

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

(Applicant)

**APPLICATION RECORD
(Returnable December 7, 2021)**

December 6, 2021

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Barristers & Solicitors
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Lawyers for the Applicant

Court File No. _____

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TAB 1

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, C. C 36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HARTE
GOLD CORP.**

(Applicant)

NOTICE OF APPLICATION

TO THE RESPONDENT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing on December 7, 2021, at 11:30 a.m., via video-conference due to the COVID-19 pandemic. The videoconference details can be found in Schedule "A" to this Notice of Application. Please advise William Rodier-Dumais if you intend to join the hearing of this motion by emailing wrodierdumais@stikeman.com.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyers or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, AN ORDER MAY BE MADE IN YOUR ABSENCE AND WITHOUT FUTURE NOTICE TO YOU. If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contacting a Local Legal Aid Office.

Date: December ____, 2021

Issued by _____
Local registrar

Address of 330 University Avenue, 9th Floor,
court office: Toronto, Ontario M5G 1E6

APPLICATION¹

THE APPLICANT MAKES THIS APPLICATION FOR:

1. A first day initial order (the “**First Day Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), substantially in the form attached at Tab 2 of the Applicant’s application record (the “**Application Record**”), *inter alia*:

- (a) declaring that the Applicant, Harte Gold Corp. (“**Harte Gold**”), is a debtor company to which the CCAA applies;
- (b) staying all proceedings and remedies taken or that might be taken against or in respect of Harte Gold, any of its Property (as defined below) or business, or its director and officers, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the “**Stay**”), for an initial period of ten (10) days in accordance with the CCAA (the “**Stay Period**”);
- (c) appointing FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) as the monitor of Harte Gold in these proceedings (the “**CCAA Proceedings**”);
- (d) approving the execution by Harte Gold of a DIP Facility Loan Agreement (the “**DIP Financing Agreement**”) entered into on December 6, 2021 with 1000025833 Ontario Inc. (“**833 Ontario**”), a wholly owned subsidiary of Silver Lake Resources Limited (“**Silver Lake**”), pursuant to which 833 Ontario (in such capacity, the “**DIP Lender**”) has agreed to advance to Harte Gold a total amount of up to \$10.8 million (the “**DIP Facility**”), which will be made available to Harte Gold during these CCAA Proceedings, of which an initial amount of \$400,000 will be advanced to Harte Gold during the initial 10-day Stay Period (the “**Initial Advance**”), and granting in favour of the DIP Lender a priority charge against the assets, property and undertakings (the “**Property**”) of Harte Gold in order to secure Harte Gold’s obligations under the DIP Financing Agreement (the “**DIP Lender’s Charge**”);
- (e) granting an “**Administration Charge**” against the Property in an initial amount of \$500,000, as security for the payment of the professional fees and

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the affidavit of Frazer Bouchier sworn on December 6, 2021.

disbursements incurred and to be incurred by the Proposed Monitor counsel to the Proposed Monitor, counsel to the Company and counsel to the Company's directors and officers, in connection with the CCAA Proceedings both before and after the making of the Initial Order;

- (f) granting a "**Directors Charge**" against the Property in a maximum amount of \$2,400,000 in favour of the directors and officers of Harte Gold, as security for that the Company's obligation to indemnify such directors and officers for obligations and liabilities they may incur in such capacities after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct; and
- (g) ordering the sealing of Exhibit "AA" filed in support of the Affidavit of Frazer Bouchier sworn December 6, 2021;

2. Prior to the expiry of the Stay Period, on a further motion on notice to affected parties that will take place before the Court on December 16, 2021 (the "**Comeback Hearing**"), Harte Gold will also seek:

- (a) an amended and restated initial order (the "**ARIO**", together with the First Day Order, the "**Initial Order**"), among other things:
 - (i) extending the Stay to January 31, 2022; and
 - (ii) increasing the amounts which may be borrowed by Harte Gold under the DIP Financing Agreement to \$10,800,000, which, together with the other obligations of Harte Gold under the DIP Financing Agreement will be secured by the DIP Charge; and
 - (iii) increasing the amount of the Administration Charge to \$1,500,000.
- (b) an order (the "**SISP Order**"), among other things:

- (i) approving, nunc pro tunc, Harte Gold's execution of the Subscription Agreement dated December 6, 2021 (the "**Stalking Horse Agreement**") with 833 Ontario (in such capacity, the "**Stalking Horse Bidder**"), pursuant to which the Stalking Horse Bidder has agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of a sale and investment solicitation process (the "**SISP**") to be undertaken within the CCAA Proceedings, and (ii) if the Stalking Horse Bidder is determined to be the "Successful Bidder" in the context of the SISP, to subscribe for and purchase from Harte Gold, the Subscribed Shares (as defined below), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests in Harte Gold being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of Harte Gold (the "**Stalking Horse Transaction**");
- (ii) authorizing Harte Gold to use the Stalking Horse Agreement as the "stalking horse bid" in the SISP (the "**Stalking Horse Bid**"); and
- (iii) approving the conduct of the SISP by Harte Gold, with the assistance of the Monitor, in accordance with the procedures further described herein (the "**SISP Procedures**").

3. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS APPLICATION ARE:

General

4. The Application is filed in a context where Harte Gold has made various efforts over the course of the past few years and, most recently, over the past several months, to restructure or refinance its debt obligations to address its liquidity challenges;

5. In May 2021, Harte Gold commenced a strategic review process to explore, review and evaluate a broad range of strategic alternatives focused on ensuring its financial liquidity and to fund accelerated life-of-mine capital, including the potential restructuring of its long-term debt. As part of these initiatives, Harte Gold established a Strategic Committee and, subsequently, a Special Committee (formed of independent directors) to support

management in evaluating all strategic alternatives, and in navigating through the strategic review process. Harte Gold also initiated a sale and investment solicitation process as part of which Harte Gold solicited offers from potentially interested parties (the “**Pre-Filing Strategic Process**”) with the assistance of FTI;

6. On December 6, 2021, after having engaged with certain interested parties, including in the context of the Pre-Filing Strategic Process, and evaluating the various alternatives available to the Company with the assistance of financial and legal advisors, Harte Gold determined that the best path to maximize value for stakeholders and preserve the Company as a going-concern was to enter into the Stalking Horse Bid with 833 Ontario, as the Stalking Horse Bidder;

7. The Stalking Horse Bid provides significant certainty for Harte Gold and its stakeholders when entering these CCAA Proceedings while also allowing Harte Gold to conduct the SISF in accordance with the SISF Procedures in order to, ultimately, implement the highest value or otherwise best available transaction in respect of its business and/or assets; The Stalking Horse Bid or any other higher or better transaction will facilitate a restructuring of the Company’s capital structure and allow for much needed capital investment in the Company’s primary mining project – the “Sugar Zone Property”. In connection with these CCAA Proceedings, the Company has also secured a DIP Facility with 833 Ontario, as DIP Lender, that will allow the Company to maintain its operations while it conducts the SISF under the supervision of the proposed Monitor and this Court;

8. As at the date of this Application, the Applicant is insolvent and is an entity to which the CCAA applies;

9. The claims against the Applicant exceed \$5 million;

10. The Applicant is facing a liquidity crisis caused by several operational challenges. These challenges have resulted in revenue shortfalls and, with a mostly fixed operating cost base and significant debt repayment obligations, corresponding liquidity challenges;

11. The Applicant requires the protection of this Court in order to avoid serious harm and material prejudice, and ultimately allow it to pursue the SISF in accordance with the SISF Procedures which the Applicant is seeking this Court’s approval;

Stay of Proceedings

12. The Applicant requires a Stay as part of the First Day Order for an initial period of ten (10) days, which it intends to seek the extension thereof at the Comeback Hearing;

13. This Stay is necessary and in the best interests of the Applicant and its stakeholders as it will allow the Applicant to stabilize its operations, allow it to continue operating in the ordinary course, to complete and implement the SISP, which will ultimately preserve and maximize the value of the Applicant's estate for their secured creditors and other stakeholders;

14. The pursuit and continuation of the SISP will allow the Applicant to determine whether an offer superior to the one set out in the Stalking Horse Agreement can be obtained in respect of their assets, for the benefit of their creditors and other stakeholders;

Appointment of FTI as Monitor

15. FTI has consented to act as the Court-appointed Monitor of the Applicant, subject to Court approval;

16. FTI is a trustee within the meaning of section 2 of the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended (the "BIA") and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA;

17. FTI has extensive experience in matters of this nature, including in auctions with a stalking horse component and going-concern share purchase acquisitions in the context of the CCAA, and is therefore well-suited to this mandate;

DIP Financing Agreement & DIP Charge

18. The Cash Flow Statement prepared by the Applicant and reviewed by the proposed Monitor indicates that the Applicant expects the need for interim financing to fund these CCAA proceedings and the SISP, including during the initial ten (10)-day Stay Period;

19. In connection with the commencement of these CCAA proceedings, the Applicant entered into the DIP Financing Agreement with the DIP Lender, pursuant to which the DIP Lender has agreed to provide the DIP Facility to the Applicant in the maximum principal amount of \$10,800,000;

20. The Applicant requires this debtor-in-possession financing to, inter alia, finance its working capital requirements and other general corporate purposes, post-filing expenses, and costs during the Stay;

21. Limited authorization to draw upon the DIP Facility is necessary for the continued operations of the Applicant in the ordinary course of business during the initial period of the Stay as shown by the Cash Flow Statement;

22. The DIP Facility is conditional upon, among other things, the obtaining of an order of this Court approving the DIP Financing Agreement and other documents to be executed and delivered thereunder, as necessary, and granting the DIP Charge over the Applicant's Property;

23. The DIP Facility is conditional upon, among other things, the obtaining of an order of this Court approving the DIP Financing Agreement and other documents to be executed and delivered thereunder, as necessary, and granting the DIP Charge over the Applicant's Property;

Administration Charge and D&O Charge

24. In addition to the foregoing, the Applicant is seeking the Court's approval of an Administration Charge and a Directors' Charge as part of the First Day Order in order to secure, respectively, the professional services required to complete this CCAA proceeding, ensure the continued assistance and oversight of the Applicant's directors and officers, maintain the Applicant's continued operation in the ordinary course of business during the Stay, and complete and implement the SISF;

25. The relief sought in the First Day Order, including in respect of the aforementioned charges, is limited to what is reasonably necessary during the initial period of the Stay;

Sealing Provision

26. As part of the First Day Order, the Applicant seeks an order sealing **Exhibit "AA"** to the Bouchier Affidavit, containing a comparison table which compares the proposals for interim financing offered to the Applicant by 833 Ontario and by Appian.

27. Since such comparison table contains information relating to a DIP financing proposal which was submitted to it by Appian but which was ultimately not entered into, the Applicant believes that it would be appropriate to keep such comparison table confidential as it such may contain commercially sensitive information, including with respect to a third party.

28. No party will be prejudiced by the sealing of such confidential exhibit.

Other Grounds

29. The provisions of the CCAA, including s. 11, 11.001, 11.02(1) thereof;

30. The provisions of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, including rules 2.03, 3 and 16 thereof; and

31. Such further and other grounds as counsel may advise and this Honourable Court may permit.

32. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this application:

- (a) the Affidavit of Frazer Bouchier, sworn December 6, 2021;
- (b) the consent of FTI to act as Monitor;
- (c) the Pre-Filing Report of the proposed Monitor; and
- (d) such further and other evidence as counsel may advise and this Honourable Court may permit.

December 6, 2021

STIKEMAN ELLIOTT LLP
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Toronto, Canada M5L 1B9

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Lawyers for the Applicant

SCHEDULE "A"

Zoom Particulars

Time: Dec 7, 2021 11:30 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/89543323715?pwd=Y2RiYjd2bUFUTEE2QUZ2ci81YjZwdz09>

Meeting ID: 895 4332 3715

Passcode: 558047

One tap mobile

+14388097799,,89543323715#,,,,*558047# Canada

+15873281099,,89543323715#,,,,*558047# Canada

Dial by your location

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 204 272 7920 Canada

Meeting ID: 895 4332 3715

Passcode: 558047

Find your local number: <https://us02web.zoom.us/u/ktfDENFWE>

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C
36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF HARTE GOLD CORP.

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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199 Bay Street
Toronto, Canada M5L 1B9

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Lawyers for the Applicant

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

(Applicant)

**AFFIDAVIT OF FRAZER BOURCHIER
(Sworn December 6, 2021)**

I, Frazer Bouchier, of the City of Aurora, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of Harte Gold Corp. ("**Harte Gold**" or the "**Company**") and a member of its board of directors and have occupied such positions since September 21, 2020.
2. In this capacity, I am responsible for overseeing the operations of Harte Gold, its liquidity management and, ultimately, for assisting it in its restructuring process. As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. The facts stated in this Affidavit are based on my personal knowledge of Harte Gold and its business and affairs, my review of its books and records, press releases and public filings, as well as information received from other individuals, such as directors, officers and/or employees of Harte Gold, as necessary. Where I have relied upon information from others, I have stated the source of such information and I believe the information to be true.
3. All references to currency in this Affidavit are references to Canadian dollars, unless otherwise indicated.

I. OVERVIEW

4. This Affidavit is sworn in support of an application (the "**Application**") returnable before the Ontario Superior Court of Justice (Commercial List) (the "Court") on December 7, 2021 (the "**Initial Hearing**") to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of Harte Gold pursuant to an initial order (the "Initial Order") in the form contained in the Application Record, among other things:

- (a) abridging the time for service of the Application and the materials filed in support thereof, and dispensing with further service thereof;
- (b) declaring that Harte Gold is a debtor company to which the CCAA applies;
- (c) staying all proceedings and remedies taken or that might be taken against or in respect of Harte Gold, any of its Property (as defined below) or business, or its director and officers, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the "**Stay**"), for an initial period of ten (10) days in accordance with the CCAA (the "**Stay Period**");
- (d) appointing FTI Consulting Canada Inc. ("FTI" or the "Proposed Monitor") as the monitor of Harte Gold in these proceedings (the "CCAA Proceedings");
- (e) approving the execution by Harte Gold of a DIP Facility Loan Agreement (the "DIP Financing Agreement") entered into on December 6, 2021 with 1000025833 Ontario Inc. ("**833 Ontario**"), a wholly owned subsidiary of Silver Lake Resources Limited ("**Silver Lake**"), pursuant to which 833 Ontario (in such capacity, the "**DIP Lender**") has agreed to advance to Harte Gold a total amount of up to \$10.8 million (the "**DIP Facility**"), which will be made available to Harte Gold during these CCAA Proceedings, of which an initial amount of \$400,000 will be advanced to Harte Gold during the initial 10-day Stay Period (the "**Initial Advance**"), and granting in favour of the DIP Lender a priority charge against the assets, property and undertakings (the "**Property**") of Harte Gold in order to secure Harte Gold's obligations under the DIP Financing Agreement (the "**DIP Lender's Charge**");
- (f) granting an "**Administration Charge**" against the Property in an initial amount of \$500,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposed Monitor counsel to the Proposed Monitor, counsel to the Company and counsel to the Company's directors and officers, in connection with the CCAA Proceedings both before and after the making of the Initial Order;
- (g) granting a "**Directors Charge**" against the Property in a maximum amount of \$2,400,000 in favour of the directors and officers of Harte Gold, as security for that the Company's obligation to indemnify such directors and officers for

obligations and liabilities they may incur in such capacities after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

5. Prior to the expiry of the Stay Period, on a further motion on notice to affected parties that will take place before the Court on December 16, 2021 (the “**Comeback Hearing**”), Harte Gold intends to seek:

(a) an amended and restated initial order (the “**ARIO**”), among other things:

(i) extending the Stay Period until January 31, 2022;

(ii) increasing the amounts which may be borrowed by Harte Gold under the DIP Financing Agreement to \$10,800,000, which, together with the other obligations of Harte Gold under the DIP Financing Agreement will be secured by the DIP Charge; and

(iii) increasing the amount of the Administration Charge to \$1,500,000;

(b) an order (the “**SISP Order**”), among other things:

(i) approving, *nunc pro tunc*, Harte Gold's execution of the Subscription Agreement dated December 6, 2021 (the “**Stalking Horse Agreement**”) with 833 Ontario (in such capacity, the “**Stalking Horse Bidder**”), pursuant to which the Stalking Horse Bidder has agreed, among other things, to: (i) act as a “stalking horse bidder” in the context of a sale and investment solicitation process (the “**SISP**”) to be undertaken within the CCAA Proceedings, and (ii) if the Stalking Horse Bidder is determined to be the “Successful Bidder” in the context of the SISP, to subscribe for and purchase from Harte Gold, the Subscribed Shares (as defined below), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests in Harte Gold being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of Harte Gold (the “**Stalking Horse Transaction**”);

- (ii) authorizing Harte Gold to use the Stalking Horse Agreement as the “stalking horse bid” in the SISP (the “**Stalking Horse Bid**”); and
- (iii) approving the conduct of the SISP by Harte Gold, with the assistance of the Monitor, in accordance with the procedures further described herein (the “**SISP Procedures**”).

6. The Application is filed in a context where Harte Gold has made various efforts over the course of the past few years and, most recently, over the past several months, to restructure or refinance its debt obligations to address its liquidity challenges. As further described in this Affidavit, in May 2021, Harte Gold commenced a strategic review process to explore, review and evaluate a broad range of strategic alternatives focused on ensuring its financial liquidity and to fund accelerated life-of-mine capital, including the potential restructuring of its long-term debt. As part of these initiatives, Harte Gold established a Strategic Committee and, subsequently, a Special Committee (formed of independent directors) to support management in evaluating all strategic alternatives, and in navigating through the strategic review process. Harte Gold also initiated a sale and investment solicitation process as part of which Harte Gold solicited offers from potentially interested parties (the “**Pre-Filing Strategic Process**”) with the assistance of FTI.

7. On December 6, 2021, after having engaged with certain interested parties, including in the context of the Pre-Filing Strategic Process, and evaluating the various alternatives available to the Company with the assistance of financial and legal advisors, Harte Gold determined that the best path to maximize value for stakeholders and preserve the Company as a going-concern was to enter into the Stalking Horse Bid with 833 Ontario, as the Stalking Horse Bidder. The Stalking Horse Bid provides significant certainty for Harte Gold and its stakeholders when entering these CCAA Proceedings while also allowing Harte Gold to conduct the SISP in accordance with the SISP Procedures in order to, ultimately, implement the highest value or otherwise best available transaction in respect of its business and/or assets. The Stalking Horse Bid or any other higher or better transaction will facilitate a restructuring of the Company’s capital structure and allow for much needed capital investment in the Company’s primary mining project – the Sugar Zone Property (as defined below). In connection with these CCAA Proceedings, the Company has also secured a DIP Facility with 833 Ontario, as DIP Lender, that will allow the Company to maintain its operations while it conducts the SISP under the supervision of the proposed Monitor and this Court.

II. DESCRIPTION OF THE COMPANY

A. Corporate Structure

8. Harte Gold is a public company based in Toronto, Ontario, which was incorporated under the *Business Corporations Act* (Ontario) (“**OBCA**”) on January 22, 1982 under the name “*Harte Resources Company*”, which was subsequently changed to “*Harte Gold Corp.*” on December 31, 2003. Harte Gold has no subsidiaries.

B. Capital Structure

9. Harte Gold is a reporting issuer in the Provinces of Ontario, New Brunswick, Saskatchewan, Alberta, and British Columbia and its common shares (the “**Common Shares**”) are traded on:

- (a) The Toronto Stock Exchange (“**TSX**”) under the symbol “*HRT*”;
- (b) The Frankfurt Stock Exchange under the symbol “*H4O*”; and
- (c) Over the counter between market participants under the symbol “*HRTFF*”.

