture, nor shall the Secured Party or any Receiver be obliged to perform any of the obligations of the Debtor thereunder or to take any action to collect or enforce any claim made subject to the security of this Debenture. The rights conferred on the Secured Party and any Receiver under this Debenture are for the purpose of protecting the Security in the Collateral and shall not impose any obligation upon the Secured Party or any Receiver to exercise any such rights.

#### **6.14 Effect of Appointment of Receiver**

Subject to applicable Laws, as soon as the Secured Party takes possession of any Collateral or appoints a Receiver over any Collateral, all rights of each of the Representatives of the Debtor with respect to that Collateral shall cease, unless specifically continued by the written consent of the Secured Party or the Receiver.

#### **6.15 Time for Payment**

If any Obligations are due by maturity, demand or acceleration, it shall be deemed reasonable for the Secured Party to exercise its rights under this Debenture immediately if such payment is not made, and any days of grace or any time for payment which might otherwise be required to be afforded to the Debtor by any agreement or applicable Law is hereby irrevocably waived to the extent permitted by applicable Laws.

#### **6.16 Rights in Addition**

The rights conferred by this ARTICLE 6 are in addition to, and not in substitution for, any other rights the Secured Party may have under this Debenture, at law, in equity or by or under applicable Law or

the Exit Agreement, the SDC Note or any other Exit Document. The Secured Party may proceed by way of any action, suit or other proceeding at law or in equity including (a) the right to take proceedings in any court of competent jurisdiction for the sale or foreclosure of the Collateral and (b) filing proofs of claim and other documentation to establish the claims of the Secured Party in any Litigation relating to the Debtor. No right of the Secured Party or any Receiver shall be exclusive of or dependent on any other. Any such right may be exercised separately or in combination, and at any time. The exercise by the Secured Party or any Receiver of any right hereunder does not preclude the Secured Party or any Receiver from further exercise of such right in accordance with this Debenture.

#### **6.17 Application of Proceeds**

Each Recovery and any other funds realized by the Secured Party pursuant to the exercise of its remedies, and any other funds realized by the Secured Party during the continuance of an Event of Default, shall be applied, subject to applicable Laws, in full or in part, by the Secured Party to the payment and satisfaction of the Obligations in such order and in such amounts as the Secured Party shall determine in its sole discretion, and the Debtor hereby waives any right to direct the application of such proceeds and acknowledges and agrees that the Secured Party shall have the continuing and exclusive right to apply and reapply any and all such proceeds in its sole discretion.

### **ARTICLE 7 GENERAL**

#### **7.1 Statutory Mortgage Language**

In order to secure the repayment of the Obligations in the manner set out above, including the principal sum and interest, the Debtor hereby mortgages its estate and interest in all land described in Section 2.1 above to the Secured Party, excluding however, as set out in Section 2.4(a), the last day of the term of any lease, oral or written, or any agreement therefor.

#### **7.2 Security in Addition**

The Security does not replace or otherwise affect any existing or future Encumbrance held by the Secured Party. Neither the taking of any Litigation, judicial or extra-judicial, nor the refraining from so doing, nor any dealing with any other security for any Obligations shall release or affect the Security. Neither the taking of any Litigation, judicial or extra-judicial, pursuant to this Debenture, nor the refraining from so doing, nor any dealing with any Collateral shall release or affect any of the other Encumbrances held by the Secured Party for the payment or performance of the Obligations.

#### **7.3 No Merger**

This Debenture shall not operate by way of a merger of the Obligations or of any agreement or other document by which the Obligations now or at any time hereafter may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of the Debtor to pay and perform the Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of the Debtor herein shall merge in any judgment.

#### **7.4 Notices**

Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Debenture shall be given in accordance with Section 21 of the SDC Note.

#### **7.5 Time of the Essence**

Time is and shall remain of the essence of this Debenture and each of its provisions.

## **7.6 Governing Law**

This Debenture shall be governed by, and interpreted in accordance with, the laws in force in the Province of Saskatchewan, including the federal laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction). The Debtor irrevocably attorns to and submits to the exclusive jurisdiction of the Courts of the Province of Saskatchewan with respect to any matter arising hereunder or related hereto. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Secured Party under the laws of any other jurisdiction where Collateral may be located.

## **7.7 Entire Agreement**

There are no representations, warranties, covenants, agreements or acknowledgments whether direct or collateral, express or implied, that form part of or affect this Debenture or any Collateral, other than as expressed herein or in the SDC Note. The execution of this Debenture has not been induced by, nor does the Debtor rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in this Debenture and the SDC Note. In the event of any conflict between the terms of this Debenture and the terms of the SDC Note with respect to the subject matter herein which cannot be resolved by both this Debenture and the SDC Note being complied with, the terms of the SDC Note shall prevail to the extent of such conflict, it being understood that the purpose of this Debenture is to add to, and not detract from, the rights, remedies and recourses granted to the Secured Party pursuant to the SDC Note.

## **7.8 Provisions Reasonable**

The Debtor acknowledges that the provisions of this Debenture and, in particular, those respecting rights of the Secured Party or any Receiver against the Debtor and any Collateral upon an Event of Default, are commercially reasonable and not manifestly unreasonable.

## **7.9 Invalidity**

If any provision of this Debenture is found to be invalid or unenforceable, by a court of competent jurisdiction from which no further appeal right lies, that provision shall be deemed to be severed herefrom and the remaining provisions of this Debenture shall not be affected thereby but shall remain valid and enforceable.

## **7.10 Assignment**

This Debenture may not be assigned or transferred by the Debtor without the prior written consent of the Secured Party, which may be withheld in the Secured Party's sole and absolute discretion. The Secured Party may at any time assign, transfer or grant a security interest in this Debenture and the Security hereby granted. The Debtor expressly agrees that the permitted assignee, transferee or other counterparty, as the case may be, will have all of the Secured Party's rights and remedies under this Debenture and the Debtor will not assert any defence, cross-claim, counterclaim, right of set-off or otherwise any claim which the Debtor now has or hereafter acquires against the Secured Party in any action commenced by any such permitted assignee, transferee or other counterparty, as the case may be, and will pay the Obligations to the permitted assignee, transferee or other counterparty, as the case may be, as the Obligations become due.

## **7.11 Binding Effect**

This Debenture shall enure to the benefit of the Secured Party and any Receiver and their respective successors and assigns and shall be binding on the Debtor, its legal representatives (including receivers) and its successors and permitted assigns. Each reference to the Debtor in this Debenture shall be construed so as to include the successors and such permitted assigns of the Debtor to the extent the

context so admits. Each reference to the Secured Party in this Debenture shall be construed so as to include the successors and permitted assigns of the Secured Party to the extent the context so admits.

### **7.12 Survival**

The Obligations payable under Sections 4.12 and 4.13 (the “**Indemnity Obligations**”) shall survive the Payment and Performance in Full of all other Obligations and shall continue in full force and effect until Payment and Performance in Full has been irrevocably made of such Indemnity Obligations.

### **7.13 Statutory Waivers**

To the fullest extent permitted by applicable Law, the Debtor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the rights of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

### **7.14 Saskatchewan Laws**

The Debtor agrees as follows:

- (a) that *The Land Contracts (Actions) Act, 2018* of Saskatchewan, as amended or replaced from time to time, shall have no application to any action, as defined in that Act, respecting this Debenture, any mortgage, charge or other security for the payment of money made, given or created by this Debenture, any agreement or instrument which renews or extends or is collateral to this Debenture, or the rights, powers or remedies of the Secured Party under this Debenture or any mortgage or charge created by this Debenture as the Secured Party is specifically exempted from the operation of that Act; and
- (b) that *The Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Debenture, any mortgage, charge or other security for the payment of money made, given or created by this Debenture, any agreement or instrument which renews or extends or is collateral to this Debenture, or the rights, powers or remedies of the Secured Party under this Debenture or any mortgage or charge created by this Debenture.

### **7.15 Limitation Periods**

To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, the Debtor agrees that:

- (a) any limitation period is expressly excluded and waived entirely if permitted by applicable Law;
- (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable Law, any limitation period is extended to the maximum length permitted by applicable Law and, without limiting the generality of the foregoing, pursuant to section 21 of *The Limitations Act* (Saskatchewan), the Debtor hereby expressly agrees that any proceeding commenced by the Secured Party in respect of a claim under this Debenture may be commenced within 15 years from the day on which such claim is discovered and, for greater certainty, the limitation period set out in section 5 of *The Limitations Act* (Saskatchewan) is extended accordingly;
- (c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Secured Party to

the Debtor; and

- (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Debtor.

#### **7.16 Currency**

All references in this Debenture to monetary amounts, unless specifically provided, are to lawful currency of Canada. All sums of money payable under this Debenture shall be paid in the currency in which such sums are incurred or expressed as due hereunder.

#### **7.17 Currency Conversions**

If the Secured Party receives or recovers any amount payable under this Debenture in a currency (the "**Recovered Amount**") which is different than the currency of Canada (the "**Contract Currency**"), the Secured Party may convert the Recovered Amount to the Contract Currency at the rate of exchange which the Secured Party is able, acting in a reasonable manner and in good faith, to purchase the relevant amount of the Contract Currency. The amount of the Contract Currency resulting from any such conversion shall then be applied in accordance with the provisions of Section 6.9.

#### **7.18 Judgment Currency**

If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert into the currency of the country giving such judgment (the "**Judgment Currency**") an amount due hereunder in a different currency (the "**Agreed Currency**"), then the date on which the rate of exchange for conversion is selected by the court is referred to herein as the "**Conversion Date**". If there is a change in the rate of exchange between the Judgment Currency and the Agreed Currency between the Conversion Date and the actual receipt by the Secured Party or any Receiver of the amount due hereunder or under any such judgment, the Debtor will, notwithstanding any such judgment, pay all such additional amounts as may be necessary to ensure that the amount received by the Secured Party or Receiver in the Judgment Currency, when converted at the rate of exchange prevailing on the date of receipt, will produce the amount due in the Agreed Currency. The Debtor's liability hereunder constitutes a separate and independent liability which shall not merge with any judgment or any partial payment or enforcement of payment of sums due under this Debenture.

#### **7.19 Amendment**

No agreement purporting to amend, modify, supplement or vary this Debenture shall be binding upon either the Debtor or the Secured Party unless that agreement is in writing and signed by the Debtor and the Secured Party.

#### **7.20 Receipt of Copy**

The Debtor acknowledges receipt of a copy of this Debenture. To the extent permitted by applicable Law, the Debtor irrevocably waives the right to receive a copy of each financing statement (or any verification statement pertaining thereto) or financing change statement (or any verification statement pertaining thereto) filed under the PPSA or under the personal property security statutes of other provinces by the Secured Party in respect of this Debenture or any other security agreement, and releases any and all claims or causes of action it may have against the Secured Party for failure to provide any such copy.

#### **7.21 Information**

At any time the Secured Party may provide to any Person that claims an interest in Collateral copies of this Debenture or information about it or about the Collateral or the Obligations.

## **7.22 Discharge**

At such time as the Debtor has irrevocably, indefeasibly and unconditionally paid and satisfied all of its indebtedness, liabilities and obligations under or in relation to Article 11 of the Exit Agreement and the SDC Note in full, and all obligations of the Secured Party pursuant to the Exit Documents have been terminated, this Debenture (except for obligations which by their terms survive) shall terminate and the Secured Party shall, at the expense and request of the Debtor, without any representations, warranties or recourse of any kind whatsoever, enter into such agreements and other instruments and do such things as may be necessary to release and discharge this Debenture and the charges, mortgages, assignments, transfers and security interests granted herein.