10. As of September 30, 2021:

- (a) 1,076,643,476 Common Shares of Harte Gold were issued and outstanding, all of which were and remain fully paid and non-assessable;
- (b) 50,179,210 stock options to acquire Common Shares of Harte Gold had been granted to its directors, officers, employees and/or consultants, all of which were and remain outstanding;
- (c) 10,299,592 deferred share units had been granted to non-executive directors of Harte Gold, all of which were and remain outstanding;
- (d) 18,946,947 restricted share units had been granted to employees and officers of Harte Gold, all of which were and remain outstanding; and
- (e) 96,567,431 warrants to acquire Common Shares of Harte Gold had been granted, all of which were and remain outstanding.

11. To the best of my knowledge, as at the date of this Affidavit, no person or company beneficially owned, controlled or directed, directly or indirectly, voting securities carrying 10% or

more of the voting rights attached to all issued and outstanding voting securities of Harte Gold, other than:

- (a) ANR Investments B.V (“**Appian**”) which is owned by Appian Natural Resources Fund, L.P., Appian Natural Resources (UST) Fund, L.P. and Appian Natural Resources Fund (NV), L.P.; and
- (b) New Gold Inc. (“**New Gold**”).

12. As of November 30, 2021:

- (a) Appian, directly and indirectly, owned more than 26 % of the outstanding Common Shares of Harte Gold; and
- (b) New Gold owned approximately 14% of the outstanding Common Shares of Harte Gold.

13. As for the directors and senior officers of Harte Gold, as at November 30, 2021, as a group, they beneficially owned directly or indirectly, or exercised control or direction over less than two percent (2%) of the outstanding Common Shares of Harte Gold.

14. The following table sets forth the high, low and trading volume of the Common Shares on the TSX for the past twelve (12) months:

| Period | High (\$) | Low (\$) | Volume |
|-------------------|-----------|----------|-------------|
| January 1, 2021 | 0.18 | 0.12 | 17,675,700 |
| February 1, 2021 | 0.16 | 0.14 | 10,521,500 |
| March 1, 2021 | 0.18 | 0.12 | 18,969,700 |
| April 1, 2021 | 0.17 | 0.14 | 6,153,500 |
| May 1, 2021 | 0.16 | 0.10 | 15,961,100 |
| June 1, 2021 | 0.12 | 0.08 | 10,719,500 |
| July 1, 2021 | 0.10 | 0.05 | 38,020,400 |
| August 1, 2021 | 0.08 | 0.06 | 10,532,000 |
| September 1, 2021 | 0.07 | 0.05 | 11,614,600 |
| October 1, 2021 | 0.07 | 0.05 | 10,629,500 |
| November 1, 2021 | 0.06 | 0.02 | 100,992,200 |
| December 1, 2021 | 0.02 | 0.0175 | 2,897,700 |

15. Since the date of its formation, Harte Gold has not declared or paid any dividends on its Common Shares, having preferred to retain its earnings, whenever available, to finance the growth and development of its business.

C. Business and Operations

16. Harte Gold has only one operation, a gold mining operation (the “**Sugar Zone Mining Operation**”) located on the Dayohessarah Greenstone Belt in northern Ontario, within the Sault Ste. Marie Mining Division, approximately 30 km north of the town of White River (the “**Sugar Zone Property**”).

17. The Sugar Zone Mining Operation includes a process plant (the “**Process Plant**”) which was commissioned in November 2018 and which produces gold doré bullion and gold flotation concentrate through gravity concentration and flotation circuits, respectively. The Process Plant production rate capacity is currently 800 tonnes per day.

18. Harte Gold is a party to several contracts for the transportation and refining of its gold production, pursuant to which the refiner credits the refined gold and silver to Harte Gold’s account, where it then becomes available for sale.

19. Harte Gold sells approximately 15% its gold production into the market at spot related prices, with its remaining gold production sold pursuant to the Offtake Agreements defined and described below. The proceeds from these sales of gold production into the market are credited to Harte Gold’s account upon delivery of the gold to the counterparty. There are a large number of gold purchasers available worldwide and, as a result, Harte Gold is not dependent upon the sale of gold to any one customer.

D. Harte Gold’s Offtake Agreements

20. Approximately 51% of Harte Gold’s production is subject to the following offtake agreements (collectively, the “**Offtake Agreements**”) pursuant to which Harte Gold agreed to sell and deliver gold to the counterparties to these Offtake Agreements in exchange for certain purchase prices to be determined in accordance a pricing formula set out therein:

- (a) An Offtake Agreement between Harte Gold, as seller, and OMF Fund II SO Ltd. (and each of the other purchasers, from time to time, party thereto), as purchasers (“**Orion**”) and OMF Fund II SO Ltd., as purchasers’ agent dated December 29, 2017 (the “**Orion Offtake Agreement**”), a copy of which is attached hereto as **Exhibit “A”**;

- (b) An Offtake Agreement between Harte Gold, as seller, and Appian, as purchaser, dated January 9, 2018, a copy of which is attached hereto as **Exhibit “B”**; and
- (c) An Offtake Agreement between Harte Gold, as seller and Appian, as purchaser dated July 14, 2020, a copy of which is attached hereto as **Exhibit “C”**.

21. More specifically, the Offtake Agreements each provide for a pricing formula that allows the purchasers thereunder to select between certain specific prices quoted by the London Bullion Market Association (the “**LBMA**”) within a period commencing three business days before and ending three business days after a given delivery date.

22. This pricing formula has negatively impacted Harte Gold’s revenues by about \$350,000 in 2020 and \$760,000 for the period between January to September 30, 2021, in comparison with the revenues which Harte Gold could have generated had its gold production been sold in the open market. As such, following the commencement of these CCAA Proceedings, Harte Gold intends to suspend delivering gold under the Offtake Agreements in order to mitigate such negative impact on its revenues and cash-flow.

23. In addition to the Offtake Agreements, Harte Gold has entered into a contract with Glencore Canada Corporation (“**Glencore**”) to sell gold concentrate to Glencore’s Horne Smelter in Rouyn, Québec. The term of the contract runs until 2030 and is cancellable any time after on giving with six months’ notice. Glencore purchases the gold concentrates on arrival at the Horne Smelter at the market gold price less treatment and refining charges. The gold price is based on the gold price quoted by the LBMA.

E. The Sugar Zone Property

24. The Sugar Zone Property, which is Harte Gold’s only material mining property,¹ is located on the Dayohessarah Greenstone Belt in northern Ontario, within the Sault Ste. Marie Mining Division, approximately 30 km north of the town of White River.

25. The Sugar Zone Property is situated in a prolific area of Canadian gold production that is surrounded by four producing mines that have produced over 30 million ounces of gold cumulatively since inception. Below is a map indicating the location of the Sugar Zone Property.

¹, Harte Gold also owns a property in White River (the “**White River Property**”) which was acquired on July 19, 2017. In connection with the acquisition the vendors took back a mortgage of \$525,000 secured by the property, repayable in 5 equal annual principal payments. Interest is payable semi-annually at a rate of 4% per annum. Principal of \$105,000 remains payable to the vendors in 2022.



26. The Sugar Zone Property, which is 81,287 ha and consists of 69 boundary cell claims, 43 single cell claims, 197 multi-cell claims and 4 mining leases (comprising 1,467.26 ha), has a history of significant exploration that has been undertaken intermittently since 1969, with the majority of the exploration work having been done in the vicinity of Dayohessarah Lake and the Sugar Zone area following the discovery of the Hemlo Gold Deposit in 1981. Hemlo Gold Mines Inc. discovered the gold deposit in the area of the Sugar Zone Property by surface prospecting in 1991, followed by trenching and diamond drilling between 1991 and 1994. The Sugar Zone Property was then explored by the Corona Gold Corporation & Harte Gold's Joint Venture between 1998 and 2009 and subsequently by Harte Gold after 2010.

27. To date there have been 972 holes drilled for a total of 355,593 meters on the Sugar Zone Property. Harte Gold completed a 70,000-tonne underground bulk sampling program on the Sugar Zone Property in 2017. The program included approximately 960 meters of ramp development and 634 meters of horizontal drifting in mineralization on five levels at 15 meters vertical spacing, to provide drilling access for long hole mining. A total of 15 stopes were mined from development work completed at 375, 360, 345, 330 and 315 meters above sea levels.

28. In addition, an extensive sampling and grade control program was completed which included chip, miner rock, crusher rock and truck rock sampling. Toll processing of the bulk sample was completed at Barrick's Williams Mine process plant located in the Hemlo camp.

29. In September 2018, all commercial production permits were issued and the construction of the Process Plant and the transition to electric grid power were completed. The first gold bar

was poured in October 2018, and the commissioning of the Process Plant was completed in early November 2018, concurrently with the completion of the first production blast.

30. There are three (3) net smelter royalties (“**NSR**”) associated with the Sugar Zone Property, granted in favour of the following persons:

- (a) 2.0% NSR held by Lloyd Halverson, John E. Ternowesky, Ernie Beaven, Eino Ranta, the Estate of Omer L. Belisle, Broad Horizons Trust, and Broad Horizons Inc., granted on July 10, 1998;
- (b) 1.5% NSR held by 2729992 Ontario Corp. (the “**2729992**”) (an affiliate of Appian) granted on December 18, 2019; and
- (c) 0.5% NSR held by 2729992 granted on July 17, 2020.

31. The Company is unaware of any material environmental issues at the Sugar Zone Property and the Company maintains required permits and licenses to conduct the mining activities at the Sugar Zone Property.

F. Directors and Officers

32. Below is a table listing the directors and officers of Harte Gold (the “**D&Os**”) as at the date of this Affidavit:

| BOARD OF DIRECTORS | |
|---------------------------|--|
| Name | Position & Date of Appointment |
| Joseph Conway | Chairman (member of the Strategic Committee & Special Committee) |
| Frazer Bouchier | Director, President and Chief Executive Officer |
| Douglas Cater | Director (member of the Strategic Committee & Special Committee) |
| Samuel T. Coetzer | Director |
| MANAGEMENT TEAM | |
| Name | Position & Date of Appointment |
| Frazer Bouchier | Director, President and Chief Executive Officer |
| Graham du Preez | Executive Vice President and Chief Financial Officer |
| Shawn Howarth | Vice President, Corporate Development |
| Karen Walsh | Vice President, People and Organizational Development |

33. Up until recently, Appian had appointed three (3) nominees (Michael Scherb, Geoffrey Cohen and Igor Gonzales) to sit on the board of directors of Harte Gold. However, on July 19, 2021, following the commencement of the Pre-Filing Strategic Process, all of the nominees of Appian resigned as directors of Harte Gold.

G. Employees

34. As at November 30, 2021, Harte Gold employed a total of 260 employees on payroll, as well as 19 employees retained through various agencies as appears from the table below:

| LOCATION | FULL-TIME EMPLOYEES (ON PAYROLL) | FIXED-TERM EMPLOYEES (ON PAYROLL) | PART-TIME EMPLOYEE (ON PAYROLL) | AGENCY/ CONTRACTUAL EMPLOYEES | TOTAL |
|----------------------|----------------------------------|-----------------------------------|---------------------------------|-------------------------------|------------|
| Head Office | 11 | 2 | 0 | 2 | 14 |
| Sugar Zone Operation | 242 | 4 | 1 | 17 | 264 |
| Total: | 253 | 6 | 1 | 19 | 279 |

35. None of the above employees are unionized or subject to a collective bargaining agreement.

36. At the time of this Affidavit, Harte Gold is current in the payment of the wages of its employees and intends to remain current until the closing of any transaction resulting from the SISF, which represents a total disbursement of approximately \$1,320,000 bi-monthly, based on the average over the last three (3) months. Accrued vacation pay as at November 30, 2021 (inclusive of accruals carried over from 2020) is approximately \$835,000. Harte Gold intends to pay out all accrued vacation pay on December 15, 2021, in accordance with the existing Company policy.

37. In addition, in an effort to secure the services of certain key employees (the “**Key Employees**”) whose role with the Company was deemed critical to ensure stability during the Pre-Filing Strategic Process and the lead up to these CCAA Proceedings, Harte Gold developed a Key Employee Retention Plan (the “**Pre-Filing KERF**”). Pursuant to the Pre-Filing KERF, the Key Employees were offered certain incentives in order to ensure that they would continue to work for Harte Gold at least for a limited period of time, so as to allow Harte Gold to have the necessary workforce to secure a transaction in respect of its business and/or assets. Furthermore,

in order to ensure that the amounts that would become payable to Key Employees under the Pre-Filing KERP could be paid, on August 13, 2021, Harte Gold established a trust to which an amount of \$1,425,000 was transferred into (the “**Pre-Filing KERP Trust**”). In accordance with the Pre-Filing KERP and the Pre-Filing KERP Trust, the amounts payable thereunder have been paid to the Key Employees on November 30, 2021.

H. Cash Management

38. In the ordinary course of its business, Harte Gold uses a centralized cash management system (the “**Cash Management System**”) to, among other things, collect funds and pay expenses associated with its operations. This Cash Management System provides Harte Gold with the ability to efficiently and accurately track and control corporate funds and to ensure cash availability.

39. As part of this Cash Management System, Harte Golds maintains six (6) bank accounts, which are summarily described below:

- (a) BNP Paribas: Corporate account;
- (b) BNP Paribas: US dollar sales proceeds account; and
- (c) Scotiabank: Corporate account;
- (d) Scotiabank: Deposit account;
- (e) Scotiabank: US dollar account; and
- (f) Scotiabank: Sugar Zone mine account.

40. Harte Gold’s payroll is managed by Ceridian Canada Ltd., which issues direct deposits to its employees on the date payroll is paid.

III. THE COMPANY’S FINANCIAL POSITION

A. Financial Statements

41. Attached to this Affidavit as **Exhibit “D”** and **Exhibit “E”**, respectively, are Harte Gold’s audited financial statements for the fiscal years ended December 31, 2019 and December 31, 2020 (the “**2019-2020 Financial Statements**”).

42. Attached to this Affidavit as **Exhibit “F”** is Harte Gold’s unaudited interim financial statements for the three (3) and nine (9) months ended on September 30, 2021 (the “**2021 Interim Financial Statements**”).

B. Assets

43. As appears from the 2021 Interim Financial Statements, as at September 30, 2021, the assets of Harte Gold had a net book value of approximately \$163,852,000 and consisted of the following:

| ASSETS | (IN THOUSANDS OF \$CAD) |
|-------------------------------|--------------------------------|
| Current assets | |
| Cash and cash equivalents | 11,402 |
| Receivables | 4,753 |
| Inventories | 6,419 |
| Prepays | 1,002 |
| | 23,576 |
| Long term assets | |
| Restricted cash | 1,324 |
| Property, plant and equipment | 138,592 |
| Total: | 163,852 |

C. Liabilities

44. As appears from the 2021 Interim Financial Statements, as at September 30, 2021, the liabilities of Harte Gold had an unaudited book value of approximately \$166,107,000 and consisted of the following:

| LIABILITIES | (IN THOUSANDS OF \$CAD) |
|--|--------------------------------|
| Current liabilities | |
| Accounts payable and accrued liabilities | 15,124 |
| Current portion of debt | 116,182 |
| Current portion of derivative financial instrument | 24,877 |

| | |
|--|----------------|
| Flow-through share premium | 2,178 |
| | 158,361 |
| Long term liabilities | |
| Debt | 2,450 |
| Derivative financial instruments | - |
| Environmental rehabilitation provision | 5,296 |
| Total: | 166,107 |

45. As appears from the above, Harte Gold's current and long-term liabilities both exceed the net book value of its current and long-term assets such that on a balance sheet test, Harte Gold is insolvent.

IV. THE COMPANY'S DEBT STRUCTURE

46. A significant portion of Harte Gold's liabilities consists of its debt, which is further described below.

(a) The BNPP Debt Facilities

47. On June 10, 2019, Harte Gold, as borrower, and BNP Paribas ("**BNPP**"), as lender, entered into a credit agreement (as amended by a first amending agreement dated August 28, 2019, a second amending agreement dated November 19, 2019 and a third amending agreement and waiver dated May 15, 2020, the "**Original BNPP Credit Agreement**"), pursuant to which a revolving and a non-revolving term credit facility (the "**Original BNPP Debt Facilities**") were made available to Harte Gold. A copy of the Original BNPP Credit Agreement is attached hereto as **Exhibit "G"**.

48. On August 28, 2020, Harte Gold, as borrower, and BNPP, as lender, entered into an amended and restated credit agreement (as amended by a first amending agreement dated December 11, 2020, a second amending agreement dated June 8, 2021 and a third amending agreement dated November 17, 2021, the "**Amended and Restated BNPP Credit Agreement**" and collectively with the Original BNPP Credit Agreement, the "**BNPP Credit Agreement**"), in order to amend and restate the provisions of the Original BNPP Agreement and establish credit facilities in favour of Harte Gold (the "**Amended and Restated BNPP Debt Facilities**" and

collectively with the Original BNPP Debt Facilities, the “**BNPP Debt Facilities**”). A redacted copy of the Amended and Restated BNPP Credit Agreement is attached hereto as **Exhibit “H”**. An unredacted version can be made available to the Court if required.

49. The BNPP Debt Facilities now consist of:

- (a) A non-revolving term loan in the principal amount of US\$41 million; and
- (b) A revolving term credit facility in the principal amount of US\$22.0 million.²

50. Pursuant to the terms of the BNPP Credit Agreement:

- (a) Principal repayments under the non-revolving term loan are due quarterly through December 31, 2024 and a mandatory prepayment of the non-revolving term loan from excess cash flow (if any) must be made until an aggregate total of US\$16.7 million has been repaid;
- (b) Amounts outstanding under the revolving term credit facility are due on June 30, 2022; and
- (c) Up to June 30, 2021, interest on the BNPP Debt Facilities accrued at LIBOR plus 3.375% to 4.375% and from July 1, 2021 interest accrued at the US Prime Rate plus 2.375% to 3.375%, dependent on credit ratios. Interest is payable every 3 months in arrears. The weighted average interest rate during the nine months ended September 30, 2021 was 5.75% (nine months ended September 30, 2020 – 5.31%).

51. Harte Gold’s obligations under the BNPP Credit Agreement are secured by a first ranking security interest granted in favour of BNPP on all the present and future assets, property and undertaking of Harte Gold pursuant to:

- (a) A general security agreement dated June 10, 2019 (the “**BNPP GSA**”), a copy of which is attached hereto as **Exhibit “I”**; and
- (b) A demand debenture dated June 10, 2019, granted by Harte Gold in favour of BNPP (the “**BNPP Debenture**”), a copy of which is attached hereto as **Exhibit “J”**.

52. On May 14, 2020, Harte Gold reached an agreement in principle with BNPP on deferral of debt payments under the BNPP Credit Agreement to provide additional financial flexibility for a

² The revolving term credit facility was increased by US\$2 million on November 17, 2021 pursuant to the third amending agreement to the Amended and Restated BNPP Credit Agreement, for a total revolving term credit facility of US\$22.0 million.

restart of its mining operations at the Sugar Zone Property. Principal payments scheduled for June 30, 2020 and September 30, 2020 were deferred freeing up approximately \$4.4 million in near-term liquidity.

53. On June 30, 2021, BNPP agreed to:

- (a) Defer various payments, including the due date of (i) the principal and interest payments under the BNPP Credit Agreement originally scheduled for June 30, 2021, and (ii) the settlement payment under the hedge program originally scheduled for July 2, 2021; and
- (b) Waive compliance with the financial covenants under the BNPP Credit Agreement to July 30, 2021.

54. On July 30, 2021, Harte Gold and BNPP entered into a forbearance agreement (the “**BNPP Forbearance Agreement**”) pursuant to which BNPP agreed, subject to the terms and conditions set out therein, to forbear from exercising its rights and remedies under the BNPP Credit Agreement and the other Finance Documents (as defined in the BNPP Credit Agreement), until the earlier of (i) September 30, 2021 and (ii) the occurrence or existence of any Terminating Event (as defined in the BNPP Forbearance Agreement). A copy of the BNPP Forbearance Agreement is attached hereto as **Exhibit “K”**. The BNPP Forbearance Agreement was subsequently amended on September 30, 2021, October 15, 2021, October 29, 2021, November 17, 2021 and on November 30, 2021, and the current forbearance period provided by the BNPP Forbearance Agreement, as amended, expires on December 6, 2021. Copies of the amendments to the BNPP Forbearance Agreement are attached hereto as **Exhibit “L”**, **Exhibit “M”**, **Exhibit “N”**, **Exhibit “O”** and **Exhibit “P”**.

55. On November 19, 2021, BNPP, as assignor, entered into an Assignment Agreement (the “**BNPP Assignment Agreement**”) with Cue Minerals Pty Ltd. (“**Cue Minerals**”), a wholly owned subsidiary of Silver Lake, on behalf of 833 Ontario, pursuant to which BNPP sold and assigned to Cue Minerals a 100% interest in and to all of BNPP’s rights and obligations under the BNPP Credit Agreement as it relates to the BNPP Debt Facilities, as well as all of BNPP’s rights and obligations as lender under all of the Credit Documents (as defined in the BNPP Credit agreement) as they relate to the BNPP Debt Facilities. A copy of the BNPP Assignment Agreement is attached hereto as **Exhibit “Q”**. However, As set forth further below, the gold hedging agreements as between Harte Gold and BNPP (and described at Section IV(c) below) were *not* assigned to Cue Minerals and BNPP remains party to those agreements as the

administrative and technical agent thereunder. Subsequently, Cue Minerals transferred its rights and obligations under the BNPP Assignment Agreement to 833 Ontario (in its capacity as lender under the BNPP Debt Facilities and related agreements, the “**Pre-Filing First Secured Lender**”).

56. As at the date of this Affidavit, the BNPP Debt Facilities are fully drawn and an aggregate amount of US\$63,000,000, in principal, remains outstanding under the BNPP Credit Agreement.

(b) The Appian Financing

57. On July 14, 2020, Harte Gold entered into a financing agreement (as amended by an amending agreement dated August 28, 2020, the “**Appian Financing Agreement**”) with ANR Investments 2 B.V. (“**ANR 2**”), an affiliate of Appian. For the purposes of preserving sensitive information, a redacted copy of the Appian Financing Agreement is attached hereto as **Exhibit “R”**. An unredacted version can be made available to the Court if required.

58. On August 28, 2020, Harte Gold entered into a facility agreement (the “**Appian Facility Agreement**”) with another affiliate of Appian, AHG Jersey Limited (“**AHG**” and collectively with Appian and ANR 2, the “**Appian Parties**”). A copy of the Appian Facility Agreement is attached hereto as **Exhibit “S”**.

59. Pursuant to the Appian Financing Agreement and the Appian Facility Agreement, the Appian Parties agreed to provide Harte Gold with financing of US\$30 million (the “**Appian Financing**”) to facilitate a restart of the Sugar Zone Mining Operation. The Appian Financing was comprised of the following:

- (a) A private placement of 9,500,000 Series B special shares of Harte Gold (the “**Special Shares**”) at a price of US\$1.00 per Special Share for aggregate gross proceeds of US\$9,500,000 (the “**Private Placement**”), with such Special Shares being automatically converted on closing of the Appian Facility (defined below) into an additional US\$9,500,000 principal amount of the Appian Facility;
- (b) A US\$18.5 million non-revolving credit facility (the “**Appian Facility**”); and
- (c) A 0.5% net smelter return royalty in the Sugar Mine Property to 2729992 (an affiliate of Appian) in exchange for the payment of US\$2.0 million (the “**0.5% NSR**”).

60. In July 2020, Harte Gold closed the Private Placement, which was subsequently converted into the Appian Facility on August 28, 2020.

61. Pursuant to the Appian Financing Agreement, interest on the Appian Facility accrues at a 14% nominal interest rate. Such interest is payable monthly and is settled through the issuance of Common Shares in favour of Appian. It should be noted that pursuant to the Appian Facility Agreement, Harte Gold may incur additional interest expense between 4% and 8% if it fails to achieve or correct certain operational requirements and an additional 5% while an event of default is continuing. The applicable interest rate cannot exceed 22%, even if an event of default and breach of operational requirement occurs at the same time. In 2020, two (2) breaches of operational requirements occurred, leading to an increase in the interest rate to 18% between January 1 and 28, 2021, after which the interest rate reverted to 14%. Further breaches of operational requirements occurred in the three months ended March 31, 2021, and three (3) months ended June 2021, resulting in an increase to the interest rate to 18% between April 1, 2021 and June 6, 2021, and between July 1, 2021 to July 30, 2021, after which the default interest rate applied.

62. In addition to the above, as part of the Appian Financing:

- (a) An arrangement fee (the “**Arrangement Fee**”) was payable by Harte Gold to Appian, which was settled through the issuance of 6,970,844 Common Shares and 7.5 million share purchase warrants (collectively, the “**Upfront Securities**”). Harte Gold also agreed to increase the percentage of gold sold to Appian under its existing offtake agreements from 11.5% of bullion produced to 30%. The fair value of the Upfront Securities on July 14, 2020 was \$1.1 million for the common shares issued and \$0.7 million for the share purchase warrants issued; and
- (b) Harte Gold also agreed that upon maturity of the Appian Facility Agreement, which will occur on June 30, 2023, Harte will pay a fee (the “**Equity Structuring Fee**”) to ANR 2, the amount of which will be determined primarily by the difference in the volume-weighted average price of the Common Shares over the life of the Appian Facility, translated into United States dollars using the average exchange rate over the life of the Appian Facility, compared to US\$0.086 per share. The Equity Structuring Fee is payable in cash or in Common Shares at Harte Gold’s election.

63. Harte Gold’s obligations under the Appian Facility Agreement are secured by the following security agreements:

- (a) A general security agreement in favour of AHG (the “**Appian GSA**”) creating a second-ranking priority interest over all of the present and future personal property

of Harte Gold, including policies of insurance and all proceeds thereunder with respect to all of Harte Gold's property, a copy of which is attached hereto as **Exhibit "T"**; and

- (b) A demand debenture granted by Harte Gold in favour of AHG (the "**Appian Debenture**") in the principal amount of US \$ 55,000,000, creating a second-ranking priority interest, secured by a fixed and specific second priority ranking mortgage and charge of all present and after acquired real and immoveable property of Harte Gold, a copy of which is attached hereto as **Exhibit "U"**;

64. Harte Gold, AHG and BNPP are parties to an intercreditor agreement dated August 28, 2020 (the "**Intercreditor Agreement**") in respect of the above loans and which confirms, among other things, the relative priorities of the parties as detailed above. A copy of the Intercreditor Agreement is attached hereto as **Exhibit "V"**.

65. On August 3, 2021, Harte Gold received a notice of default from the Appian Parties under the Appian Financing Agreement and the Appian Facility Agreement, in which such parties alleged the occurrence of certain defaults citing, *inter alia*, Harte Gold's default under the BNPP Financing Agreement, which would have triggered a cross-default under the Appian Financing Agreement.

66. However, pursuant to the Intercreditor Agreement, AHG is prohibited, without the prior written consent of the Pre-Filing First Secured Lender, from taking any Enforcement Action (as defined in the Intercreditor Agreement) until a minimum of 135 days has passed from the date on which the Appian Parties deliver a notice to BNPP, in its capacity as administrative agent under the BNPP Credit Agreement.

67. As at the date of this Affidavit, the Appian Facility was fully drawn and an aggregate principal amount of US\$28 million remains outstanding in respect thereof.

(c) Gold Hedges

68. Concurrently with, and as required under the BNPP Credit Agreement, Harte Gold entered into a gold hedge program on 79,090 ounces of future production with BNPP, as administrative and technical agent thereunder. Zero cost collar swaps were used for 73,956 ounces, spread over the years 2020 through 2023, of which hedge transactions on 37,806 ounces have matured as of the date of this Affidavit. The other transactions are structured as gold swaps, maturing in the first half of 2024.

69. Harte Gold recognizes the mark-to-market adjustments arising from these hedges as changes in the fair value of derivative financial instruments and settlement of gold derivatives on its balance sheet.

70. As referenced above, BNPP's rights and obligations under the above hedging agreements were not assigned to Cue Minerals or 833 Ontario, and Harte Gold's exposure thereunder amounted to approximately US\$20,000,000 as of November 30, 2021.

D. Balance of Sale on the White River Property

71. On July 19, 2017, Harte Gold acquired a property in White River (i.e. the White River Property), and the vendors took back a mortgage of \$525,000 secured by the property, repayable in five equal annual principal payments of \$105,000 with interest payable semi-annually at a rate of 4.0% per annum.

72. As at the date of this Affidavit, \$105,000 remains owing by Harte Gold under the vendor take back mortgage which is payable in 2022.

V. THE COMPANY'S EFFORTS TO SECURE LIQUIDITY

73. Since 2019, Harte Gold has made numerous efforts to finance the ongoing operation of their business and necessary capital expenditures. In addition to closing the financing transactions with BNPP and the Appian Parties, which are further described above, Harte Gold also proceeded with the following actions and transactions to secure adequate liquidity.

A. Appian Private Placement

74. On June 12, 2019, Harte Gold closed a private placement investment with Appian for the purchase of 10,000,000 series "A" Special Shares (the "**2019 Special Shares**") pursuant to a Subscription, Standby Commitment and Facility Extension Agreement between Appian and Harte Gold (the "**Appian Subscription Agreement**"). The 2019 Special Shares were convertible into Common Shares at a price of \$0.27 per Common Shares. At the time of closing, given that Appian would own in excess of 20% of the Common Shares upon conversion, approval of the shareholders of Harte Gold was required prior to such conversion. The shareholders of Harte Gold approved the conversion on July 4, 2019 and the 2019 Special Shares were converted to 49,177,777 Common Shares on July 25, 2019.

75. Pursuant to the Appian Subscription Agreement, and as consideration for the standby commitment from Appian to provide up to an additional US\$7.5 million in non-equity financing

available at Harte Gold's option, and the extension of the due date on the outstanding bridge loan facility with Appian to coincide with the closing of the financing transaction with BNPP described above, Harte Gold also issued to Appian 5,000,000 Common Share purchase warrants that are exercisable at \$0.27 per Common Share for a period of five years from closing, being June 12, 2024.

B. Flow Through Financings

76. On October 2, 2019, Harte Gold closed an underwritten bought deal for an aggregate of 23,000,000 Common Shares that qualified as “*flow-through shares*” within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the “**ITA**”), including 3,000,000 flow-through shares issued upon the exercise of the over-allotment option in full by the sole underwriter Echelon Wealth Partners, at a price of \$0.30 per flow-through share for aggregate gross proceeds \$6,900,000.

77. In March 2020, Harte Gold issued 168,750,000 Common Shares that also qualified as “*flow-through shares*” within the meaning of subsection 66(15) of the ITA at a price of \$0.16 per flow-through share for aggregate gross proceeds of \$27 million, payable in 2 tranches: (a) the first tranche closed on March 11, 2020 for gross proceeds of \$19.35 million and (b) the second tranche closed on March 19, 2020 for gross proceeds of \$7.65 million.

C. The 2020 BNPP Debt Deferral

78. As previously mentioned, on May 14, 2020, Harte Gold reached an agreement in principle with BNPP on deferral of debt payments under the BNPP Credit Agreement to provide additional financial flexibility for a restart of its mining operations at the Sugar Zone Property. Principal payments scheduled for June 30, 2020 and September 30, 2020 were deferred freeing up approximately \$4.4 million in near-term liquidity.

D. The New Gold Strategic Investment

79. On March 18, 2021, New Gold Inc. (“**New Gold**”) agreed to make a strategic investment in Harte Gold by way of a private placement subscription of 154,940,153 Common Shares at a price of \$0.16 per Common Share, resulting in total gross proceeds of \$24,790,424 and providing New Gold with a 14.9% interest in Harte Gold's pro forma issued and outstanding Common Shares (the “**Strategic Investment**”).

80. The Strategic Investment closed on March 24, 2021, and the net proceeds resulting therefrom were used, in part, to pay the scheduled March 31, 2021 US\$3.3 million debt payment due to BNPP pursuant to the BNPP Credit Agreement.

E. The 2021 BNPP Debt Deferral

81. On February 8, 2021, Harte Gold announced that discussions with BNPP with respect to the deferral of debt payments under the BNPP Credit Agreement were continuing to advance to a point where Harte Gold was optimistic that a mutually agreeable arrangement would be reached with BNPP that would include an amendment to the amortization schedule of principal repayments due in 2021 and 2022, including on June 30, 2021.

82. On March 18, 2021, Harte Gold received a non-binding indicative proposal from BNPP to re-schedule approximately \$50 million of the scheduled amortization payments in 2021 and 2022 under the BNPP Credit Agreement, which would provide Harte Gold with significantly more financial flexibility over the next 2 years. Moreover, the maturity of the BNPP term loan would be extended from June 2024 to June 2025 and the maturity of the BNPP revolving loan would be extended from June 2022 to June 2023.

83. The proposal never resulted in a definitive agreement being reached and, instead, the Company and BNPP entered into the BNPP Forbearance Agreement and related amendments described previously.

VI. THE COMPANY'S FINANCIAL DIFFICULTIES

84. Since late 2018, Harte Gold's main priority has been to: (a) achieve a steady-state of mine production of 800 tonnes per day (tpd), representing about 5,200 ounces of gold per month in 2021, and (b) prepare for a subsequent expansion to 1,200 tpd in 2023. However, the Company has experienced a number of setbacks in achieving these production targets.

85. The onset of the COVID-19 pandemic originally had a significant impact on Harte Gold's operations as on or about March 30, 2020, the Company temporarily suspended its mining operations at the Sugar Zone Property to preserve the health and safety of its workforce and the surrounding communities from the threat of COVID-19. All non-essential work was suspended, including exploration activities and the workforce on site was reduced to critical support staff to ensure underground maintenance, mine safety and environmental stewardship.

86. On June 24, 2020, Harte Gold completed a detailed restart and 18-month operating plan for its mining operations at the Sugar Zone Property (mine activities restarted on July 29, 2020

and the mill restarted on August 5, 2020), however, putting the Sugar Zone Property on care and maintenance as a result of the COVID-19 pandemic resulted in Harte Gold requiring additional and unexpected additional financing to enable it to successfully restart operations and continue as a going concern.

87. Additionally, during 2021, while the Company achieved positive production advances continued in Q1 2021, it also experienced operational challenges (including workforce shortfalls, poor condition of mobile equipment, longer lead times in the delivery of critical components and changes to the mining plan), which resulted in quarterly production growth lower than what was previously forecasted for 2021. As result, the Company's was unable to achieve the above production objectives and the timeline for achieving these objectives was delayed. This shortfall in production is anticipated to result in a revenue shortfall of about \$22 million for 2021.

88. The impact on liquidity due to this loss of this revenue was compounded by the Company's fixed operating cost base, ongoing capital deployment to sustain operations and significant debt repayment obligations. The amount of cashflow with these production setbacks has been generally insufficient to maintain the Company's current capital structure and significant amount of secured debt.

89. Despite the various efforts to maintain liquidity and ultimately restructure its business and operations over the course of the past two years, Harte Gold's operations continue to require significant investment to achieve the above production targets which it is unable to secure with its current capital structure, thereby resulting in serious liquidity and financial challenges.

VII. THE PRE-FILING STRATEGIC PROCESS

90. Concurrently with its discussions with BNPP regarding the possible deferral of its payment obligations in 2021 and 2022, on May 13, 2021, Harte Gold announced it would be initiating a strategic review process to explore, review and evaluate a broad range of alternatives focused on ensuring its financial liquidity and to fund accelerated life-of-mine capital.

91. As part of these initiatives, in May of 2021, Harte Gold engaged Scotiabank to assist in generating and evaluating various financing and strategic alternatives with potential investors and also engaged certain other U.S. based advisors to evaluate potential debt and equity financing solutions including, but not limited to, a refinancing of its senior credit facilities. However, no viable transaction was identified at that time.

92. On June 8, 2021, Harte Gold's board of directors established a strategic committee (the "**Strategic Committee**") composed of Joseph Conway, Douglas Cater and Geoffrey Cohen to oversee, evaluate and review possible transactions and to bring forwards its recommendations to Harte Gold's board of directors. On July 19, 2021, Geoffrey Cohen resigned as a director of Harte Gold.

93. In late June 2021, as part of the aforementioned strategic review, Harte Gold, with the assistance of FTI, commenced the Pre-Filing Strategic Process, and in this context, on July 19, 2021, Harte Gold's board of directors established a special committee (the "**Special Committee**") composed of Joseph Conway and Douglas Cater, both independent directors, to assist management in navigating through the Pre-Filing Strategic Process.

94. As part of the Pre-Filing Strategic Process:

- (a) Harte Gold and FTI assembled a list of approximately two hundred and forty-one (241) potential buyers and investors (the "**Prospective Bidders**");
- (b) Harte Gold and FTI prepared and sent a "*teaser*" to all Prospective Bidders on or about July 6, 2021 and to an additional five (5) interested parties that contacted Harte Gold or FTI about the opportunity;
- (c) A deadline of August 13, 2021, was set as the date for the submission of non-binding expressions of interest (the "**NBIO Bid Deadline**");
- (d) In total, thirty-one (31) interested parties executed confidentiality agreements, or had already executed confidentiality agreements earlier in the Pre-Filing Strategic Review Process, and twenty-eight (28) of these interested parties accessed a virtual data room set up by FTI in order to perform their due diligence;
- (e) Four (4) non-binding expressions of interest were received by the NBIO Bid Deadline; and
- (f) A deadline of September 23, 2021 was set for the submission of binding offers (the "**Binding Offer Deadline**").

95. In the weeks following the NBIO Bid Deadline, Harte Gold and FTI engaged in discussions with interested parties with the objective of securing a binding bid which would maximize the value

of Harte Gold's assets. Unfortunately, no binding offers were received by the Binding Offer Deadline. However, discussions continued with a number of parties regarding a potential transaction following the Binding Offer Deadline. Furthermore, direct discussions between BNPP, the senior secured lender, and a number of interested parties, including the Appian Parties, took place related to potential restructuring options for the business.

96. As set out above, on November 19, 2021, Harte Gold was advised that BNPP and Cue Minerals had entered into the BNPP Assignment Agreement and that, accordingly, Cue Minerals had obtained, on behalf of 833 Ontario, all of BNPP's rights and obligations under the BNPP Credit Agreement and related Credit Documents in respect of the BNPP Debt Facilities (which consist of the non-revolving term loan and the revolving term credit facility). As referenced above, BNPP did not assign its rights under the hedge program. On the same day, Silver Lake advised Harte Gold and FTI of its interest to acquire Harte Gold's business and operations by way of a credit-bid of its affiliates' loan and to provide interim financing in connection with any proceedings under the CCAA.

97. On November 22, 2021, after the issuance of a press release by Harte Gold announcing the assignment of BNPP's rights and obligations under the BNPP Credit Agreement and related Credit Documents (as defined thereunder) to Cue Minerals, Harte Gold received an offer from the Appian Parties to acquire its business and operations, as well as an offer to provide it with interim financing.

98. As such, Harte Gold and FTI informed both Cue Minerals (now 833 Ontario) and the Appian Parties (and their respective advisors) that:

- (a) Given the circumstances, and in order to maximize the value of its business and assets, Harte Gold believed that, notwithstanding the Pre-Filing Strategic Process, it would be appropriate to undertake a further brief sale and investment solicitation process (i.e. the SISP) under the supervision of this Court with the benefit of a "stalking horse bid" to establish a baseline consideration for Harte Gold's business and assets;
- (b) Interim financing would be required to fund, *inter alia*, continued operations, the SISP and the CCAA Proceedings; and
- (c) Given Harte Gold's liquidity issues, time was of the essence.