## **7.23 Date of Reference**

For convenience of reference, this Debenture may be referred to as being dated as of the date first appearing above irrespective of its actual date of execution.

*[signature page follows]*

**IN WITNESS WHEREOF** the Debtor and the Secured Party have executed this Debenture on the date first appearing above.

**STAR DIAMOND CORPORATION**

By:

---

Name:  
Title:  
I have authority to bind the corporation.

**RIO TINTO EXPLORATION CANADA INC.**

By:

---

Name:  
Title:  
I have authority to bind the corporation.

***[SCHEDULES FOLLOW]***

## SCHEDULE 1.1 DEFINITIONS

1. Capitalized terms not defined herein shall have the meanings set forth in the Exit Agreement and the SDC Note, as applicable. Unless the context otherwise requires, in this Debenture the following terms are used with their corresponding defined meanings:

**“Accounts”** means all present and after-acquired debts, accounts, claims, monies and choses in action due or owing to or owned by the Debtor, in each case, which form part of, relate to or are held for or in respect of or derived or arise from, the Project, and all books, records, documents, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and choses in action or any part or parts thereof.

**“Authorizations”** means any authorization, consent, approval, resolution, licence, permit, concession, exemption, filing, notarization or registration.

**“Award”** means any order, judgment, decree, injunction, rule or award of any Governmental Authority, arbitrator or other decision-making authority of competent jurisdiction.

**“Capital Lease Obligation”** means, for any Person, any payment obligation of such Person under an agreement for the lease, license or rental of, or providing such Person with the right to use, property that is required to be classified as and accounted for as a capital lease obligation on the balance sheet of the Person in accordance with IFRS.

**“Collateral”** means all of the property made subject to the Encumbrances created under Section 2.1, wherever located, now or hereafter owned by the Debtor or in or to which the Debtor now or hereafter has rights, including all such rights, and (as the context so admits) any item or part thereof.

**“Contract”** means any agreement, contract, lease, license, option, indenture, mortgage, deed of trust, debenture, note or other instrument, arrangement, understanding or commitment.

**“Data”** means all present and future data and other information which is at any time obtained or derived from or otherwise relates to the Project and which is now or hereafter in the possession or control of the Debtor or in which the Debtor now or hereafter has any right, title or interest (and includes without limitation all such future data and information and the “Data” as defined in the Exit Agreement).

**“Debenture”** means this debenture and all schedules attached hereto, as amended, modified, supplemented, restated or replaced from time to time. All uses of the words **“hereto”**, **“herein”**, **“hereof”**, **“hereby”** and **“hereunder”** and similar expressions refer to this Debenture and not to any particular section or portion of it. References to an **“Article”**, **“Section”**, **“Subsection”** or **“Schedule”** refer to the applicable article, section, subsection or schedule of this Debenture.

**“Environmental Laws”** means all applicable Laws relating to the protection of the environment, natural resources, human health and safety, Hazardous Substances, the assessment of environmental and social impacts or the rehabilitation, reclamation and closure of lands.

**“Exit Agreement”** means the Exit Agreement dated as of ♦, 2023 between the Debtor and the Secured Party, pursuant to which the Secured Party sold to the Debtor, and the Debtor purchased from the Secured Party, the Purchased Interest (as defined therein), as amended, modified, supplemented, restated or replaced from time to time.

**“Exit Documents”** means the Exit Agreement, the SDC Note, the SDC Security (including this Debenture) and all other agreements, certificates, instruments, notices and documents delivered or

to be delivered by the Debtor under the Exit Agreement, the SDC Note, the SDC Security (including this Debenture), each as amended, modified, supplemented, restated or replaced from time to time.

**“Goods and Equipment”** means all present and after-acquired goods and equipment and other tangible personal property, of whatever description or kind, wherever situate, including all present and after-acquired machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, in each case, which form part of, relate to, or are held for or in respect of, used in connection with, or derived or arise from, the Project, together with all spare parts, accessions and accessories located at or installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto.

**“Hazardous Material”** means chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum by-products.

**“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.

**“Indemnified Party”** has the defined meaning assigned to it in Section 4.12.

**“Interest Rate”** means the interest rate per annum secured by this Debenture, being an annual rate equal to the interest rate payable under the SDC Note.

**“Inventory”** means all present and after-acquired inventory of whatever kind, including all present and after-acquired raw materials, materials used or consumed in the business of the Debtor, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Debtor whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service, in each case, which form part of, relate to, or are held for or in respect of, used in connection with, or derived or arise from, the Project.

**“Licence”** means (i) any Authorization from any Governmental Authority having jurisdiction with respect to the Debtor’s interest in any property and (ii) any Authorization from any Person granting any easement or licence with respect to any real or immovable property, in each case, which is required to carry on the Project, including but not limited to those Licences listed in Schedule 2.1(c).

**“Material Contract”** means, with respect to the Debtor, any Contract which (i) is necessary for, and material to, the advancement, development or continuing operation of the Project, (ii) involves commitments greater than \$750,000 related to the Project, or (iii) contains terms and conditions which, if amended or, upon breach, termination, non-renewal or non-performance, would reasonably be expected to have a Material Adverse Effect, and includes those Contracts described in Schedule 2.1(j).

**“Minerals”** means any minerals which are now or hereafter located on, extracted or produced from or form any part of the Project, whether in the form of ore, processed or refined minerals, or diamonds, including without limitation, all minerals produced or extracted from the Mineral Dispositions.

**“Mineral Disposition”** means any mineral disposition issued by the Crown in right of Saskatchewan under *The Crown Minerals Act* of Saskatchewan or any successor legislation thereto or by any Governmental Authority which now or hereafter forms part of, relates to or is held

for or in respect of the Project, including but not limited to those mineral dispositions listed on Schedule 2.1(a), and any claims, leases, dispositions or other form of mineral tenure which may replace the same, and all renewals, extensions and amendments thereof or substitutions therefor.