99. Both Cue Minerals (now 833 Ontario) and Appian expressed a desire to become the stalking horse bidder and DIP lender in these CCAA Proceedings. Subsequently, Harte Gold, with assistance of its financial and legal advisors, engaged in parallel negotiations with 833 Ontario and Appian on both a proposed stalking horse bid and DIP facility. The competitive nature of the negotiations led to both 833 Ontario and Appian improving on their initial proposals. Throughout the arm's length negotiations Harte Gold attempted to secure the best terms possible from each of the parties in respect of both their stalking horse bid and DIP financing proposal.

100. After exhaustively pursuing negotiations with the parties, it became apparent that DIP financing proposal from 833 Ontario would not only provide the Company with a greater DIP financing, but also would have a significantly lower interest rate compared to the Appian proposal and would not require any financing fees whereas the Appian proposal would include a material "Structuring Fee". Taking into account differences in the DIP financing proposals which are summarized in Exhibit "AA" attached hereto under seal of confidentiality, the Company, in consultation with its financial and legal advisors, determined that the DIP financing proposal from 833 Ontario was economically superior to the proposal from Appian and in the best interests of Harte Gold and its stakeholders. Further, on December 2, 2021, counsel to 833 Ontario advised the Company and FTI in writing that the entire amount of the DIP Loan (as defined below) had been transferred into such counsel's trust account and could be released subject to and in accordance with the execution of the DIP Financing Agreement and issuance of the Initial Order. This provided more certainty to Harte Gold that there was no funding risk related to the DIP Loan proposed by 833 Ontario, which was of critical importance given Harte Gold's liquidity situation and need for additional financing to fund the continued operations of its business.

101. With respect to proposals for a stalking horse bid, 833 Ontario's proposal, a credit-bid in the amounts owing under the BNPP Debt Facilities and the DIP Financing Agreement, also offered a purchase price which provided for, among other things, the payment in full of Appian's debt obligations under the Appian Facility Agreement by way of the Share Consideration (as defined below). After evaluating this difference, among others, the Company, in consultation with its financial and legal advisors, also determined that the stalking horse bid from 833 Ontario would be in the best interest of Harte Gold and its stakeholders as the non-inclusion of a break fee would likely result in a more competitive SISF process and could lead to superior offers in that context.

102. The Company also took into consideration the following in determining to move forward with the stalking horse bid and DIP proposal with 833 Ontario:

- (a) With respect to DIP financing, the execution of a DIP financing agreement with 833 Ontario was logical given the fact that 833 Ontario is the Pre-Filing First Secured Lender; and
- (b) With respect to the stalking horse bid, the selection of 833 Ontario's proposal would not in any way preclude Appian from participating in the SISP and from submitting its offer in the context thereof, and without a break fee in the 833 Ontario stalking horse bid, Appian would not be disadvantaged by such bid acting as the stalking horse.

103. Accordingly, on December 6, 2021, Harte Gold entered into the following agreements with 833 Ontario:

- (a) A Subscription Agreement (i.e. the Stalking Horse Agreement), a copy of which is attached hereto as **Exhibit "W"**, pursuant to which, as previously mentioned, 833 Ontario agreed to: (i) act as a "*stalking horse bidder*" in the context of a SISP intended to be undertaken within these CCAA Proceedings in accordance with the terms and conditions set out in the procedures attached thereto (the "**SISP Procedures**"), and (ii) if 833 Ontario is determined to be the "*Successful Bidder*" in the context of the SISP, to implement the Stalking Horse Transaction, namely by subscribing for and purchasing from Harte Gold the Subscribed Shares (as defined below), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests in Harte Gold being cancelled on closing such that 833 Ontario would become the sole shareholder of Harte Gold; and
- (b) The DIP Financing Agreement pursuant to which 833 Ontario agreed to provide to interim financing to Harte Gold of up to \$10.8 million (the "**DIP Loan**") in order to fund its costs and expenses during these CCAA Proceedings, including in relation with the conduct of the SISP. A copy of the DIP Financing Agreement is attached hereto as **Exhibit "X"**.

VIII. THE STALKING HORSE BID

A. General Description

104. Pursuant to the Stalking Horse Bid, if the Stalking Horse Bid is determined to be the "Successful Bid" in accordance with the SISP Procedures and if this Court subsequently approves

the Stalking Horse Transaction as part of an eventual approval and reverse vesting order (the “**Approval and Reverse Vesting Order**”), in essence:

- (a) The Stalking Horse Bidder will subscribe for and purchase 100 Common Shares in the capital of Harte Gold (the “**Subscribed Shares**”) in consideration of the Subscription Price (as defined below);
- (b) Harte Gold will proceed with the cancellation of all of its issued and outstanding shares, other than the Subscribed Shares (the “**Existing Shares**”), for no consideration, which will result in the Stalking Horse Bidder becoming the sole shareholder of Harte Gold; and
- (c) Excluded assets, contracts and liabilities designated by the Stalking Horse Bidder will be transferred to ResidualCos to permit the Staking Horse Bidder to purchase the Company and business free and clear from such excluded assets and liabilities.

105. The subscription price for the Subscribed Shares, as contemplated in the Stalking Horse Bid, shall be an amount equal to the aggregate of the following (the “**Subscription Price**”):

- (a) Cash Consideration: a cash payment in an amount required to pay all claims ranking in priority to, or *pari passu* with, the amounts owing to the lenders under the BNPP Credit Agreement, plus amounts necessary to fund the completion of the CCAA Proceedings and implementation of the various steps contemplated as part of the Stalking Horse Transaction, including the bankruptcies of the ResidualCos to be incorporated for the purpose of the Stalking Horse Transaction, as determined by FTI (if appointed as Monitor), Harte Gold and the Stalking Horse Bidder each acting reasonably, or as determined by the Court (the “**Cash Consideration**”);
- (b) Credit Bid Consideration: an amount equivalent to all amounts and obligations owing by Harte Gold under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Harte Gold under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Financing

Agreement, including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by Harte Gold under the DIP Term Sheet, which the Stalking Horse Bidder shall cause the release thereof in favour of Harte Gold at closing of the transactions set out in the Stalking Horse Bid (the “**Closing**”); and

- (c) Share Consideration: Fully paid ordinary shares of Silver Lake (the “**Silver Lake Shares**”) to be issued by Silver Lake in the name of AHG, in a number equal to the value of all property perfected and secured amounts and obligations owing by the Company’s to AGH under the Appian Facility Agreement as of the Closing Date, divided by the VWAP³ of the Silver Lake Shares for the five trading days prior to the Closing Date, to AHG. If AHG sells all of the Share Consideration through the ASX (or if the Silver Lake Shares are no longer traded on the ASX, on such other exchange as the Silver Lake Shares are then traded) to a person who is not an affiliate of AHG within ninety (90) days of the closing date of the Stalking Horse Bid and the gross consideration (such consideration, the “**Realized Consideration**”) realized in respect of such sale is less than the amount equal to the number of Silver Lake Shares issued as Share Consideration multiplied by the amount equal to the VWAP of the Silver Lake Shares for the five trading days prior to the Closing Date (“**Closing Date Value**”), the Investor shall pay in cash, on or before the 100 day following the Closing Date (such timing at the Investor’s option), to AHG the difference between the Closing Date Value and the greater of (i) the VWAP of the Silver Lake Shares on the ASX for the two trading days prior to the day the Share Consideration is sold by AHG and (ii) the Realized Consideration;
- (a) Assumption of Assumed Liabilities: an amount equivalent to the Assumed Liabilities (as defined in the Stalking Horse Bid) which the Stalking Horse Bidder shall cause the Company to retain, at Closing, including, *inter alia*, all cure costs payable under the “Retained Contracts” as well as all “pre-filing” trade payables owing by the Company, up to a maximum amount of \$7.5 million.

³ “**VWAP**” means the volume weighted average trading price of the Silver Lake Shares for the applicable period on the ASX (or if the Silver Lake Shares are no longer traded on the ASX, on such other exchange as the Silver Lake Shares are then traded) or if not such prices are available for such applicable period, “VWAP” shall be the fair value per Silver Lake Share as reasonably determined by the board of directors of the Guarantor.

106. The transactions contemplated in the Stalking Horse Bid contemplate the following steps to be completed at Closing (the “**Closing Sequence**”), which Closing Sequence may be amended with the prior consent of Harte Gold and of FTI (if appointed as Monitor), acting reasonably, and provided that such amendment to the Closing Sequence does not materially alter or impact the Stalking horse Transaction or the considerations which Harte Gold and/or its stakeholders will benefit from as part of the Stalking Horse Transaction:⁴

- (a) First, the Stalking Horse Bidder shall pay the Cash Consideration (less the deposit to be paid within two (2) days following the issuance of the Initial Order by this Court (the “**Deposit**”)) to be held in escrow by FTI, on behalf of Harte Gold, and instruct FTI to release the entire Cash Consideration (including Deposit) in accordance with this Closing Sequence;
- (b) Second, the Stalking Horse Bidder shall cause Harte Gold to be released from all amounts and obligations owing by Harte Gold under: (a) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (b) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet;
- (c) Third, Harte Gold shall transfer to and cause “**ResidualCo 1**” and “**ResidualCo 2**” (companies to be incorporated by Harte Gold) to namely assume, respectively, the Excluded Assets and the Excluded Contracts, and the Excluded Liabilities (as such terms are defined below), pursuant to the Approval and Reverse Vesting Order, in consideration of which Harte Gold shall issue promissory notes to, respectively, ResidualCo 1 and ResidualCo 2 (the “**Excluded Assets and Contracts Promissory Note**” and the “**Excluded Liability Promissory Note**”) in an aggregate amount equivalent to the Cash Consideration;
- (d) Fourth, all issued and outstanding shares of Harte Gold (the “**Existing Shares**”) as well as any agreement, contract, plan, indenture, deed, certificate, subscription

⁴ References to FTI in this paragraph assumes its appointment as Monitor in the CCAA Proceedings.

rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of Harte Gold shall be deemed terminated and cancelled for no consideration in accordance with the Approval and Reverse Vesting Order;

- (e) Fifth, Harte Gold shall issue the Subscribed Shares and the Stalking Horse Bidder shall subscribe for and purchase the Subscribed Shares, and the Cash Consideration (including the Deposit) shall be released from escrow for the benefit of Harte Gold, but shall continue to be held by the Monitor on Harte Gold's behalf;
- (f) Sixth, Harte Gold shall satisfy the amount owing under the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note using the Cash Consideration (including the Deposit) and shall irrevocably direct FTI to cause such payment to be made from the Cash Consideration (including the Deposit) held by FTI, although such amount shall continue to be held by the FTI on behalf of, respectively, ResidualCo 1 and ResidualCo 2; and
- (g) Seventh, Silver Lake shall deliver the Silver Lake Shares, issued in the name of AHG, in the amount of the Share Consideration, to AHG; and
- (h) Eighth, the Monitor shall release the Share Consideration to AHG, in full and final satisfaction of the amounts owing under the Appian Facility Agreement and all obligations owing thereunder.

107. The Stalking Horse Bid also contemplates a "Target Closing Date" of February 18, 2022 and an "Outside Closing Date" of March 31, 2022, and is subject to standard conditions, including a declaration that the Stalking Horse Bid is the "Successful Bid" in the SISP, and the approval thereof by the Court.

108. The Stalking Horse Bid is not contingent on any financing condition in favour of the Stalking Horse Bidder, nor does it contemplate any break-fee should it not be declared the "Successful Bid" in accordance with the SISP Procedures. However, all fees and expenses incurred or to be incurred by the Stalking Horse Bidder in connection with the Stalking Horse Bid and the implementation of the transactions contemplated thereunder, provided it is declared to

the “Successful Bid” in the SISP and it is approved by the Court, will be considered as expenses payable under the BNPP Credit Agreement and in turn the DIP Term Sheet.

109. Pursuant to the Stalking Horse Bid, Silver Lake has agreed to guarantee and be responsible for all obligations of the Stalking Horse Bidder thereunder.

B. The Effects of the Proposed Transactions

110. If the Stalking Horse Bid is ultimately declared the “*Successful Bid*” pursuant to the SISP Procedures and the Stalking Horse Transaction is implemented in accordance with its terms, the Stalking Horse Bidder will become the sole shareholder of Harte Gold, and:

- (a) All “**Excluded Assets**”, meaning all Property of Harte Gold specifically designated by the Stalking Horse Bidder to be Excluded Assets, and “**Excluded Contracts**”, meaning all contracts listed as such in the schedules to the Stalking Horse Agreement, shall be transferred to and vest in ResidualCo. 1, and any liability or obligation of Harte Gold in relation therewith will be deemed “Excluded Liabilities” (as defined below);
- (b) All “**Excluded Liabilities**”, meaning all obligations and liabilities of the Harte Gold (other than the obligations and liabilities expressly assumed by the Stalking Horse Bidder (the “**Assumed Liabilities**”)), shall be transferred to and vest in ResidualCo. 2, and Harte Gold shall be discharged from such Excluded Liabilities; and
- (c) All assets other than the Excluded Assets (the “**Retained Assets**”) shall be retained by Harte Gold to the exclusion of all other persons, free and clear of and from any encumbrances, save exceptions, and all Retained Contracts shall also be retained by Harte Gold, subject to the Stalking Horse Bidder satisfying or otherwise causing Harte Gold to satisfy all monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of Harte Gold’s insolvency, the commencement of the CCAA Proceedings by Harte Gold or Harte Gold’s failure to perform a non-monetary obligation.

IX. THE SISP & THE SISP PROCEDURES

111. In the context of its discussions regarding the Stalking Horse Bid, Harte Gold, in consultation with FTI, propose to conduct the SISP in accordance with the SISP Procedures, which contemplates the following milestones:⁵

| DATE | MILESTONE |
|---|---|
| By no later than 1 day following the issuance by the Court of the SISP Order | Distribution by the Monitor of the Solicitation Notice and the Required Acknowledgment to the Known Potential Bidders |
| January 14, 2022 at 5:00 p.m. (prevailing Eastern Time) | The deadline for the receipt by the Monitor of Bids and Deposits |
| By no later than January 20, 2022 | Date of the Auction (if any) |
| Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by Harte Gold, with the consent of the Monitor, not to proceed with an Auction in accordance with the SISP Procedures | Hearing of the Approval Motion |

112. As appears from the above, if one or more Superior Bids, as defined in the SISP (as defined in the SISP Procedures), other than the Stalking Horse Bid, are received by the Bid Deadline, then an auction shall be conducted to determine and secure the highest or otherwise best bid.

X. THE DIP FINANCING AGREEMENT

113. As previously discussed, concurrently with the execution of the Stalking Horse Bid, Harte Gold also negotiated and entered into the DIP Financing Agreement with 833 Ontario.

⁵ Capitalized terms used in this paragraph shall have the same meaning ascribed to them in the SISP Procedures.

(a) The primary terms of the DIP Financing Agreement are summarized below:

| SUMMARY OF KEY TERMS OF THE DIP FINANCING AGREEMENT | |
|--|---|
| Lender | 833 Ontario Inc. |
| Facility Amount | \$10.8 million |
| Funding/Availability | <p><u>Initial Advance</u>: \$400,000.</p> <p><u>Subsequent Advances</u>: Funding of the entire balance of the DIP Loan (\$10,400,000) into the Monitor's account, and release of portions of the Subsequent Advances from the Monitor's account to the Company, on a weekly basis, following the issuance of Subsequent Advance Notice, all in accordance with the DIP Budget</p> |
| Interest | <p><u>Standby interest fee</u>: 2% (for all amounts sitting in the Monitor's account; and</p> <p><u>Interest on amounts advanced and received by the Company</u>: 5%.</p> |
| Fees | All fees, costs and expenses (including legal fees) incurred by the lender in connection with the existing BNPP Credit Agreement, the DIP Term Sheet, the CCAA Proceedings, the Stalking Horse Bid and the implementation of the Stalking Horse Transaction (if declared the successful bid and if approved by the Court) |
| Security | <p>Priority DIP Charge ranking senior to all encumbrances, except:</p> <p>(a) Priority payables; and</p> <p>(b) CCAA Administration Charge</p> |
| Permitted Variance (vs DIP Budget) | Up to fifteen percent (15%) in respect of cumulative net cashflow (excluding the fees and expenses of the DIP Lender). Cash flow forecasts may be revised every week. |
| Maturity | <p>The earlier of:</p> <p>(a) six (6) months after the issuance of the Initial Order;</p> <p>(b) the completion of a sale or sales of all or substantially all of the Borrower's assets, shares and/or business;</p> <p>(c) the implementation of a CCAA plan;</p> <p>(d) the date on which the stay in the Initial Order expires or on which the CCAA Proceedings is terminated or dismissed; or</p> |

| | |
|------------------|--|
| | (e) the occurrence of an Event of Default under the DIP Term Sheet |
| Other Provisions | Harte Gold and the Monitor shall not be required to disclose any information to the DIP Lender that the Company or the Monitor believes, acting reasonably, could impact the Harte Gold's sale or restructuring efforts. |

114. The DIP Financing Agreement is conditional upon standard terms and conditions, including, *inter alia*, this Court approving a DIP Charge securing all obligations of Harte Gold under or in connection with the DIP Financing Agreement.

XI. THE PROPOSED INITIAL ORDER & ARIO

A. Stay of Proceedings

115. As of the date hereof, Harte Gold is unable to meet its liabilities as they become due and is insolvent.

116. A stay of proceedings under the CCAA will allow Harte Gold to (i) obtain the funding necessary to continue operations, (ii) undertake the SISF, if approved by the Court, and (iii) seek approval for the Successful Bid at the conclusion of the SISF and, if approved by the Court, complete the transaction, contemplated by the Successful Bid, all for the benefit of Harte Gold's creditors and other stakeholders.

117. Harte Gold therefore requests a stay of proceedings for an initial period of ten (10) days, and, if granted by this Court, Harte Gold will subsequently request at the Comeback Hearing an extension of the Stay Period until January 31, 2022.

118. As set out in the cash flow projection (the "**Cash Flow Statement**") that was prepared by Harte Gold and reviewed by the Proposed Monitor for the period from December 4, 2021 to March 24, 2022, a copy of which is attached hereto as **Exhibit "Y"**, Harte Gold expects that, with the funds to be advanced under the DIP Financing Agreement, it will have sufficient cash to fund its projected operating costs during such period.

B. Appointment of FTI as Monitor

119. FTI has consented to act as the Court-appointed Monitor of Harte Gold, subject to Court approval. A copy of FTI's consent to act is attached hereto as **Exhibit "Z"**.

120. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (as amended) and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA.

121. I understand that FTI has extensive experience in matters of this nature and is therefore well-suited to this mandate. FTI has provided no accounting or auditing advice to Harte Gold. Fees payable to FTI pursuant to its engagement letter are based on hours worked multiplied by normal hourly rates. FTI is not entitled to any success-based or other contingency-based fee with respect to any of the services provided, including assisting with the Pre-Filing Strategic Process or the SISP.

122. I am advised by Nigel Meakin of FTI that the Proposed Monitor is supportive of the relief being sought by Harte Gold in the draft Initial Order, as described in this Affidavit. Mr. Meakin has also advised me that the Proposed Monitor will be filing a pre-filing Monitor's report in respect of such relief. If appointed as Monitor, FTI will also file a report in respect of the relief to be sought at the Comeback Hearing.

C. Administration Charge

123. Harte Gold is seeking a charge on the Property in the maximum amount of \$500,000, as part of the Initial Order, and then increased to a total amount of \$1,500,000, as part of the ARIO, to secure the fees and disbursements incurred in connection with services rendered to Harte Gold both before and after the commencement of the CCAA Proceedings by the Monitor, counsel to the Monitor, counsel to Harte Gold and counsel to Harte Gold's directors and officers (the "**Administration Charge**").

124. Harte Gold has worked with the Proposed Monitor to estimate the proposed quantum of the Administration Charge. The Proposed Monitor has reviewed the quantum of the Administration Charge and has advised that it believes that the Administration Charge (including its proposed quantum) is reasonable and appropriate in the circumstances, given the services to be provided by the beneficiaries of the Administration Charge and the complexities of the CCAA Proceedings. The quantum of the Administration Charge contemplated in the Initial Order was specifically sized by the Company, in consultation with the Proposed Monitor, based upon the fees incurred by the beneficiaries of the Administration Charge prior to this Application and the fees expected to be incurred within the first ten (10) days of these CCAA Proceedings.

D. DIP Financing

125. As appears from the Cash Flow Statement prepared by Harte Gold and reviewed by the Proposed Monitor, Harte Gold expects the need for interim financing (including prior to the Comeback Hearing) to fund these CCAA Proceedings and the SISP. Accordingly, as referenced above, on December 6, 2021, the DIP Financing Agreement was entered into between Harte Gold, as borrower and 833 Ontario, as DIP Lender.

126. As the amount of the DIP Loan will be provided by 833 Ontario, who already benefits from a first ranking security interest on the Property of Harte Gold, I do not expect any material prejudice to any of other existing creditor of Harte Gold should the Court approve the DIP Financing Agreement and the proposed DIP Lender's Charge.

127. The Proposed Monitor has advised that it is supportive of the approval of the DIP Financing Agreement and DIP Lender's Charge.

128. Accordingly, I believe that it is appropriate in the circumstances for this Court to approve the DIP Financing Agreement and the DIP Lender's Charge.

E. Directors' Charge

129. In order to continue to carry on business during these CCAA Proceedings, Harte Gold requires the active and committed involvement of its D&Os.

130. Since the continued assistance of the D&Os is required to ensure that these CCAA Proceedings and the SISP are successfully completed, these D&Os require, in turn, that Harte Gold indemnify them for liabilities which they may incur in the context of their positions with Harte Gold after the filing of these CCAA Proceedings, including liabilities relating to employee vacations accrued prior to these CCAA Proceedings, but which may be crystalized after the commencement of such proceedings.

131. Although Harte Gold intends to comply with all applicable laws and regulations, including with respect to the timely remittance of deductions at source and federal and provincial sales taxes, the D&Os remain nevertheless concerned about their potential personal liability, particularly in the present circumstances.

132. Although Harte Gold has previously maintained directors' and officers' liability insurance (the "**D&O Insurance**"), such D&O Insurance was set to expire on October 31, 2021. While Harte Gold was able to extend the coverage period for the D&O Insurance until November 3, 2021 in order to allow it to pursue discussions with its insurer regarding a potential longer extension, it

became evident that such extension would only be available at a significant cost that given Harte Gold's current circumstances, it could not afford. Therefore, on November 3, 2021, Harte Gold ultimately decided not to further extend the coverage period for the D&O Insurance. Accordingly, while a two-year extended claim reporting period is in place for claims arising for activities prior to the expiry of the D&O Insurance on November 3, 2021, there is currently no D&O Insurance in place and Harte Gold is unable to obtain D&O Insurance to protect its directors and officers from potential directors' and officers' liability that could arise from their continuing to serve since that date and during the CCAA Proceedings.

133. Harte Gold therefore requests a Court-ordered charge over its Property (the "**Directors' Charge**") in the amount of \$2,400,000 as part of the Initial Order and the ARIO to secure the above referenced indemnity of Harte Gold in favour of the D&Os in connection with any claim which may be asserted against them from and after the commencement of these proceedings, including claims relating to employee vacations accrued prior to these CCAA Proceedings, but which may be crystallized after the commencement of such proceedings, to the extent that such claims are not covered or sufficiently by the D&O Insurance.

134. The Proposed Monitor has advised that it is supportive of the proposed Directors' Charge and quantum thereof.

135. I believe that in these circumstances, the requested Directors' Charge is reasonable and adequate given, notably, the complexity of their business, and the corresponding potential exposure of Harte Gold's D&Os to personal liability, especially in the present context. The quantum of the Directors' Charge contemplated in the Initial Order was specifically sized by the Company, in consultation with the Proposed Monitor, based upon the potential director liabilities, particularly liabilities related to employee source deductions and vacation pay, which is expected to accrue during the initial ten (10) days of these CCAA Proceedings or accrued prior to the CCAA Proceedings but could crystallize within the first ten (10) days.

136. Absent the approval by this Court of the Directors' Charge in the amounts set out above, I have been advised that some or all of Harte Gold's D&Os will resign, which would, in all likelihood, render these CCAA Proceeding and the SISF much more challenging, and possibly much more costly, to the detriment of Harte Gold's creditors and other stakeholders.

F. Ranking of the Court Ordered Charges

137. The proposed ranking of the court ordered charges is as follows:

- (a) Administration Charge (\$500,000 in the Initial Order and \$1,500,000 in the ARIO);
- (b) DIP Lender's Charge; and
- (c) Directors' Charge (\$2,400,000 in both the Initial Order and in the ARIO).

138. Pursuant to the proposed Initial Order, the charges on the assets and property of the Company would rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person, notwithstanding the order of perfection or attachment, except for any secured creditor of the Company who does not receive notice of this Application. The proposed ARIO contemplates that the charges would rank ahead of all Encumbrances on a subsequent motion on notice to those persons likely to be affected thereby.

XII. THE PROPOSED SISP ORDER

139. As previously mentioned, Harte Gold shall seek, at the Comeback Hearing, the issuance of the SISP Order which provides for:

- (a) The approval by this Court to use the Stalking Horse Bid as a "stalking horse bid"; and
- (b) The approval by this Court of the SISP and related SISP Procedures.

140. With respect to the Stalking Horse Bid, it establishes a baseline consideration which has the potential to improve if any other bids are received in the context of the SISP. The Stalking Horse Bid also provides significant value by ensuring that there will be a going concern outcome for Harte Gold's business. Most notably, the Stalking Horse Bid provides:

- (a) Significant consideration for the Subscribed Shares;
- (b) A clear path to pursuing Harte Gold's operations and business activities as a going concern; and
- (c) Material benefits for Harte Gold's employees, suppliers and contractors who will all benefit from the continuation of Harte Gold's operations and business activities.

141. In addition, as previously mentioned, the Stalking Horse Bid is not contingent on any financing condition in favour of the Stalking Horse Bidder, and the implementation of the transaction contemplated thereunder is mainly subject to the declaration of the Stalking Horse Bid as being the "Successful Bid" in the SISP, and the approval of such bid by the Court. Additionally,

the Stalking Horse Bid does not contemplate any break-fee should it not be declared the “*Successful Bid*” in accordance with the SISP Procedures.

142. I also believe that the SISP Procedures are fair, efficient and will maximize the chance to obtain the highest or otherwise best offer for Harte Gold’s equity, assets, rights, undertakings and properties, in the best interest of Harte Gold’s stakeholders, including its employees, its creditors, its suppliers and contracting parties. The SISP Procedures were designed in consultation with the Proposed Monitor who has intimate knowledge of the potential Bidders given its involvement in the Pre-Filing Sales Process.

143. Given the nature of Harte Gold’s business, operations and Property and given the fact that a Pre-Filing Strategic Process has already been conducted since May 2021, Harte Gold believes that the proposed SISP as well as the related milestones and SISP Procedures are reasonable in the circumstances and therefore requests that they be approved by this Court.

XIII. CONCLUSION

In light of the foregoing, I believe that the reliefs sought by the Company as part of the Application are reasonable in the circumstances.

I confirm that while connected via video conference technology, the affiant showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I also confirm that I have reviewed each page of this affidavit with the affiant and verify that the pages are identical.

Sworn before me remotely by videoconference by Frazer Bourchier stated as being located in the City of Toronto, in the Province of Ontario before me in the City of Toronto, in the Province of Ontario this 6th day of December, 2021, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.



Commissioner for Taking Affidavits



FRAZER BOURCHIER

TAB 3

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 7th
)
MR. JUSTICE PATTILLO) DAY OF DECEMBER, 2021

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

INITIAL ORDER

THIS APPLICATION, made by Harte Gold Corp. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form included in the Applicant's Application Record was heard this day via video-conference due to the ongoing COVID-19 pandemic.

ON READING the affidavit of Frazer Bouchier sworn December 6, 2021 (the "**Bouchier Affidavit**") and the Exhibits thereto, the consent FTI Consulting Canada Inc. ("**FTI**") to act as Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), and the Pre-Filing Report of FTI as the proposed Monitor;

ON HEARING the submissions of counsel for the Applicant, counsel for the proposed Monitor, counsel for BNP Paribas, counsel for 1000025833 Ontario Inc. (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Bouchier Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services and lease payments for mining equipment used in the operation of the Business; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected

prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order. The Applicant may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

10. **THIS COURT ORDERS** that until and including December 17, 2021, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

12. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

14. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

15. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

16. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

17. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,400,000 million, as security for the indemnity provided in paragraph 16 of this Order. The Directors' Charge shall have the priority set out in paragraphs 34 and 36 herein.

18. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 16 herein.

APPOINTMENT OF MONITOR

19. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

20. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;

- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

21. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

22. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

23. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it

pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

24. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

25. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant and counsel to the Applicant's directors and officers on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

26. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel and counsel to the Applicant's directors and officers shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 34 and 36 herein.

DIP FINANCING

28. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Credit Agreement**") dated December 6, 2021 between, the Applicant, as borrower, and 1000025833 Ontario Inc.,

as lender (the "**DIP Lender**"), and to borrow, in accordance with the terms and conditions of the DIP Credit Agreement, interim financing of up to \$400,000 (the "**DIP Facility**") to, among other things, fund the Applicant's working capital requirements and other general corporate purposes of the Applicant.

29. **THIS COURT ORDERS** that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Credit Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

30. **THIS COURT ORDERS** that, as security for the Applicant's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 34 and 36 herein.

31. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Applicant and the Monitor, may exercise any rights and remedies against the Applicant or the Property under or pursuant to the DIP Credit Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Applicant to the DIP Lender under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices,

or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

32. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any advances made under the DIP Credit Agreement and the other Definitive Documents.

33. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Credit Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of \$500,000);

Second – the DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of \$2,400,000).

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the Applicant who did not receive notice of the application for this Order. The Applicant shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

40. **THIS COURT ORDERS** that the Monitor shall (i) without delay publish, in the Globe and Mail (National Edition) and any other publication that the Monitor may determine to be appropriate in the circumstances, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://cfcanada.fticonsulting.com/harte>.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING PROVISION

43. **THIS COURT ORDERS** that Confidential Exhibit "AA" of the Bouchier Affidavit is hereby sealed pending further order of the Court and shall not form part of the public record.

GENERAL

44. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that a hearing for the balance of the relief sought by the Applicant in the Notice of Application is hereby scheduled before this Court for December 16, 2021 at 10 a.m. or such other date as determined by this Court.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HARTE
GOLD CORP.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant

TAB 4

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST—)**

THE HONOURABLE)
) ~~WEEKDAY~~ TUESDAY, THE # 7th
)
MR. JUSTICE ~~_____~~ PATTILLO) DAY OF ~~MONTH~~ DECEMBER, ~~20~~ YR 2021

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
~~[APPLICANT'S NAME]~~ (the "~~Applicant~~") HARTE GOLD CORP.**

INITIAL ORDER

THIS APPLICATION, made by Harte Gold Corp. (the "~~Applicant,~~") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**") for an Order substantially in the form included in the Applicant's Application Record was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ via video-conference due to the ongoing COVID-19 pandemic.

~~ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor,~~

~~1 Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

ON READING the affidavit of Frazer Bouchier sworn December 6, 2021 (the "Bouchier Affidavit") and the Exhibits thereto, the consent FTI Consulting Canada Inc. ("FTI") to act as Court-appointed monitor of the Applicant (in such capacity, the "Monitor"), and the Pre-Filing Report of FTI as the proposed Monitor;

ON HEARING the submissions of counsel for the Applicant, counsel for the proposed Monitor, counsel for BNP Paribas, counsel for 100025833 Ontario Inc. (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

~~PLAN OF ARRANGEMENT~~

~~3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").~~

POSSESSION OF PROPERTY AND OPERATIONS

~~3.~~ **4. THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the

~~2 If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of ~~business~~ its Business or for the carrying out of the terms of this Order.

4. ~~5.~~ **[THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Bourchier Affidavit ~~of~~ ~~[NAME]~~ ~~sworn~~ ~~[DATE]~~ or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the Plan~~ any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.]

~~³ This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

5. ~~6.~~ **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services and lease payments for mining equipment used in the operation of the Business; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. ~~8.~~ **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected

prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~⁴ in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, ~~twice.~~ The Applicant may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

~~11. — THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:~~

~~4 The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

(a) — ~~permanently or temporarily cease, downsize or shut down any of its business or operations, [and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]~~⁵

(b) — ~~[terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate];— and~~

(c) — ~~pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,~~

~~all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").~~

12. — ~~THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims [or resiliates] the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer [or resiliation] of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

13. — ~~THIS COURT ORDERS that if a notice of disclaimer [or resiliation] is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to~~

⁵ Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

~~prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer [or resiliation], the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

~~14.~~ **10.** ~~THIS COURT ORDERS~~ that until and including ~~[DATE — MAX. — 30 DAYS]~~ December 17, 2021, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

12. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

13. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

14. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

15. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

16. ~~20.~~ **THIS COURT ORDER⁷**RS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings, but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

~~6 This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

~~7 The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

17. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~●~~2,400,000 million, as security for the indemnity provided in paragraph ~~{20}~~16 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~34 and ~~{40}~~36 herein.

~~8 Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

18. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~{20}~~ ~~of this Order~~ 16 herein.

APPOINTMENT OF MONITOR

19. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~ FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

20. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, ~~to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with~~ of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;

- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and ~~its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~their respective counsel in accordance with the Definitive Documents;
- ~~(e) — advise the Applicant in its development of the Plan and any amendments to the Plan;~~
- ~~(f) — assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~

- (e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

21. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

22. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

23. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor.

The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

24. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

25. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor ~~and,~~ counsel for the Applicant on a [TIME INTERVAL] and counsel to the Applicant's directors and officers on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers reasonable retainers ~~in the amount[s] of \$● [, respectively,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

26. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, ~~the~~ the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

27. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any, and~~ the Applicant's counsel and counsel to the Applicant's directors and officers shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$● 500,000, as security for their professional fees and disbursements incurred at ~~the~~ their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in

respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~ 34 and ~~[40] hereof~~ 36 herein.

DIP FINANCING

28. ~~32.~~ **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to ~~obtain and borrow under a credit facility from [DIP LENDER'S NAME]~~ execute, enter into and deliver the DIP Facility Loan Agreement (the "DIP Lender") ~~in order to finance Credit Agreement")~~ dated December 6, 2021 between, the Applicant, as borrower, and 100025833 Ontario Inc., as lender (the "DIP Lender"), and to borrow, in accordance with the terms and conditions of the DIP Credit Agreement, interim financing of up to \$400,000 (the "DIP Facility") to, among other things, fund the Applicant's working capital requirements and other general corporate purposes ~~and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court~~ of the Applicant.

~~33. — THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

29. ~~34.~~ **THIS COURT ORDERS that** THIS COURT ORDERS that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Credit Agreement, the "Definitive Documents"), as are contemplated by the ~~Commitment Letter~~ DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~ DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

30. ~~35.~~ **THIS COURT ORDERS that**, as security for the Applicant's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and ~~is~~ are hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge

shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~38~~ 34 and ~~40~~ hereof 36 herein.

31. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, ~~the DIP Lender,~~ upon ~~●~~ five (5) days notice to the Applicant and the Monitor, may exercise any ~~and all of its~~ rights and remedies against the Applicant or the Property under or pursuant to the ~~Commitment Letter~~ DIP Credit Agreement, the other Definitive Documents and the DIP Lender's Charge, including ~~,~~ without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts that may be owing by the DIP Lender ~~to the Applicant~~ against the obligations of the Applicant to the DIP Lender under the ~~Commitment Letter~~ DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

32. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the ~~Bankruptcy and Insolvency Act of Canada (the "BIA")~~ BIA, with respect to any advances made under the DIP Credit Agreement and the other Definitive Documents.

33. THIS COURT ORDERS AND DECLARES that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge shall

subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “Variation”) whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender’s Charge) for all advances so made and other obligations set out in the DIP Credit Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. ~~38.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors’ Charge, the~~ Administration Charge, the Directors’ Charge and the DIP Lender’s Charge (collectively, the “Charges”), as among them, shall be as follows⁹:

First – the Administration Charge (to the maximum amount of \$●500,000);

Second – the DIP Lender’s Charge; and

Third – Directors’ Charge (to the maximum amount of \$●2,400,000).

⁹The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

35. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, except for any secured creditor of the Applicant who did not receive notice of the application for this Order. The Applicant shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

37. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the Applicant also obtains the prior written consent of the Monitor, ~~the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge~~ and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "Chargees"), or further Order of this Court.

38. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder~~ shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~ DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the ~~Commitment Letter~~ DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the ~~Commitment Letter~~ DIP Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

40. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay publish, ~~publish in~~ ~~[newspapers specified by the Court]~~ in the Globe and Mail (National Edition) and any other publication that the Monitor may determine to be appropriate in the circumstances, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~‘@’~~: <http://cfcanada.fticonsulting.com/harte>.

42. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING PROVISION

43. THIS COURT ORDERS that Confidential Exhibit “AA” of the Bouchier Affidavit is hereby sealed pending further order of the Court and shall not form part of the public record.

GENERAL

44. ~~47.~~ **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

45. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47. ~~50.~~ **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~51. — THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

48. THIS COURT ORDERS that a hearing for the balance of the relief sought by the Applicant in the Notice of Application is hereby scheduled before this Court for December 16, 2021 at 10 a.m. or such other date as determined by this Court.

49. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
C. C 36, AS AMENDED

Court File No.: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HARTE
GOLD CORP.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant

TAB 5

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY, THE 16th
)
MR. JUSTICE PATTILLO) DAY OF DECEMBER, 2021

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION made by Harte Gold Corp. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form included in the Applicant's Application Record was heard this day via video-conference due to the ongoing COVID-19 pandemic.

ON READING the affidavit of Frazer Bouchier sworn December 6, 2021 (the "**Bouchier Affidavit**"), the Exhibits thereto and the First Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Applicant ("**FTI**" or the "**Monitor**"), filed, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice;

ON HEARING the submissions of counsel for the Applicant, counsel for the Monitor, counsel for BNP Paribas, counsel for Cue Minerals Pty Ltd (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present, no one else appearing for any party although duly served as appears from the affidavit of service of [●] dated [●], 2021, and on reading the consent of FTI to act as the Monitor;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, if deemed appropriate and subject to further order of this Court, file with this Court a plan of compromise and arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Bouchier Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash

Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services and lease payments for mining equipment used in the operation of the Business; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of

- (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order. The Applicant may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined hereinafter), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,500,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

all the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours’ prior written notice,

and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including January 31, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,400,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 herein.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan, if applicable;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan, if applicable;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant and counsel to the Applicant's directors and officers on a weekly basis and, in addition, the Applicant is hereby

authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel, and counsel to the Applicant's directors and officers shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for their professional fees and disbursements incurred at their respective standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 herein.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Credit Agreement**") dated December 6, 2021 between, the Applicant, as borrower, and 1000025833 Ontario Inc., as lender (the "**DIP Lender**"), and to borrow, in accordance with the terms and conditions of the DIP Credit Agreement, interim financing of up to \$10,800,000 (the "**DIP Facility**") to, among other things, fund the Applicant's working capital requirements and other general corporate purposes of the Applicant.