**“Obligations”** means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether present or future, absolute or contingent, joint or several or joint and several, direct or indirect, matured or not, extended or renewed, and whenever and however incurred) of the Debtor to the Secured Party arising under, by reason of or pursuant to the SDC Note or the SDC Security (including this Debenture), including all amounts payable and all other fees and other money payable or owing from time to time pursuant to any of the foregoing, any unpaid balance thereof, and (as the context so admits) each and every item or part thereof.

**“Order”** means any order or directive of any Governmental Authority or other decision-making authority of competent jurisdiction.

**“Ordinary Course”** means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the usual and ordinary course of the normal day-to-day operations or business of the Person.

**“Payment and Performance in Full”** in relation to any Obligations means the permanent, indefeasible and irrevocable payment and performance in full of such Obligations (other than contingent indemnification obligations) in accordance with the express provisions of the SDC Note, this Debenture and Article 11 of the Exit Agreement, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency or other similar such laws, any law affecting creditors' rights generally or general principles of equity, and the termination or expiry of all obligations of the Secured Party to provide or maintain any RTEC LoCs or Alternate Support Arrangements to or for the benefit or at the request of the Debtor, and “paid and performed in full” shall (to the extent the context so admits) be construed in like manner.

**“Permits”** means any permits required to carry on the Project, including but not limited to those Permits listed in Schedule 2.1(c).

**“Permitted Encumbrances”** means:

- (a) any Encumbrance granted pursuant to this Debenture;
- (b) inchoate or statutory liens for Taxes not at the time overdue and inchoate or statutory liens for overdue Taxes the validity of which are being contested in good faith but only for so long as such contestation effectively postpones enforcement of any such liens or Taxes;
- (c) statutory liens incurred or deposits made in the Ordinary Course of the business of the Debtor in connection with worker's compensation, unemployment insurance and similar legislation, but only to the extent that each such statutory lien or deposit relates to amounts not yet due;
- (d) security given to a public utility or any Governmental Authority when required in the Ordinary Course of the business of the Debtor that do not in the aggregate detract from the value of any of the Collateral or impair their use in the operation of the business of the Debtor;
- (e) any claim of right, title or jurisdiction which may be made or established by any first nation peoples by virtue of their status as first nation peoples to or over any of the lands or waters constituting any of the Mineral Dispositions or any products harvested or mined from any of the Mineral Dispositions;

- (f) any right associated with any actual or potential competing interest in, or uses for, all or any part of the Mineral Dispositions including, without limitation, the occurrence of traplines or hunting rights, environmentally sensitive areas, unique or at risk species, parks proposals, reserves established by applicable Laws or otherwise, governmental land use plans or policies, forestry tenures, crown granted mineral claims, coal tenures, mineral dispositions issued under *The Crown Minerals Act* (Saskatchewan) over which any of the Mineral Dispositions are overlapping, petroleum and natural gas tenures or other tenures;
- (g) undetermined or inchoate construction or repair or storage liens arising in the Ordinary Course of the business of the Debtor, a claim for which has not been filed or registered pursuant to applicable Law or which notice in writing has not been given to the Debtor;
- (h) all exceptions, limitations, provisos, reservations and conditions, including royalties, contained in the original or other grants or dispositions from the Crown of all or part of the Collateral or any interest therein and all statutory exceptions, limitations, provisos, reservations and conditions, including royalties, currently applicable to the Mineral Dispositions including, without limitation, all applicable exceptions, limitations, provisos, reservations, and conditions, including royalties, under *The Crown Minerals Act* (Saskatchewan), *The Land Titles Act, 2000* (Saskatchewan) and *The Provincial Lands Act* (Saskatchewan), and the regulations thereunder;
- (i) public easements, rights of way, servitudes and other similar rights in land, including, without limitation, rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, towers, wires and cables, provided the same do not materially detract from the value of or materially impair the Project;
- (j) any Encumbrance affecting the Collateral registered in the Mineral Administration Registry Saskatchewan, the Land Titles Registry of Saskatchewan, the Saskatchewan Personal Property Registry or any other similar public registry in Saskatchewan (including the informal filing system maintained by the Ministry of Energy and Resources with respect to mineral disposition) as of the date of the Exit Agreement and which is listed in Schedule 3.1;
- (k) Encumbrances securing Capital Lease Obligations and Purchase Money Obligations relating solely to the acquisition of mobile equipment necessary for the development, construction or operation of the Project, provided that the aggregate of the indebtedness outstanding at any time in respect of the Capital Lease Obligations and Purchase Money Obligations referred to in this paragraph (k) shall not exceed \$1,500,000; and provided that such Encumbrances extend only to the mobile equipment clearly and individually identified as acquired or financed thereby and no recourse is available to any other assets of the Debtor; and
- (l) other Encumbrances agreed to in writing by the Secured Party.

**“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.

**“PPSA”** means *The Personal Property Security Act, 1993* (Saskatchewan).

**“Prescribed Right”** has the defined meaning assigned to it in Section 2.4(c).

**“Proceeds”** means all goods, investment property, instruments, documents of title, chattel paper, intangibles, money or other property in any form derived directly or indirectly from any disposal of or other dealing with any Collateral, or that indemnifies or compensates for such Collateral stolen, lost, destroyed or damaged, and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and (as the context so admits) any item or part thereof.

**“Project”** means the project known as the Fort à la Corne Project located in Saskatchewan, as the same is now or may hereafter be constituted, and includes (i) any and all activities associated with exploration, development, extraction, mining, processing, remediation or reclamation on or in connection with such Project and other ancillary operations related or connected to the foregoing, in each case, as now or hereafter conducted, and (ii) any and all property, assets, undertaking and infrastructure (including, without limitation, the Mineral Dispositions and the Surface Leases) which now or at any time hereafter comprises, forms part of, relates to or is associated with any of the foregoing.

**“Purchase Money Obligations”** means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring title to any asset for the Person.

**“Real Property Rights”** has the meaning assigned to it in Section 2.1(n).

**“Receiver”** means any receiver or receiver-manager for the Collateral or any of the business, undertakings, property and assets of the Debtor appointed by the Secured Party pursuant to this Debenture or by a court on application by the Secured Party.

**“Records”** means all books, accounts, invoices, letters, papers, security certificates, documents and other records in any form evidencing or relating in any way to any item or part of the Collateral and all agreements, Licences, Permits and other rights and benefits in respect thereof, and (as the context so admits) any item or part thereof.

**“Recovery”** means any monies received or recovered by the Secured Party pursuant to this Debenture on account of the Obligations, whether pursuant to any enforcement of any Security, any Litigation, any settlement thereof or otherwise.

**“Related Rights”** has the meaning assigned to it in Section 2.4(c).

**“Replacements”** means all increases, additions and accessions to, and all substitutions for and replacements of, any item or part of the Collateral, and any item or part thereof.

**“Representative”** of any Person means any director, officer, employee, agent, legal counsel, accountant, financial advisor, expert, manager, consultant or other representative appointed, engaged or employed by such Person.

**“Required Approvals”** has the meaning assigned to it in Section 2.4(c).

**“SDC Note”** means the promissory note dated as of [◆], 2023 issued by the Debtor to the Secured Party, as amended, modified, supplemented, restated or replaced from time to time.

**“Secured Assets”** means all undertaking, properties and assets now owned, leased or hereafter acquired or leased by the Debtor and which forms part of, relates to, or is held for or in respect of, used in connection with, or derived or arises from, the Project.

**“Secured Party”** means Rio Tinto Exploration Canada Inc., and if such Secured Party shall assign all or any portion of its rights, benefits or obligations under this Debenture as permitted hereunder,

such term shall include any assignee of such Secured Party, whether immediate or derivative, relative to such rights, benefits and obligations.

**“Security”** means any and all Encumbrances granted by the Debtor to the Secured Party in this Debenture.

**“Security Interest”** means any security interest, assignment by way of security, mortgage, charge (whether fixed or floating), hypothec, deposit arrangement, pledge, trust, statutory or other lien, encumbrance, royalty, preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever, including but not limited to rights of first refusal, rights of first offer, options to purchase or sell or other similar arrangements, and includes any other “Security Interest” as defined in section 2 of the PPSA.

**“Surface Leases”** means all present and future agreements, leases, licences, options to lease and other rights to enter upon, use, explore and otherwise extract from or exploit in any manner the Project and the Minerals and other resources therein, including without limitation, all agreements, leases, licences and other rights listed in Schedule 2.1(b), and all amendments, modifications, restatements, substitutions or replacements from time to time.

**“Surface Rights”** means all rights to use, enter upon and occupy the surface of a Mineral Disposition, fee simple or leased lands, for the exploration and development or production of Minerals or placer minerals, including the treatment of ore and concentrates, and all operations related to the exploration and development or production of Minerals or placer minerals and the business of mining, and all leases, licences, contracts, agreements, permits or other documents relating to such rights, in each case insofar as they relate to the Project, including without limitation, any and all surface rights related to infrastructure such as airstrips, generators, electric power lines, roads, marine jetties, and surface tenures issued by a Governmental Authority or other Person such as investigative permits and temporary permits, and any lease to the surface of the Project or licence of occupation or other occupation right and includes any fee simple rights over any part of the Project.

**“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.

## 2. **Extended Meanings**

To the extent the context so admits, any reference in this Debenture to:

**“agreement”** shall be construed as any agreement, oral or written, any simple contract or specialty, and includes any bond, bill of exchange, indenture, instrument or undertaking.

**“arm’s length”** shall be construed in the same manner it is used in the *Income Tax Act* (Canada).

**“change”** shall be construed as change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive or (where the context so admits) the noun or participle form of any of the foregoing, and **“changed”** shall be construed in like manner.

**“dispose”** shall be construed as lease, sell, transfer, licence or otherwise dispose of any property, or the commercial benefits of use or ownership of any property, including the right to profit or gain therefrom, whether in a single transaction or in a series of related transactions, and **“disposed”**, **“disposition”** and **“disposal”** shall be construed in like manner.

**“include”, “includes” and “including”** shall be construed to be followed by the statement “without limitation” and none of such terms shall be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

**“losses and expenses”** shall be construed as losses, costs, expenses, damages, penalties, Awards, Orders, Litigation, claims, claims over, demands and liabilities, including any applicable court costs and legal fees and disbursements on a full indemnity basis, and **“loss and expense”** shall be construed in like manner.

**“rate of exchange”** shall be construed so as to include any premiums or costs payable in connection with any currency conversion being effected.

a **“receiver”** means a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee-in-bankruptcy, administrator, administrative receiver, monitor and any other like or similar official.

**“rights”** shall be construed as rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise, and **“right”** shall be construed in like manner.

**“set-off”** means any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, deduction or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation.

**“successor”** of a Person (the **“relevant party”**) shall be construed so as to include (i) any amalgamated or other body corporate of which the relevant party or any of its successors is one of the amalgamating or merging body corporates, (ii) any body corporate resulting from any court approved arrangement of which the relevant party or any of its successors is party, (iii) any Person to whom all or substantially all the undertakings, property and assets of the relevant party is transferred, (iv) any body corporate resulting from the continuance of the relevant party or any successor of it under the laws of another jurisdiction of incorporation and (v) any successor (determined as aforesaid or in any similar or comparable procedure under the laws of any other jurisdiction) of any Person referred to in clause (i), (ii), (iii) or (iv) of this definition. Each reference in this Debenture to any party hereto or any other Person shall (where the context so admits) include its successors.