33. **THIS COURT ORDERS** that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Credit Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. **THIS COURT ORDERS** that, as security for the Applicant's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 herein.

35. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Applicant and the Monitor, the DIP Lender may exercise any rights and remedies against the Applicant or the Property under or pursuant to the DIP Credit Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Applicant to the DIP Lender under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

36. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any advances made under the DIP Credit Agreement and the other Definitive Documents.

37. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be

stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”) whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender’s Charge) for all advances so made and other obligations set out in the DIP Credit Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of \$1,500,000);

Second – the DIP Lender’s Charge;

Third – the Directors’ Charge (to the maximum amount of \$2,400,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the “**Chargees**”) or further Order of this Court.

42. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the and any other publication that the Monitor may determine to be appropriate in the circumstances, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA,

(B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://cfcanada.fticonsulting.com/harte>.

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING PROVISION

47. **THIS COURT ORDERS** that Confidential Exhibit “AA” of the Bouchier Affidavit is hereby sealed pending further order of the Court, and shall not form part of the public record.

GENERAL

48. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

50. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

51. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

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Lawyers for the Applicant

TAB 6

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST—)**

THE HONOURABLE) ~~WEEKDAY~~THURSDAY, THE #16th
)
MR. JUSTICE ~~_____~~PATTILLO) DAY OF ~~MONTH~~DECEMBER, ~~20YR~~ 2021

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
~~[APPLICANT'S NAME]~~ (the "Applicant")HARTE GOLD CORP.**

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION,~~ MOTION made by Harte Gold Corp. (the "~~Applicant,~~") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an Order substantially in the form included in the Applicant's Application Record was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ via video-conference due to the ongoing COVID-19 pandemic.

ON READING the affidavit of ~~[NAME] sworn [DATE] and Frazer Bouchier sworn December 6, 2021 (the "Bouchier Affidavit"),~~ the Exhibits thereto and the First Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Applicant ("FTI" or the "Monitor"), filed, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, ~~and on hearing:~~

ON HEARING the submissions of counsel for ~~[NAMES], no one~~ the Applicant, counsel for the Monitor, counsel for BNP Paribas, counsel for Cue Minerals Pty Ltd (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present,

no one else appearing for ~~[NAME]~~¹ any party although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn dated ~~[DATE]~~¹, 2021, and on reading the consent of ~~[MONITOR'S NAME]~~ FTI to act as the Monitor,¹;

¹ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, if deemed appropriate and subject to further order of this Court, file with this Court a plan of compromise ~~or~~ and arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of ~~business~~ its Business or for the carrying out of the terms of this Order.

5. **[THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Bourchier Affidavit ~~of~~

~~2 If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

~~[NAME] sworn [DATE]~~ or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~ any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}]

6. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security

~~3 This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

services and lease payments for mining equipment used in the operation of the Business; and

- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~⁴ in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to

⁴ The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

time ("**Rent**"), for the period commencing from and including the date of this Order, ~~twice~~. The Applicant may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined hereinafter ~~defined~~), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding \$• 500,000 in any one transaction or \$• 2,500,000 in the aggregate ~~;~~;
- (b) ~~terminate~~ the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate ~~;~~ and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing ~~;~~.

~~5 Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

all ~~of~~ the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims ~~{or resiliates}~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~{or resiliation}~~ of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer ~~{or resiliation}~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer ~~{or resiliation}~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including ~~{DATE—MAX. 30 DAYS}~~ January 31, 2022, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or

affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be

agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDER⁷S** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, [including with respect to employee](#)

~~6 This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

~~7 The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings,

except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●2,400,000, as security for the indemnity provided in paragraph ~~{20}~~20 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~38 and ~~{40}~~40 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~{20}~~of this Order20 herein.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that ~~{MONITOR'S NAME}~~FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;

~~8 Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, ~~to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with~~ of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and ~~its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~ their respective counsel in accordance with the Definitive Documents;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan, if applicable;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan, if applicable;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~and~~ counsel to the Applicant and counsel to the Applicant's directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor ~~and~~ counsel for the Applicant ~~on a [TIME INTERVAL]~~ and counsel to the Applicant's directors and officers on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers reasonable retainers ~~in the amount[s] of \$● [, respectively,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose ~~the~~ the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any, and~~ the Applicant's counsel, and counsel to the Applicant's directors and officers shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$● 1,500,000, as security for their professional fees and disbursements incurred at ~~the~~ their respective standard rates and charges ~~of the Monitor and such counsel~~, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38} 38~~ and ~~{40} hereof~~ 40 herein.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to ~~obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance~~ execute, enter into and deliver the DIP Facility Loan Agreement (the "DIP Credit Agreement") dated December 6, 2021 between, the Applicant, as borrower, and 100025833 Ontario Inc., as lender (the "DIP Lender"), and to borrow, in accordance with the terms and conditions of the DIP Credit Agreement, interim financing of up to \$10,800,000 (the "DIP Facility") to, among other things, fund the Applicant's working capital requirements and other general corporate purposes ~~and capital expenditures, provided that~~

~~borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~ of the Applicant.

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~33.~~ ~~34. THIS COURT ORDERS that~~ THIS COURT ORDERS that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Credit Agreement, the "Definitive Documents"), as are contemplated by the ~~Commitment Letter~~ DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~ DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

~~34.~~ ~~35. THIS COURT ORDERS that,~~ as security for the Applicant's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and ~~is~~ are hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~{38}~~ 38 and ~~{40}~~ hereof 40 herein.

~~35.~~ ~~36. THIS COURT ORDERS that,~~ notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, ~~the DIP Lender,~~ upon ~~●~~ five (5) days notice to the Applicant and the Monitor, the DIP Lender may exercise any ~~and all of its~~ rights and remedies against the Applicant or the Property under or pursuant to the ~~Commitment Letter~~ DIP Credit Agreement, the other Definitive

Documents and the DIP Lender's Charge, including ~~_,~~ without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts that may be owing by the DIP Lender ~~to the Applicant~~ against the obligations of the Applicant to the DIP Lender under the ~~Commitment Letter~~ DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

36. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the ~~Bankruptcy and Insolvency Act of Canada (the "BIA")~~ BIA, with respect to any advances made under the DIP Credit Agreement and the other Definitive Documents.

37. THIS COURT ORDERS AND DECLARES that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "Variation") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Credit Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the Administration Charge and, the DIP Lender's Charge~~ and the Directors' Charge (collectively, the "Charges"), as among them, shall be as follows⁹:

First – the Administration Charge (to the maximum amount of \$●1,500,000);

Second – the DIP Lender's Charge;~~and~~

Third – the Directors' Charge (to the maximum amount of \$●2,400,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the Applicant also obtains the prior written consent of the Monitor, ~~the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge,~~ and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "Chargees") or further Order of this Court.

⁹The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

42. **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder~~ shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~ DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the ~~Commitment Letter~~ DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the ~~Commitment Letter~~ DIP Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the and any other publication that the Monitor may determine to be appropriate in the circumstances, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~@~~: <http://cfcanada.fticonsulting.com/harte>.

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING PROVISION

47. THIS COURT ORDERS that Confidential Exhibit “AA” of the Bouchier Affidavit is hereby sealed pending further order of the Court, and shall not form part of the public record.

GENERAL

48. ~~47.~~ **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

50. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

51. ~~50.~~ **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~51. — THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C 36, AS AMENDED

Court File No.: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AMENDED AND RESTATED
INITIAL ORDER

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Lawyers for the Applicant

TAB 7

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Procedures for the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "**SISP Procedures**") or the Amended and Restated Initial Order dated December 16, 2021.

APPROVAL OF THE STALKING HORSE BID, THE SISP AND THE SISP PROCEDURES

3. **THIS COURT ORDERS AND DECLARES** that the execution by the Applicant of the Subscription Agreement dated as of December 6, 2021 in the form attached as Exhibit "W" to the Bouchier Affidavit (the "**Stalking Horse Agreement**") is hereby authorized and approved, *nunc pro tunc*.

4. **THIS COURT AUTHORIZES** the Applicant to use the Stalking Horse Agreement as the "stalking horse bid" in the SISP (the "**Stalking Horse Bid**"). For greater certainty, nothing herein approves the transaction contemplated in the Stalking Horse Bid, and the approval of any transaction contemplated by the SISP, shall be determined on a subsequent motion made to this Court.

5. **THIS COURT ORDERS** that the SISP and the SISP Procedures, substantially in the form attached hereto, be and are hereby approved, and the Applicant and the Monitor are authorized and directed to carry out the SISP in accordance with the SISP Procedures and this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the SISP.

6. **THIS COURT ORDERS** that the Applicant, the Monitor and their respective affiliates, partners, directors, employees, advisors, lawyers, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Applicant or the Monitor, as applicable, as determined by the Court in a final order that is not subject to appeal or other review.

7. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the Property or be deemed to take possession of the Property.

8. **THIS COURT ORDERS** that the Applicant and the Monitor, or any other interested party on at least five (5) Business Days' notice to the lawyers for each of the Applicant, the Monitor and all other parties on the service list established in these proceedings, may apply to this Court for directions with respect to the SISP at any time.

PIPEDA

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant and the Monitor are hereby authorized and permitted to disclose and provide to each Qualified Bidder, personal information of identifiable individuals, including employees of the Applicant, but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicant or the Monitor, as applicable, or, in the alternative, destroy all such information and provide confirmation of its destruction to the Applicant and the Monitor. The Successful Bidder shall maintain the privacy of such information and, upon closing of the Transaction contemplated in the Successful Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant or the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Applicant and the Monitor.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

12. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

SCHEDULE "A"
SISP PROCEDURES

PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

- A. Since May 2021, Harte Gold Corp. ("**Harte Gold**"), with the assistance of, *inter alia*, FTI Consulting Canada Inc. ("**FTI**"), has been conducting a strategic review process (the "**Pre-Filing Strategic Process**") with a view to finding an investor or a purchaser who would allow Harte Gold to pursue its operations as a going concern and maximize value for stakeholders (the "**Opportunity**");
- B. During the Pre-Filing Strategic Process, 1000025833 Ontario Inc. (the "**Stalking Horse Bidder**") expressed interest in the Opportunity, which culminated with the execution on December 6, 2021 of a Subscription Agreement (the "**Stalking Horse Bid**") between Harte Gold and the Stalking Horse Bidder, pursuant to which the Stalking Horse Bidder agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of a sale and investment solicitation process (the "**SISP**") to be undertaken within court-supervised proceedings to be commenced by Harte Gold under the *Companies' Creditors Arrangement Act* ("**CCAA**" and the proceedings commenced thereby, the "**CCAA Proceedings**"), and (ii) if the Stalking Horse Bidder is determined to be the Successful Bidder (as defined herein), to subscribe for and purchase from Harte Gold, the Subscribed Shares (as defined in the Stalking Horse Bid), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of Harte Gold (the "**Stalking Horse Transaction**");
- C. On December 7, 2021 (the "**Filing Date**"), Harte Gold sought and obtained an initial order (as amended, supplemented or amended and restated from time to time, the "**Initial Order**") under the CCAA from the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"), pursuant to which, among other things, FTI was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**");
- D. On December 16, 2021 the CCAA Court granted an order (the "**SISP Order**"), among other things, approving the Stalking Horse Bid and the procedures set out herein (the "**SISP Procedures**");
- E. The purpose of these SISP Procedures is to set out terms and procedures for a transparent, fair and efficient solicitation process to obtain the highest or otherwise best offer for Harte Gold's equity, assets, rights, undertakings and properties (collectively, the "**Property**"); and
- F. Accordingly, these SISP Procedures describe, among other things: (a) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, (b) the manner in which bidders and bids become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (c) the evaluation of bids received, (d) the guidelines for the ultimate selection of the Successful Bid and/or Back-up Bid, and (e) the process for obtaining such approvals (including the approval of the CCAA Court) as may be necessary or appropriate in respect of a Successful Bid.

Defined Terms

1. Capitalized terms used in these SISP Procedures and not otherwise defined have the meanings given to them below:
 - (a) **“Approval Hearing”** is defined in paragraph 2.
 - (b) **“Approval Motion”** is defined in paragraph 25.
 - (c) **“Auction”** is defined in paragraph 22.
 - (d) **“Auction Bidders”** is defined in paragraph 23.
 - (e) **“Auction Date”** is defined in paragraph 2.
 - (f) **“Back-Up Bid”** is defined in paragraph 24(i).
 - (g) **“Back-Up Bidder”** is defined in paragraph 24(i).
 - (h) **“Bid”** is defined in paragraph 18.
 - (i) **“Bid Deadline”** is defined in paragraph 2.
 - (j) **“Business”** means Harte Gold’s business and activities as at Filing Date.
 - (k) **“Business Day”** means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
 - (l) **“CA”** means the *Competition Act*, R.S.C., 1985, c. C-34, as amended.
 - (m) **“CCAA”** is defined in the introduction.
 - (n) **“CCAA Court”** is defined in the introduction.
 - (o) **“CCAA Proceedings”** is defined in the introduction.
 - (p) **“Closing”** means the completion of the transaction contemplated by the Successful Bid.
 - (q) **“Data Room”** is defined in paragraph 11.
 - (r) **“Deposit”** is defined in paragraph 18(h)(x).
 - (s) **“Filing Date”** is defined in the introduction.
 - (t) **“FTI”** is defined in the introduction.
 - (u) **“Harte Gold”** is defined in the introduction.
 - (v) **“ICA”** means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.
 - (w) **“Initial Order”** is defined in the introduction.
 - (x) **“Initial Overbid Amount”** means \$500,000.

- (y) **“Known Potential Bidder”** means any party identified as a potential bidder by Harte Gold, in consultation with the Monitor, whether or not such party participated in the Pre-Filing Strategic Process, and for greater certainty shall include each party that has submitted a bid in the Pre-Filing Strategic Process.
- (z) **“Monitor”** is defined in the introduction.
- (aa) **“Monitor’s Website”** means <http://cfcanada.fticonsulting.com/harte>.
- (bb) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to Harte Gold, in consultation with the Monitor.
- (cc) **“Opening Bid”** is defined in paragraph 24(b).
- (dd) **“Overbid”** is defined in paragraph 24(e).
- (ee) **“Overbid Amount”** means \$500,000 or such higher amount as Harte Gold, in consultation with the Monitor, may determine in advance of any round of bidding in the Auction to be applicable for that round of the Auction.
- (ff) **“Participation Letter”** is defined in paragraph 7(a).
- (gg) **“Potential Bidder”** is defined in paragraph 4.
- (hh) **“Pre-Filing Strategic Process”** is defined in the introduction.
- (ii) **“Property”** is defined in the introduction.
- (jj) **“Qualified Bid”** is defined in paragraph 18.
- (kk) **“Qualified Bidder”** is defined in paragraph 9.
- (ll) **“Required Acknowledgement”** means the written acknowledgement in the form attached hereto as Schedule “[B]” to be executed by a party wishing to participate in the SISP.
- (mm) **“SISP”** is defined in the introduction.
- (nn) **“SISP Order”** is defined in the introduction.
- (oo) **“SISP Press Release”** means a press release to be issued by Harte Gold substantially in the form attached hereto as Schedule “[C]”.
- (pp) **“SISP Procedures”** is defined in the introduction.
- (qq) **“Solicitation Materials Distribution Date”** is defined in paragraph 2.
- (rr) **“Solicitation Notice”** means a notice describing the opportunity to participate in the SISP.
- (ss) **“Stalking Horse Bid”** is defined in the introduction.
- (tt) **“Stalking Horse Bidder”** is defined in the introduction.
- (uu) **“Stalking Horse Transaction”** is defined in the introduction.

- (vv) **“Subscription Agreement”** means the template subscription agreement, in a form substantially similar to the Stalking Horse Bid, to be placed in the Data Room.
- (ww) **“Successful Bid”** is defined in paragraph 24(i).
- (xx) **“Successful Bidder”** is defined in paragraph 24(i).
- (yy) **“Superior Offer”** means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate of the “Subscription Price” as defined in and contemplated by the Stalking Horse Transaction plus the Initial Overbid Amount, including cash consideration sufficient to pay in cash the Cash Consideration (as defined in the Stalking Horse Bid) and amounts owing to the Stalking Horse Bidder under the BNPP Credit Agreement and under the DIP Term Sheet, and (ii) Harte Gold and the Monitor, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction. Solely with respect to the definition of **“Superior Offer”**, the Stalking Horse Transaction is valued at CAD\$[●].

Key Dates

2. The key dates for the SISP are as follows:

| DATE | MILESTONE |
|---|---|
| By no later than 1 day following the issuance by the Court of the SISP Order (“Solicitation Materials Distribution Date”) | Distribution by the Monitor of the Solicitation Notice and the Required Acknowledgment to the Known Potential Bidders |
| January 14, 2022 at 5:00 p.m. (prevailing Eastern Time) (“Bid Deadline”) | The deadline for the receipt by the Monitor of Bids and Deposits |
| By no later than January 20, 2022 (“Auction Date”) | Date of the Auction (if any) |
| Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by Harte Gold, with the consent of the Monitor, not to proceed with an Auction in accordance with paragraph 21 (“Approval Hearing”) | Hearing of the Approval Motion |

Supervision of the SISP

3. The Monitor shall supervise Harte Gold's conduct of the SISP as outlined herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this SISP or the responsibilities of the Monitor or Harte Gold hereunder, the CCAA Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor, Harte Gold or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

Solicitation of Interest

4. For all purposes of this SISP, the following persons shall be considered as potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders, and (ii) any other party that executes a Required Acknowledgement and is permitted by Harte Gold, with the consent of the Monitor, to participate in the SISP.
5. As soon as reasonably practicable after the granting of the SISP Order:
 - (a) the Monitor will post the SISP Order and the SISP Procedures on the Monitor's Website; and
 - (b) Harte Gold will issue the SISP Press Release with Canada Newswire designating dissemination in Canada and internationally.
6. By no later than the Solicitation Materials Distribution Date, the Monitor, on behalf of Harte Gold, shall distribute the Solicitation Notice and form of Required Acknowledgement to Known Potential Bidders inviting the Known Potential Bidders to submit a bid pursuant to these SISP Procedures.

Participation Requirements

7. Subject to paragraph 8, in order to participate in the SISP, each Potential Bidder must deliver the following information and executed documents to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto:
 - (a) a letter (a "**Participation Letter**") setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction pursuant to a Superior Offer;
 - (b) an executed NDA; and
 - (c) a copy of the Required Acknowledgment executed by the Potential Bidder.
8. Harte Gold, with the consent of the Monitor may waive compliance with paragraphs 7(a) and 7(b) of these SISP Procedures for any Potential Bidder that is deemed by Harte Gold, with the consent of the Monitor, to have adequately satisfied the requirements set forth in paragraphs 7(a) and 7(b), as applicable, during the Pre-Filing Strategic Process.

9. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraphs 7 and 8 and that Harte Gold, in its reasonable business judgment, in consultation with the Monitor, determines is likely, based on the availability of financing, experience and other considerations, to be able to submit a Superior Offer by the Bid Deadline will be deemed to be a “**Qualified Bidder**”.
10. Notwithstanding paragraphs 7 to 9, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.