**SCHEDULE 2.1(a)  
MINERAL DISPOSITIONS**

[NTD: Subject to confirmation prior to Closing.]

#	Mining Claim No:
1.	MC00005966
2.	S-124553
3.	S-124554
4.	S-124555
5.	S-124556
6.	S-124557
7.	S-124561
8.	S-124562
9.	S-124563
10.	S-124568
11.	S-124573
12.	S-124574
13.	S-124639
14.	S-124640
15.	S-124641
16.	S-124646
17.	S-124647
18.	S-124649
19.	S-124651
20.	S-124652
21.	S-124653
22.	S-125981
23.	S-126003
24.	S-126004
25.	S-126007
26.	S-126008
27.	S-126009
28.	S-126010
29.	S-126038
30.	S-126039
31.	S-126040
32.	S-126041
33.	S-126042
34.	S-126043
35.	S-126044
36.	S-126045
37.	S-126046
38.	S-126047
39.	S-126048
40.	S-126049

41.	S-126095
42.	S-126096
43.	S-126097
44.	S-126098
45.	S-126099
46.	S-126100
47.	S-126101
48.	S-126102
49.	S-126103
50.	S-126104
51.	S-126105
52.	S-126106
53.	S-126112
54.	S-126113
55.	S-126114
56.	S-126115
57.	S-126116
58.	S-126117
59.	S-126118
60.	S-126119
61.	S-126120
62.	S-126121
63.	S-126122
64.	S-126123
65.	S-126124
66.	S-126221
67.	S-126257
68.	S-127085
69.	S-127086
70.	S-127087
71.	S-127088
72.	S-127089
73.	S-127090
74.	S-127091
75.	S-127092
76.	S-127093
77.	S-127094
78.	S-127095
79.	S-127096
80.	S-127097
81.	S-127098
82.	S-127099
83.	S-127100
84.	S-127101
85.	S-127102

86.	S-127103
87.	S-127104
88.	S-127105
89.	S-127106
90.	S-127107
91.	S-127108
92.	S-127109
93.	S-127110
94.	S-127111
95.	S-127112
96.	S-127113
97.	S-127114
98.	S-127115
99.	S-127116
100.	S-127117
101.	S-127118
102.	S-127145
103.	S-127146
104.	S-127147
105.	S-127148
106.	S-127183
107.	S-127184
108.	S-127185
109.	S-127186
110.	S-127187
111.	S-127188
112.	S-127189
113.	S-127190
114.	S-127191
115.	S-127192
116.	S-127193
117.	S-127194
118.	S-127195
119.	S-127275
120.	S-127341
121.	S-132025
122.	S-132026
123.	S-132027
124.	S-132028
125.	S-132029
126.	S-132030
127.	S-132031
128.	S-132032
129.	S-132033
130.	S-132034

131.	S-132035
132.	S-132036
133.	S-132037
134.	S-132038
135.	S-132039
136.	S-132079
137.	S-132080
138.	S-132081
139.	S-132082
140.	S-133444
141.	S-133445
142.	S-133446
143.	S-133447
144.	S-133452
145.	S-133453
146.	S-133454
147.	S-133455
148.	S-133456
149.	S-133457
150.	S-133458
151.	S-133459
152.	S-133460
153.	S-133461
154.	S-133714
155.	S-133715
156.	S-133716
157.	S-133717
158.	S-133722
159.	S-133723
160.	S-133726
161.	S-133733
162.	S-134407
163.	S-135759
164.	S-135760
165.	S-135761
166.	S-135762
167.	S-135763
168.	S-135764
169.	S-135818
170.	S-135819
171.	S-135820
172.	S-136686
173.	S-137921
174.	S-138346
175.	S-138873

176.	S-139000
177.	S-140248
178.	S-140253
179.	S-140256
180.	S-140257
181.	S-140259
182.	S-140263
183.	S-140264
184.	S-140265
185.	S-141420
186.	S-143355
187.	S-143356
188.	S-143846
189.	S-143847

**SCHEDULE 2.1(b)  
SURFACE LEASES**

**[[NTD: Subject to confirmation prior to Closing.]**

[...\*\*\*...]<sup>3</sup>

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<sup>3</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 2.1(c)  
LICENCES AND PERMITS**

**[NTD: Subject to confirmation prior to Closing.]**

1. [...\*\*\*...]<sup>4</sup>
2. [...\*\*\*...]<sup>5</sup>
3. Any replacement approval, authorization, licence or permit issued to Debtor in respect of the foregoing.

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<sup>4</sup> Competitive Information – Commercially Sensitive Terms.

<sup>5</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 2.1(j)  
MATERIAL CONTRACTS**

**[NTD: Subject to confirmation prior to Closing.]**

1. The Surface Leases listed in Schedule 2.1(b) and any replacement leases issued to Debtor in respect thereof.

**SCHEDULE 3.1  
REGISTRATIONS**

Nil

**SCHEDULE 3.3  
LOCATIONS OF REGISTERED OFFICE, PLACES OF BUSINESS,  
CHIEF EXECUTIVE OFFICE, RECORDS AND  
OTHER COLLATERAL;  
SPECIFICALLY DESCRIBED PROPERTY AND SERIAL NUMBERED GOODS**

[...\*\*\*...]<sup>6</sup>

**Specifically Described Collateral**

[...\*\*\*...]<sup>7</sup>

General

1. Miscellaneous equipment for exploration, development, extraction, mining, processing, remediation or reclamation and other ancillary operations, which is at any time located at or used in connection with the Project.
2. All present and after-acquired parts, accessories, attachments, spare parts, repairs and components for or relating to any of the aforementioned Collateral (whether or not installed thereon at any time).
3. All present and after-acquired intellectual property and other intangibles, contracts and contract rights, chattel paper, instruments, software and manuals, in each case, relating to any of the aforementioned Collateral.
4. All present and after-acquired storage and shipping containers in which any of the aforementioned Collateral may at any time be contained.
5. For greater certainty, Proceeds and Replacements of or to any of the aforementioned Collateral (as contemplated in Section 2.1(m) of this Debenture) include, without limitation, all trade-ins, contract rights, rental payments and insurance payments with respect to any loss or damage to any of the aforementioned Collateral.

**Serial Numbered Goods**

Type	Serial Number	Year	Make and Model
[...***...] <sup>8</sup>	[...***...] <sup>9</sup>	[...***...] <sup>10</sup>	Bauer Maschinen GmbH / MC128

<sup>6</sup> Personal Information – Identifying Information.

<sup>7</sup> Competitive Information – Commercially Sensitive Terms.

<sup>8</sup> Competitive Information – Commercially Sensitive Terms.

<sup>9</sup> Competitive Information – Commercially Sensitive Terms.

<sup>10</sup> Competitive Information – Commercially Sensitive Terms.

**SCHEDULE 4.9**  
**FORM OF POWER OF ATTORNEY**

Star Diamond Corporation, a corporation incorporated and organized under the *Business Corporations Act* (Canada) and extra-provincially registered to carry on business in the Province of Saskatchewan (the “**Debtor**”), as debtor under the debenture (as may be amended, modified, restated, supplemented or replaced from time to time, the “**Debenture**”) dated ♦, 2023 between the Debtor and Rio Tinto Exploration Canada Inc., a corporation organized and existing in accordance with the laws of the Province of British Columbia [**and extra-provincially registered to carry on business in the Province of Saskatchewan**] (the “**Attorney**”), as secured party (the “**Secured Party**”), appoints the Attorney (as Secured Party) attorney of the Debtor to do the following:

1. negotiate, execute and deliver all such agreements, deeds and instruments and do all such acts, matters or things, with the right to use the name of the Debtor, whenever and wherever it deems necessary or expedient to carry out the Debtor’s obligations under the Debenture;
2. register with the Ministry of Environment and the Ministry of Energy and Resources for the Province of Saskatchewan, and any registries maintained by such Ministries or any other public registries for the Province of Saskatchewan, the Debenture and any amendments to the Debenture or any subsequent debenture issued by the Debtor, as debtor, to the Secured Party in connection with the Obligations (as defined in the Debenture); and
3. execute and deliver all documents and instruments, and do all acts, matters and things as may be necessary for carrying out the powers given by this instrument.

*[signature page follows]*

Dated at Saskatoon, Saskatchewan, this ♦ day of ♦, 2023.

**STAR DIAMOND CORPORATION**

By:

---

Name:  
Title:

Postal address of attorney:

Rio Tinto Exploration Canada Inc.  
300 – 815 West Hastings Street  
Vancouver, British Columbia V6C 1B4  
Tel: (♦) ♦-♦  
Fax: (♦)[...\*\*\*...]¹¹  
Attention: Vice President Commercial

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¹¹ Personal Information – Contact Information.

**EXHIBIT G**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**SDC EXECUTION NEWS RELEASE**

[see attached]

**STAR DIAMOND CORPORATION TO ACQUIRE RIO TINTO'S 75% INTEREST  
IN FORT À LA CORNE DIAMOND PROJECT**

**November 28, 2023**

Star Diamond Corporation ("**Star Diamond**") is pleased to announce that it has today entered into a binding agreement (the "**Agreement**") with Rio Tinto Exploration Canada Inc. ("**RTEC**"), providing for the transfer by RTEC to Star Diamond of all of RTEC's 75% interest in the Fort à la Corne diamond project located in central Saskatchewan (the "**Project**").

The Agreement provides that, upon closing:

- RTEC will transfer to Star Diamond all of RTEC's 75% interest in the Project, such that the Project will be 100% owned by Star Diamond;
- RTEC will transfer to Star Diamond ownership of the trench cutter drill rig used by RTEC to complete its prior bulk sampling program at the Project;
- RTEC will transfer to Star Diamond the Bulk Sample Plant located at the Project, including the TOMRA XRT diamond sorting machine that is on-site;
- Star Diamond will issue to RTEC and/or an affiliate that number of common shares of Star Diamond that results in RTEC and its affiliates owning 19.9% of the then outstanding common shares of Star Diamond (RTEC and its affiliates currently own approximately 2.3% of Star Diamond's outstanding common shares); and
- RTEC and Star Diamond will enter into an Investor Rights Agreement whereby, among other things, RTEC will be granted certain pre-emptive rights to maintain its 19.9% ownership interest in Star Diamond in connection with future financings undertaken by Star Diamond, and RTEC will agree to certain standstill protections provided that RTEC will have the right to increase its 19.9% ownership position in the event that Star Diamond receives an acquisition proposal.

"Acquiring 100% ownership of the Project will be a major accomplishment for Star Diamond and its shareholders. We are grateful to Rio Tinto for the significant monetary investment and expertise it has contributed to the Project over the past more than five years, which has meaningfully advanced what Star Diamond believes is one of the most promising diamond projects in the world," said Ewan Mason, President and Chief Executive Officer of Star Diamond.

Rio Tinto Head of Exploration, Dave Andrews said, "The majority of Rio Tinto's global exploration program is now firmly focused on metals and minerals to support the energy transition. Although we will no longer have direct involvement in the Project, we are pleased to be able to maintain our interest in the Project by gaining a 19.9% ownership interest in Star Diamond. After more than five years, we continue to see potential in the Project and believe it can be a significant contributor to both the local communities around the Fort à la Corne property and the broader Saskatchewan economy."