Access to Data Room

11. Harte Gold, with the assistance of the Monitor, shall provide each Qualified Bidder with access to a secure online electronic data room (the “**Data Room**”) containing due diligence information.
12. The Monitor shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Monitor and Harte Gold may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder (other than the Stalking Horse Bidder) who, at such time and in the reasonable business judgment of Harte Gold, after consultation with the Monitor, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.
13. Harte Gold also reserves its right, in consultation with the Monitor, to withhold any diligence materials that Harte Gold determines are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that Harte Gold determines is (or is affiliated with) a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in Harte Gold’s exercise of its reasonable business judgment (in consultation with the Monitor), may risk unduly placing Harte Gold at a competitive disadvantage or make it subject to regulatory scrutiny.
14. All due diligence and information requests must be directed to the Monitor at the email addresses specified in **Schedule A** hereto.
15. Harte Gold, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISP, except, in the case of Harte Gold only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.
16. Without limiting the generality of any term or condition of any NDA between Harte Gold and any Potential Bidder or Qualified Bidder, unless otherwise agreed by Harte Gold or ordered by the CCAA Court, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with (a) any counterparty to any contract with Harte Gold, any current or former director, manager, shareholder, officer, member or employee of Harte Gold, other than in the normal course of business and wholly unrelated to Harte Gold, the potential transaction, the Confidential Information (as defined in the NDA), the SISP or the CCAA Proceedings, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, nothing herein shall prohibit secured creditors of Harte Gold, and their respective affiliates and their legal and financial advisors, from communicating with each other, solely to discuss their secured interests in Harte Gold in their capacities as secured creditors, unless such secured creditors have been advised by

the Company or the Monitor that their secured indebtedness is proposed to be paid or otherwise satisfied in full by a Qualified Bidder, in which case, such communications and discussions from that point on shall be made in the presence of the Monitor. At no time shall such secured creditors be entitled to communicate or discuss with one another or with any other Potential Bidder, Qualified Bidder or Auction Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto.

Qualified Bids

17. A Qualified Bidder that wishes to make a bid must deliver their bid to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto so as to be actually received by the Monitor not later than the Bid Deadline.
18. All offers submitted to the Monitor ("**Bids**") for consideration in accordance with paragraph 17, other than the Stalking Horse Bid which is deemed a Qualified Bid, must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
 - (a) **Subscription/Purchase Price**: Each Bid must clearly set forth the subscription/purchase price in Canadian dollars, stated on a total enterprise value basis, (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
 - (b) **Executed Subscription Agreement or other Transaction Agreement**: Each bid must be made by way of the submission of (a) a Subscription Agreement or (b) or such other form of transaction document as the Qualified Bidder may choose, in each case executed by the Qualified Bidder;
 - (c) **Mark-up**: Each Bid must include a full mark-up comparison of their executed Subscription Agreement or other form of transaction document against the form of Subscription Agreement (including all schedules and exhibits thereto) included in the Data Room, as well as any proposed forms of Orders to be sought from the CCAA Court.
 - (d) **Bid Deadline**: Each Bid must be received by the Bid Deadline as set forth herein;
 - (e) **Superior Offer**: Each Bid must represent a Superior Offer;
 - (f) **Capital Structure**: Each Bid must include information to enable Harte Gold and the Monitor to review and assess the financing/cash available post-closing to fund the business, and implement post-closing measures and transactions.
 - (g) **Irrevocable Offer**: Each Bid must be irrevocable until the earlier of (A) the approval by the CCAA Court of a Successful Bid (and the Back-Up Bid) and (B) 45 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the Closing (or the outside date as set forth therein);
 - (h) **Executed Documents**: Each Bid must be accompanied by a duly authorized and executed Subscription Agreement or other form of transaction document and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;

- (i) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (ii) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to Harte Gold, in consultation with the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (iii) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
 - A. any internal approval(s);
 - B. the outcome of unperformed due diligence by the Qualified Bidder; or
 - C. obtaining financing;
- (iv) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (v) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (vi) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, including any approvals under the CA and ICA, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (vii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (viii) Treatment of Employees: Each Bid must include full details of the Qualified Bidder's intention towards offering continued employment to Harte Gold's employees and by providing details on the terms and conditions of employment that will be offered to any continuing employees. For greater certainty, each Bid must include the proposed number of employees of Harte Gold who will become employees of the bidder or remain employees of the Business. Each Bid must also include details on how the Qualified Bidder intends to address Harte Gold's contemplated actions towards its employee population in the context of the restructuring process;

- (ix) Timeline: Each Bid must provide a timeline to closing with critical milestones;
 - (x) Deposit: Each Bid, including the Stalking Horse Bid, must be accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer to an account specified by the Monitor, payable to the order of the Monitor, on behalf of Harte Gold, in trust, in an amount equal to five percent (5%) of the cash consideration contemplated by the Bid (including the Stalking Horse Bid), to be held and dealt with in accordance with the terms of this SISP;
 - (xi) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the CCAA Court approving the contemplated transaction;
 - (xii) Precedent Investments in the Mining Industry: Each Bid must provide any relevant details of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the mining industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;
 - (xiii) Prospective Plans: Each Bid should include the Qualified Bidder’s proposed plans for Harte Gold following consummation of a potential transaction, including intentions for Harte Gold’s operations as well as for management, employees and facilities;
 - (xiv) Confirmation of no Collusion. Each Auction Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted in the SISP; and
 - (xv) Other Information: Each Bid must contain such other information as may be reasonably requested by Harte Gold or the Monitor from time to time.
19. Notwithstanding anything herein to the contrary, Harte Gold, in consultation with the Monitor, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, Harte Gold, in consultation with the Monitor, may evaluate the following non-exhaustive list of considerations: (a) the subscription/purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents, including, if applicable, the proposed revisions to the Stalking Horse Bid; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction, (k) the financing or cash pro forma available post-closing to fund Harte Gold’s Business; (l) the capital sufficient to implement post-closing measures and transactions; and (m) proposed treatment of the employees.
20. Harte Gold, in consultation with the Monitor, may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP Procedures;

(iii) contrary to the best interest of Harte Gold; or (iv) not a Qualified Bid; provided that Harte Gold may, in consultation with the Monitor, waive strict compliance with any one or more of the requirements specified in paragraph 18 above and deem a non-compliant Bid to be a Qualified Bid.

Auction; Successful Bid

21. In the event that no Qualified Bid other than the Stalking Horse Bid is received, then (a) there will be no auction, (b) the Stalking Horse Bid will be deemed to be the Successful Bid, and (c) Harte Gold shall seek approval and authority to consummate the Stalking Horse Bid and the transactions provided for therein at the Approval Hearing.
22. If one or more Qualified Bids other than the Stalking Horse Bid are received, then Harte Gold, in consultation with the Monitor, shall conduct an auction to determine the highest or otherwise best Qualified Bid (the "**Auction**").
23. If the Auction is to take place, then as soon as practicable prior to the Auction, Harte Gold shall provide the Stalking Horse Bidder and all Qualified Bidders having submitted a Qualified Bid (the Stalking Horse Bidder and all Qualified Bidders, together, "**Auction Bidders**") with details of the time and place for the Auction and a copy of the Opening Bid for the Auction.
24. The Auction shall commence on the Auction Date and shall be held at the Toronto office of Stikeman Elliott LLP or by videoconference or such other arrangement acceptable to the Monitor. If the Auction is held at the Toronto office of Stikeman Elliott LLP and any Auction Bidder requests to participate by videoconference, Harte and the Monitor shall facilitate participation by videoconference. The Auction shall be conducted according to the following procedures:
 - (a) Participation: Harte Gold, in consultation with the Monitor, shall direct and preside over the Auction. Only Auction Bidders are eligible to participate in the Auction. Each Auction Bidder must have, present or available, the individual or individuals with the necessary decision-making authority to submit Overbids and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of Harte Gold, the Monitor, and each of the Auction Bidders shall be permitted to attend the Auction.
 - (b) Rounds. Bidding at the Auction shall be conducted in rounds. The Qualified Bid determined by Harte Gold and the Monitor to have the highest and/or best value shall constitute the "**Opening Bid**" for the first round of bidding. The highest and/or best Overbid at the end of each round shall constitute the "**Opening Bid**" for the following round. Harte Gold, in consultation with the Monitor, shall determine what constitutes the Opening Bid for each round in accordance with the assessment criteria set out in paragraph 24(d) below. In each round, an Auction Bidder may submit no more than one Overbid. Harte Gold, in consultation with the Monitor, may impose such time limits for the submission of Overbids as it deems reasonable. For clarity, the Stalking Horse Bidder may submit an Overbid.
 - (c) Failure to Submit an Overbid. If, at the end of any round of bidding, an Auction Bidder (other than the Auction Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Auction Bidder may not participate in any future round of bidding at the Auction. Any Auction Bidder that submits an Overbid during a round (including the Auction Bidder that submitted the Opening

Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. Any Auction Bidder that fails to submit an Overbid in a round (other than the Auction Bidder that submitted the Opening Bid for such round) may be required by Harte Gold and the Monitor to leave the Auction.

- (d) Bid Assessment Criteria. Harte Gold, in consultation with the Monitor, shall determine which Qualified Bid constitutes the Opening Bid for the first round of bidding and the determination of which Overbid constitutes the Opening Bid for each subsequent round of bidding, taking into account all factors that Harte Gold and the Monitor, with the assistance of their advisors, reasonably deem relevant to the value of such bid, including, among other things, those considerations listed in paragraph 19, above.
- (e) Overbids. All bids made during the Auction must be Overbids and shall be submitted in a form to be determined by Harte Gold, in consultation with the Monitor. The identity of each Auction Bidder and all material terms of each Overbid may be fully disclosed by Harte Gold to all other Auction Bidders participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid (as defined below) and the Back-Up Bid. To be considered an “**Overbid**”, a bid made during the Auction must satisfy the following criteria:
 - (i) Minimum Consideration. The overall amount of consideration of any Overbid shall not be less than the value of the Opening Bid of the applicable round of bidding, plus the Overbid Amount; and
 - (ii) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in paragraph 18 above (provided, for greater certainty, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (h) hereof)). To the extent not previously provided (which shall be determined by Harte Gold in consultation with the Monitor), an Auction Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to Harte Gold, in consultation with the Monitor, demonstrating such Auction Bidder’s ability (including financial ability) to close the transaction contemplated by its Overbid;
- (f) Overbid Alterations: An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the prior Overbid so long as, after giving effect to the same, the terms of the new Overbid are no less favorable than any prior Overbid of such Auction Bidder, as determined by Harte Gold in consultation with the Monitor.
- (g) Announcing Highest Overbids. At the end of each round of bidding, Harte Gold, in consultation with the Monitor, shall (i) review each Overbid made in such round; (ii) identify the highest and/or best Overbid; and (iii) announce the terms of such highest and/or best Overbid to all Auction Bidders entitled to participate in the next round of bidding. Such highest and/or best Overbid shall be the Opening Bid for the next round of the Auction.
- (h) Adjournments. Harte Gold, in consultation with the Monitor, may, in its reasonable business judgment, make one or more adjournments in the Auction to, among other things: (i) facilitate discussions with individual Auction Bidders, including any discussion, negotiation or clarification of any Overbid; (ii) allow individual Auction

Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; (iv) give Auction Bidders the opportunity to provide such additional evidence as Harte Gold may require, in its reasonable business judgment, that the Auction Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid amount; and (v) subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, may consider appropriate, facilitate any appropriate consultation by Harte Gold and/or Auction Bidders with third party stakeholders.

- (i) Closing the Auction. If, in any round of bidding, no Overbid is made, the Auction shall be closed and Harte Gold, in consultation with the Monitor and legal advisors: (i) declare the last Opening Bid as the successful Bid (the “**Successful Bid**” and the party submitting such Successful Bid, the “**Successful Bidder**”); (ii) immediately review the other Overbids made in the previous round (or the Qualified Bid if no Overbids were made at the Auction) and identify and record the next highest and/or best Overbid (or Qualified Bid) (the “**Back-Up Bid**” and the party submitting such Back-Up Bid, the “**Back-Up Bidder**”); and (iii) advise the Successful Bidder and the Back-Up Bidder of such determinations and all other Auction Bidders that they are not a Successful Bidder or a Back-Up Bidder. If a Back-up Bid is identified in accordance with this SISF, then such Back-up Bid shall remain open until the closing of the transaction contemplated by the Successful Bid.
- (j) Executed Documentation: The Successful Bidder and the Back-up Bidder (if any) shall, within two (2) Business Days after the conclusion of the Auction, or such longer delay acceptable to Harte Gold, in consultation with the Monitor, submit to Harte Gold executed revised documentation memorializing the terms of the Successful Bid and the Back-up Bid (if any). The Successful Bid and the Back-up Bid may not be assigned to any party without the consent of Harte Gold.
- (k) Reservation of Rights.
 - (i) Notwithstanding anything herein to the contrary, Harte Gold shall be under no obligation to accept the highest or the best Overbid or any Qualified Bid (other than the Stalking Horse Bid if no higher or better Qualified Bid is accepted) or to pursue or hold an Auction or to select any Successful Bid and/or Back-up Bid.
 - (ii) Harte Gold reserves its rights to modify the conduct of the Auction at any time, acting reasonably, in consultation with the Monitor, in any manner that would best promote the goals of the Auction process, including to select the Successful Bid and/or Back-up Bid prior to the completion of the Auction.
- (l) No Collusion. Each Auction Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids. Harte Gold, in consultation with the Monitor, may permit discussions between Auction Bidders at the Auction, subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, considers appropriate. The parties agree that discussions between secured creditors of Harte Gold, including their affiliates, and their legal or financial advisors, regarding their secured interests in Harte Gold, shall not constitute collusive behaviour provided that such secured creditors comply with the requirements of paragraph 16 hereof.

Approval Motion

25. Harte Gold shall apply to the CCAA Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing Harte Gold to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, if any, in the event that the Successful Bid does not close for any reason.
26. The hearing of the Approval Motion will be held on the date of the Approval Hearing. The Approval Motion may be adjourned or rescheduled by Harte Gold or the Monitor, in consultation with the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion, or by notice to the service list in the CCAA Proceedings.
27. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the CCAA Court.

Closing the Successful Bid

28. Harte Gold and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the CCAA Court. If the transaction contemplated by the Successful Bid has not closed by the outside date provided for in the Successful Bid or the Successful Bid is terminated for any reason prior to the outside date provided for in the Successful Bid, Harte Gold may elect, with the consent of the Monitor, to seek to complete the transaction contemplated by the Back-Up Bid, and will promptly seek to close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and Harte Gold will be deemed to have accepted the Back-Up Bid only when Harte Gold has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

General

29. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the subscription/purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by Harte Gold, in consultation with the Monitor. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing.
30. If a Successful Bidder breaches its obligations under the terms of the SISF, its Deposit shall be forfeited as liquidated damages and not as a penalty.
31. All bidders (including Auction Bidders and Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the CCAA Court and waived any right to apply to another jurisdiction in connection with any disputes relating to the SISF, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISF, the

transaction documents and the Closing, as applicable.

32. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.
33. There will be no amendments to this SISP without the consent of the Monitor and Harte Gold and, if such modification or amendment materially deviates from the key dates contemplated in Section 2 hereof, with the written consent of the Stalking Horse Bidder, or with the approval of the CCAA Court.
34. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, or any obligation to enter into any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, other than as specifically set forth in a definitive agreement that may be signed with Harte Gold.
35. Neither Harte Gold nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

SCHEDULE A

Contact Information

Monitor

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SCHEDULE B

Required Acknowledgement

SCHEDULE C

SISP Press Release

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

SISP APPROVAL ORDER

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Lawyers for the Applicant

EXHIBIT “A”

EXHIBIT "A"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

OFFTAKE AGREEMENT

Between

HARTE GOLD CORP.

as Seller

- and -

**OMF FUND II SO LTD. AND EACH OF THE OTHER PURCHASERS
FROM TIME TO TIME PARTY HERETO**

as Purchasers

- and -

OMF FUND II SO LTD.

as Purchasers' Agent

December 29, 2017

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SCHEDULES

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OFFTAKE AGREEMENT

THIS AGREEMENT is made as of the 29th day of December, 2017

BETWEEN:

HARTE GOLD CORP., a corporation existing under the laws of the Province of Ontario (“**Seller**”)

– and –

OMF FUND II SO LTD. AND EACH OF THE OTHER PURCHASERS FROM TIME TO TIME PARTY HERETO

– and –

OMF FUND II SO LTD., an exempted company formed under the laws of the Cayman Islands, in its capacity as the Purchasers’ Agent

WHEREAS:

- (A) The Seller is the sole owner of the Project and has the right to mine 100% of the Minerals.
- (B) The Seller has agreed to sell to the Purchasers, and the Purchasers have agreed to purchase from the Seller, Refined Gold based on production of Project Doré, subject to and in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties mutually agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement (including the recitals hereto and the Schedules), unless the context otherwise requires, the following terms shall have the respective meanings given to them, as set out below, and grammatical variations of such terms shall have corresponding meanings:

“**Affiliate**” means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person.

“**Aggregate Gold Quantity**” means: (a) initially and until a Triggering Breach, 300,000 ounces of Refined Gold; or (b) from and after a Triggering Breach, 375,000 ounces of Refined Gold.

“**Agreement**” means this Offtake Agreement and all attached Schedules, in each case as the same may be amended, restated, supplemented, modified or superseded from time to time in accordance with the terms hereof.

“**AML Legislation**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *USA PATRIOT Act*, and other applicable anti-money laundering, anti-terrorist

financing, government sanction and “know your client” Applicable Laws, whether within Canada, in the United States or, to the extent applicable, elsewhere, including any regulations, guidelines or orders thereunder.

“**Annual Forecast Report**” means a written report prepared by the Seller in relation to a fiscal year with respect to the Project that contains, with reasonable detail, a forecast, based on the then current Mine Plan, for such fiscal year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis of: (a) the estimated tonnes and grade of Minerals to be mined; (b) the estimated tonnes and grade of Minerals to be stockpiled; and (c) the estimated tonnes and grade of Minerals to be processed, and expected recoveries for gold and other types of marketable minerals, including a breakdown by Project Doré and other Minerals produced by the Project.

“**Anti-Corruption Laws**” means the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* and all other laws, rules, and regulations of any jurisdiction applicable to the Seller from time to time concerning or relating to bribery or corruption.

“**Anti-Corruption Policy**” means the anti-bribery and anti-corruption policy of the Seller adopted by its board of directors, a copy of which has been provided to the Purchasers prior to the date hereof, as the same may be amended, revised, supplemented or replaced from time to time.

“**Appian**” means ANR Investments B.V.

“**Appian Offtake Agreement**” means the offtake agreement entered into on or about the date hereof between Appian (or one of its Affiliates), as purchaser, and the Seller, as seller, in respect of 10% of the Refined Gold produced from Project Doré, substantially in the same form as this Agreement and otherwise in form and substance satisfactory to the Purchasers’ Agent, acting reasonably.

“**Applicable Law**” means any law (including common law and equity), any international or other treaty, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation, Order (including any securities laws or requirements of stock exchanges and any consent, decree or administrative Order), or Authorization of a Governmental Body in each case to the extent applicable to any specified Person, property, transaction or event, or any of such Person’s property or assets.

“**Applicable Percentage**” means a percentage equal to: (a) initially and until a Triggering Breach, 40%; or (b) from and after a Triggering Breach, 50%.

“**Arbitration Rules**” means the International Arbitration Rules of the International Centre for Dispute Resolution.

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

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in any one or more of Toronto, Ontario, New York City, New York, or London, United Kingdom or a day on which banks are generally closed in any one or more of those cities.

“**Control**” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise, and “**Controlling**” and “**Controlled**” have meanings correlative thereto.

“**Default Payment**” means, at any given time, an amount equal to the difference between the Aggregate Gold Quantity and the number of ounces of Refined Gold Delivered to the Purchasers hereunder as of such time multiplied by \$15.00.