Upon completion of the transactions that are the subject of the Agreement, Star Diamond will have full control and responsibility for the Project, the existing joint venture agreement between RTEC and Star Diamond will terminate, and Star Diamond will release and indemnify RTEC for liabilities arising from or relating to the Project, all in exchange for a Cdn. \$4 million payment from RTEC to Star Diamond. RTEC has agreed that it will provide on Star Diamond's behalf, for up to five years following closing, letters of credit in the aggregate amount of no more than Cdn. \$9.9 million to secure certain environmental remediation and reclamation obligations related to the Project. Star Diamond will be obliged to repay any amounts drawn on these letters of credit and such repayment obligations will be secured against the Project and its assets.

Completion of the transactions contemplated by the Agreement is subject to various closing conditions including receipt of all required Governmental approvals and the approval of the Toronto Stock Exchange for the issuance of additional common shares of Star Diamond to RTEC.

A copy of the Agreement will be available under Star Diamond's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on Star Diamond's website at [www.stardiamondcorp.com](http://www.stardiamondcorp.com). The summary of the Agreement outlined above is qualified in its entirety by the full text of the Agreement, and reference should be made to the Agreement for its full terms and conditions.

### **About Star Diamond Corporation**

Star Diamond is a Canadian-based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Star Diamond trade on the Toronto Stock Exchange under the trading symbol "DIAM". Star Diamond's most significant asset is its interest in the Fort à la Corne property in central Saskatchewan. These kimberlites are located in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

### **About Rio Tinto**

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and New York Stock Exchange listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange. Rio Tinto's business is finding, mining, and processing mineral resources. Major products are iron ore, aluminium, copper, molybdenum, gold, and industrial minerals (borate, titanium dioxide and salt). Activities span the world and are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe, and southern Africa.

### ***Caution Regarding Forward-looking Statements***

This press release contains "forward-looking statements" and/or "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements. The use of any of the words "anticipate", "plan", "aim", "target", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "possible", "capable" and similar expressions are intended to identify "forward-looking statements. Forward-looking statements in this press release include, but are not limited to, expectations regarding the completion of the transactions that are the subject of the Agreement and the Project's potential to be a significant contributor to both the local communities and the broader Saskatchewan economy.

These forward-looking statements are based on Star Diamond's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings and the additional risks described in Star Diamond's most recently filed Annual Information Form, annual and interim MD&A.

Although management of Star Diamond considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to Star Diamond, those assumptions may prove to be incorrect. When making decisions with respect to Star Diamond, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events.

Star Diamond is not affirming or adopting any statements attributed to Rio Tinto in this release or made by Rio Tinto outside of this release. Star Diamond does not undertake any obligation to release publicly revisions to any forward-looking statement to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at investors' own risk.

For further information: [stardiamondcorp@stardiamondcorp.com](mailto:stardiamondcorp@stardiamondcorp.com) or (306) 664-2202  
**[www.stardiamondcorp.com](http://www.stardiamondcorp.com)**

**EXHIBIT H**

Attached to and forming part of  
an Exit Agreement between  
Rio Tinto Exploration Canada Inc. and Star Diamond Corporation

**SDC CLOSING NEWS RELEASE**

[see attached]

**NEWS RELEASE**

TSX: DIAM

[Date]

Saskatoon, Saskatchewan

**STAR DIAMOND CORPORATION COMPLETES ACQUISITION  
OF RIO TINTO'S 75% INTEREST IN FORT À LA CORNE JOINT VENTURE**

SASKATOON, Saskatchewan, [Date] – Star Diamond Corporation (“**Star Diamond**”) today announced the completion of its previously announced transaction (the “**Transaction**”) with Rio Tinto Exploration Canada Inc. (“**RTEC**”) whereby RTEC has transferred to Star Diamond all of RTEC’s 75% interest in the Fort à la Corne diamond project located in central Saskatchewan (the “**Project**”). Star Diamond now owns 100% of the Project.

In connection with the completion of the Transaction, Star Diamond today issued • common shares to •, such that RTEC [and its affiliates] now own[s] 19.9% of Star Diamond’s issued and outstanding common shares. RTEC and Star Diamond also today entered into an investor rights agreement (the “**Investor Rights Agreement**”) whereby, among other things, RTEC has been granted certain pre-emptive rights to maintain its 19.9% ownership interest in Star Diamond in connection with future financings undertaken by Star Diamond, and RTEC has agreed to certain standstill protections provided that RTEC has the right to increase its 19.9% ownership position in the event that Star Diamond receives an acquisition proposal.

The Transaction was completed pursuant to an agreement (the “**Agreement**”) dated November •, 2023 previously jointly announced by Star Diamond and RTEC. Copies of the Agreement and the Investor Rights Agreement are available under Star Diamond’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on Star Diamond’s website at [www.stardiamondcorp.com](http://www.stardiamondcorp.com).

**About Star Diamond Corporation**

Star Diamond is a Canadian-based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Star Diamond trade on the Toronto Stock Exchange under the trading symbol “DIAM”. Star Diamond’s most significant asset is its 100% interest in the Fort à la Corne property in central Saskatchewan. These kimberlites are located in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

**Caution Regarding Forward-looking Statements**

This press release contains "forward-looking statements" and/or "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements. The use of any of the words “anticipate”, “plan”, “aim”, “target”, “contemplate”, “continue”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “forecast”, “pursue”, “potential”, “possible”, “capable” and similar expressions are intended to identify "forward-looking statements".

These forward-looking statements are based on Star Diamond's current beliefs as well as assumptions made by and information currently available to Star Diamond and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, the impact

of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings and the additional risks described in Star Diamond's most recently filed Annual Information Form, annual and interim MD&A.

Although management of Star Diamond considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to Star Diamond, those assumptions may prove to be incorrect. When making decisions with respect to Star Diamond, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events.

Star Diamond does not undertake any obligation to release publicly revisions to any forward-looking statement to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at investors' own risk.

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