“**Delivery**” means delivery of Refined Gold, and transfer of possession and title in respect thereof, from the Seller to the Purchasers in the manner provided for in this Agreement, and “**Delivered**” shall have a corresponding meaning.

“**Delivery Date**” has the meaning set out in Section 2.3(c).

“**Delivery Time**” has the meaning set out in Section 2.3(c).

“**Early Settlement Amount**” means, at any given time, an amount equal to the difference between the Aggregate Gold Quantity and the number of ounces of Refined Gold Delivered to the Purchasers hereunder as of such time multiplied by \$12.50.

“**Encumbrance**” means any mortgage, debenture, pledge, hypothec, lien, charge, contractual right of set-off, assignment by way of security, hypothecation or security interest, including a purchase money security interest, any consignment by way of security, the interest of a lessor under any capitalized lease obligation or any other security agreement, trust or arrangement having the effect of creating an interest in property as security for the payment of any debt, liability or obligation.

“**Excluded Taxes**” has the meaning set out in Section 4(c).

“**Gold Price**” has the meaning set out in Section 3.1(a).

“**Good Industry Practice**” means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill, care, prudence, oversight, economy and stewardship which is commonly observed or would reasonably be expected to be observed by skilled and experienced professionals in the Canadian mining industry engaged in the same type of undertaking under the same or similar circumstances.

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

“**LBMA**” means the London Bullion Market Association and its successor organization.

“**Losses**” means any and all damages, claims, losses, diminution of value, liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees); provided, however, that losses of a Person indemnified hereunder shall not include consequential, special, exemplary or punitive damages, except to the extent such losses are awarded to a third party in connection with a claim by a third party against such indemnified Person.

“**Majority Purchasers**” means, at any time, one or more Purchasers holding in the aggregate a Purchaser’s Share greater than 50%.

“**Material Adverse Effect**” means any change, event, occurrence, circumstance, fact or effect that, when taken individually or together with all other events, occurrences, changes or effects has, or could reasonably be expected to have, a material adverse effect on: (a) the ability of the Seller to explore, develop, construct or operate the Project, or on the economic viability of the Project, substantially as contemplated by the Mine Plan (as in effect at the time of such change, event, occurrence, circumstance, fact or effect); (b) any significant decrease to expected gold production from the Project as contemplated by the Mine Plan (as in effect at the time of such change, event, occurrence, circumstance, fact or effect); or (c) the ability of the Seller to perform its obligations under this Agreement.

“**Mine Plan**” means the development and mine plans for the Project as approved by the board of directors of the Seller, a copy of which have been provided to the Purchasers prior to the date hereof, as the same may be amended, revised, supplemented or replaced from time to time.

“**Minerals**” means any and all marketable metal bearing material in whatever form or state that is mined, produced, extracted or otherwise recovered from the Project Real Property, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Project Real Property, and including ore, concentrate, doré and any other products resulting from the further milling, processing or other beneficiation of Minerals.

“**Monthly Production Report**” means a written report prepared by the Seller in relation to a calendar month with respect to the Project that contains, for such month:

- (i) the estimated tonnes and grade of Minerals mined during such month;
- (ii) the estimated tonnes and grade of Minerals stockpiled during such month (and the total stockpile at the end of such month);
- (iii) the estimated tonnes and grade of Minerals processed during such month and recoveries for gold and other types of marketable minerals, including a breakdown by Project Doré and other Minerals produced by the Project;
- (iv) the estimated weight and fineness of Project Doré produced by the Project during such month that have not yet been shipped to the Refinery (and the total stockpile at the end of such month);
- (v) the estimated weight and fineness of Project Doré shipped to the Refinery during such month and the number of ounces of Refined Gold Outturned by the Refinery from Project Doré during such month;

- (vi) the aggregate number of ounces of Refined Gold Delivered to the Purchasers under this Agreement up to the end of such month; and
- (vii) such other information regarding the calculation of the amount of Refined Gold delivered to the Purchasers as the Purchasers may reasonably request.

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

“**OFAC**” means The Office of Foreign Assets Control of the US Department of the Treasury.

“**Order**” means any order, directive, decree, judgment, ruling, award, injunction, direction or legally binding request of any Governmental Body or other decision making authority of competent jurisdiction.

“**Other Minerals**” means minerals that are not Minerals.

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

“**Outturn**” means an outturn to the Seller or other Person, as directed by the Seller, of Refined Gold from a Refinery processed from Project Doré.

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

“**Payment Date**” means, in respect of each Delivery of Refined Gold, the day which is the third Business Day after its Delivery Date.

“**PEA**” means the “NI 43-101 Technical Report on the Preliminary Economic Assessment of the Sugar Zone Project” prepared by Nordmin Engineering Ltd. with an effective date of May 31, 2012.

“**Permitted Disposition**” means either: (a) the Transfer of Project Property pursuant to any Order; or (b) any abandonment, surrender, relinquishment or allowing to lapse of any of the Project Real Property if the Seller determines, acting commercially reasonably, that it is not economical to mine the minerals from such Project Real Property, provided the Purchasers’ Agent has received 30 days prior written notice and has not objected in writing that such Transfer could reasonably be expected to have a Material Adverse Effect.

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

“**Pool Account**” means such LBMA approved metal account or accounts located in London, United Kingdom, as each Purchaser may notify to the Seller from time to time, provided that any such notification shall be given to the Seller not less than five Business Days prior to the first Outturn in respect of which Refined Gold is to be credited to such account.

“Processing Facilities” means the mineral processing facilities, whether now-existing or constructed after the date hereof, owned by the Seller or an Affiliate thereof and located on the Project Real Property, which facilities are designed to process Minerals into doré bars that are ready to be shipped to a refinery for further refining into separate precious metals.

“Project” means the Seller’s Sugar Zone project located in the Sault Ste. Marie Mining Division approximately 25 kilometres northeast of the Town of White River, as described in the PEA, and any construction, development or expansion thereof, including the Processing Facilities and any new mines developed and operated using common infrastructure with the Sugar Zone project.

“Project Doré” means doré bars that are ready to be shipped to a refinery for further refining into separate precious metals, which doré bars are processed from: (a) Minerals or Other Minerals processed by the Seller or its Affiliates at the Processing Facilities; or (b) Minerals processed by any other Person on behalf of the Seller, including pursuant to any toll milling agreement entered into by the Seller in accordance with Section 7.2(c).

“Project Financing” means any type of financing, the proceeds of which are, will, or are intended to be, used to satisfy all or a portion of the budget as of the date hereof for completion of construction of the Project, a copy of which has been provided to the Purchasers’ Agent.

“Project Property” means all of the property, assets, undertaking, approvals, licenses, permits and rights of the Seller in and relating to the Project, whether now owned or existing or hereafter acquired or arising, including real property, personal property and mineral interests, and specifically including, but not limited to, the Project Real Property and Minerals.

“Project Real Property” means all real property interests, all mineral claims, mineral leases and other mineral rights, and all surface access rights held by the Seller from time to time relating to the Project, whether created privately or by the action of any Governmental Body. The Project Real Property, as of the date hereof, is described in Schedule A and depicted on the map attached thereto.

“Purchaser’s Acknowledgement” means, in respect of a Person which becomes a Purchaser by virtue of a Transfer of another Purchaser’s rights and obligations under this Agreement in accordance with Section 10.1, a written acknowledgement addressed to the Seller and the Purchasers’ Agent in the form set forth in Schedule C duly executed by such Person.

“Purchaser’s Share” means, at any given time, in respect of each Purchaser, the percentage set forth next to each Purchaser in Schedule B, as may be updated from time to time in accordance with this Agreement.

“Purchasers” means the Purchasers party hereto from time to time, as set forth in Schedule B, as it may be updated from time to time in accordance with this Agreement, and **“Purchaser”** means any one of them, as the context so requires.

“Purchasers’ Agent” means OMF Fund II SO Ltd., in its capacity as agent for the Purchasers under this Agreement, or any successor Purchasers’ Agent appointed by the Majority Purchasers in accordance with Section 11.3.

“Quotational Period” means, in respect of each Delivery of Refined Gold, the period commencing on and including the third Business Day prior to its Delivery Date and ending on and including the Payment Date in respect of such Delivery.

“**Refined Gold**” means marketable metal bearing material in the form of gold bars or coins that is refined to standards meeting or exceeding 995 parts per 1,000 fine gold, and otherwise conforming to the LBMA specifications for good delivery.

“**Refinery**” means any Acceptable Refinery chosen by the Seller from time to time, provided that the Seller has given the Seller has given the Purchasers at least 10 Business Days’ prior written notice of such choice, accompanied by all documentation required to be delivered to the Purchaser under Section 7.2(d) in respect of such refinery. For the purposes of the foregoing, an “**Acceptable Refinery**” means a refinery that is recognized by the LBMA (or a successor satisfactory to the Purchasers’ Agent) at the relevant time as producing gold bars meeting specifications for good delivery, or any other refinery as agreed to by the Seller and the Purchasers’ Agent in writing from time to time.

“**Sanctioned Entity**” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country Sanctions program administered and enforced by OFAC or by any Canadian Governmental Body.

“**Sanctioned Person**” means, (a) any Person listed in any sanctions-related list of designated Persons maintained by any Canadian Governmental Body, or (b) a Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by OFAC or any Canadian Governmental Body.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Subscription Agreement**” means the subscription agreement dated as of the date hereof between the Seller and Orion Mine Finance Fund II LP.

“**Subsidiary**” means with respect to any Person, any other Person which is Controlled directly or indirectly by that Person, and “**Subsidiaries**” means all of such other Persons.

“**Taxes**” means all present and future taxes (including, for certainty, real property taxes), levies, imposts, stamp taxes, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body, including any interest, additions to tax or penalties applicable thereto.

“**Term**” has the meaning set out in Section 5.1.

“**Transfer**” means to, directly or indirectly, sell, transfer, assign, convey, dispose or otherwise grant a right, title or interest (including expropriation or other transfer required or imposed by law or any Governmental Body), whether voluntary or involuntary.

“**Triggering Breach**” means any breach by the Seller of the terms of section 4.5 of the Subscription Agreement.

1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specifically provided or unless the context otherwise requires:

- (a) The terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.
- (b) References to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement.
- (c) Headings of Articles, Sections and Schedules are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (d) References to a Party in this Agreement mean the Party or its successors or permitted assigns.
- (e) The words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”.
- (f) Words importing the singular include the plural and vice versa and words importing gender include all genders.
- (g) A reference to an agreement includes all schedules, exhibits and other appendices attached thereto and shall include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement.
- (h) A reference to a statute includes all regulations made pursuant to and rules promulgated under such statute and, unless otherwise specified, any reference to a statute or regulation includes the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation from time to time.
- (i) A period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (New York City time) on the last day of the period.
- (j) Whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.
- (k) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.3 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, including the contents of any certificate to be delivered hereunder, such determination, consolidation or computation shall, unless the Parties otherwise agree or the context otherwise requires, be made in accordance with International Financial

Reporting Standards, as adopted by the International Accounting Standards Board from time to time.

1.4 Currency and Manner of Payment

- (a) Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to United States dollars.
- (b) All payments of funds due by one Party to another under this Agreement shall be made in United States dollars and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by the receiving Party in writing from time to time.

1.5 Measurements

Reference to an “ounce” or “oz” means a troy ounce (being equal to 31.1034768 grams).

1.6 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of the Seller, it shall be deemed to refer to the actual knowledge of any officer, director or member of senior management of the Seller (including the general manager of the mine at the Project), and all information which ought to have been known by any of them after conducting a reasonable inquiry into the matters in question, whether or not any such inquiry was actually made.

1.7 Time of Essence

Time shall be of the essence of this Agreement.

1.8 Schedules

The following schedules are attached to and form part of this Agreement:

- Schedule A - Project Real Property
- Schedule B - Purchasers
- Schedule C - Form of Purchaser’s Acknowledgement

2. PURCHASE, SALE AND DELIVERY

2.1 Purchase and Sale of Refined Gold

- (a) Subject to and in accordance with the terms and conditions of this Agreement, the Seller agrees to sell to each Purchaser, and each Purchaser agrees to purchase from the Seller, in respect of each Outturn, an amount of Refined Gold equal to its Purchaser’s Share of the Applicable Percentage of Refined Gold produced from Project Doré and credited to the Seller (or other Person, as directed by the Seller) by the Refinery in such Outturn, free and clear of all Encumbrances, until an aggregate amount of Refined Gold equal to the Aggregate Gold Quantity has been Delivered to the Purchasers collectively under this Agreement.

- (b) The amount of Refined Gold to be delivered by the Seller to the Purchasers under this Agreement shall be calculated based on the amount of Refined Gold delivered or credited to the Seller (or other Person, as directed by the Seller) by a Refinery in each Outturn. For greater certainty, the Purchasers shall not be responsible for any refining, treatment or other charges, penalties, insurance, deductions, transportation, settlement, financing, price participation charges or other charges, penalties, deductions, set-offs, Taxes or expenses pertaining to and/or in respect of the Refined Gold that are incurred prior to or in respect of its Delivery to the Purchasers hereunder, all of which shall be for the account of the Seller.

2.2 Product Specifications

- (a) The Refined Gold to be delivered by the Seller to the Purchasers pursuant to this Agreement shall conform in all respects with the LBMA specifications for good delivery of gold bars under the “Good Delivery Rules” published by the LBMA from time to time, and the Purchasers shall not be required to purchase any Refined Gold that does not meet such specifications.
- (b) If the LBMA ceases to exist or ceases to publish or recognize specifications for the good delivery of gold or such specifications should no longer be internationally recognized as the basis for good delivery of gold, upon the request of either of them, the Seller and the Purchasers’ Agent shall promptly meet and engage in discussions with a view to agreeing on a new basis for determining good delivery of Refined Gold under this Agreement. Until a replacement set of specifications is mutually agreed by the Seller and the Purchasers’ Agent, deliveries of Refined Gold by the Seller to the Purchasers under this Agreement shall conform to the last set of specifications for good delivery in effect under this Agreement immediately prior to the time such specifications ceased to be published or recognized.
- (c) The Seller shall not sell or deliver to the Purchasers (for the purposes of this Agreement and at any time during the Term) any Refined Gold that has been directly or indirectly purchased on a commodity exchange.

2.3 Delivery Obligations

- (a) On the date of each Outturn, the Seller shall sell and deliver, or cause to be delivered, the Refined Gold to be sold to each Purchaser in respect of such Outturn pursuant to Section 2.1 by way of credit (in metal) to such Purchaser’s Pool Account.
- (b) The Seller shall cause the Refinery to directly credit each Purchaser’s Pool Account with the applicable amount of Refined Gold on the date of each Outturn. Notwithstanding the foregoing, the Seller acknowledges its primary obligation to deliver the Refined Gold to be sold to each Purchaser in respect of an Outturn pursuant to Sections 2.1 and 2.3(a) and agrees that any arrangements with the Refinery implemented in accordance with the Section 2.3(b) shall not relieve the Seller of that obligation.
- (c) Delivery by the Seller of Refined Gold to the Purchasers shall be deemed to have been made at the time (the “**Delivery Time**”) and on the date (the “**Delivery Date**”) such Refined Gold is credited to their respective Pool Accounts.

- (d) All costs and expenses pertaining to each delivery of Refined Gold to the Purchasers shall be borne by the Seller.
- (e) For greater certainty, the Purchasers shall not be responsible for the return of any Refined Gold delivered to them (or any payment in lieu thereof or on account thereof) in connection with a provisional payment made by a Refinery, all of which shall be for the account of the Seller.

2.4 Passing of Title

Title to, and risk of loss of, Refined Gold shall pass from the Seller to the Purchasers at the Delivery Time thereof. The Seller represents and warrants to and covenants with each Purchaser that, at each Delivery Time: (i) it will be the sole legal and beneficial owner of the Refined Gold credited to the Pool Accounts; (ii) it will have good, valid and marketable title to such Refined Gold, and (iii) such Refined Gold will be free and clear of all Encumbrances.

2.5 Documentation

- (a) Promptly, and in any event no later than 24 hours after each shipment of Project Doré by the Seller to the Refinery, the Seller shall send the Purchasers notice of such shipment, including the date of such shipment and the weight and fineness of the doré bars so shipped.
- (b) Promptly, and in any event no later than 24 hours after delivery or receipt thereof by the Seller, the Seller shall send the Purchasers a copy or notice of, as applicable, all documents and information delivered to or received from the Refinery related to the shipping of Project Doré and the processing thereof into Refined Gold, including the expected date of the Outturn, sampling/assay information, umpire reports (if any), invoices and other settlement documents, unless the sharing of such information or documentation is restricted by applicable confidentiality obligations or Applicable Laws, and then only to the extent of such restriction. The Seller shall use its commercially reasonable efforts to procure the consent of any Refinery to the disclosure of information by the Seller to the Purchasers under this Agreement.
- (c) At least three Business Days prior to each Outturn, the Seller shall notify the Purchasers in writing of the expected Delivery Date and the number of ounces of Refined Gold to be sold and delivered to each Purchaser on the Delivery Date.
- (d) On the date of each Outturn, the Seller shall deliver an invoice to each of the Purchasers that shall include:
 - (i) the number of ounces of Refined Gold sold and Delivered to such Purchaser;
 - (ii) the Delivery Date and Delivery Time; and
 - (iii) such other information as may be reasonably requested by such Purchaser to allow it to verify all aspects of the delivery of Refined Gold reflected in such invoice.

- (e) All notices referred to in this Section 2.5 shall be given by email at the email address(es) designated by the Purchasers in writing from time to time. The initial email address of the Purchasers for such purpose is logistics@orionresourcepartners.com.

2.6 Buyout Provision

If any one Person, or any one group of Persons acting jointly and in concert, acquires more than 50% of the Seller's common shares before the second anniversary of the date of this Agreement, the Seller may terminate this Agreement upon notice to the Purchasers and payment to each Purchaser of an amount equal to the applicable Purchaser's Share of the Early Settlement Amount during the 30-day period following such acquisition.

3. PRICING AND PAYMENT

3.1 Payment

- (a) The purchase price payable by a Purchaser to the Seller for each ounce of Refined Gold Delivered to such Purchaser hereunder shall be equal to such Purchaser's choice of any one of the a.m. LBMA Gold Price in U.S. dollars per ounce or the p.m. LBMA Gold Price in U.S. dollars per ounce quoted by the LBMA on any day during the Quotational Period (the Purchaser's choice referred to herein as the "**Gold Price**").
- (b) At or before 4:00 p.m. (in New York City, New York) on the Payment Date in respect of each Delivery of Refined Gold to a Purchaser hereunder, such Purchaser shall provide the following to the Seller by email (at such email address designated by the Seller in writing from time to time):
 - (i) notice of the Gold Price chosen by such Purchaser in accordance with Section 3.1(a) (or, in the absence of any choice by a Purchaser, the Gold Price shall be the Gold Price designated by the Purchasers' Agent from the quotations set out in Section 3.1(a), or, in the absence of any choice by a Purchaser or the Purchaser's Agent, the Gold Price shall be the lowest of such quotations); and
 - (ii) a calculation of the aggregate Gold Price for such Refined Gold, being the Gold Price multiplied by the number of ounces of Refined Gold in such Delivery.
- (c) The Purchaser shall pay the aggregate Gold Price owing to the Seller as notified by such Purchaser to the Seller pursuant to Section 3.1(b) in cash on each Payment Date.

3.2 Replacement Pricing

If any of the price quotations used in the determination of the Gold Price cease to exist, cease to be published or should no longer be internationally recognized as the basis for the settlement of bullion contracts, then, upon the request of either of them, the Purchasers' Agent and the Seller shall promptly meet and engage in discussions with a view to selecting a comparable commodity quotation for purposes of this Agreement (which selection shall become effective upon the agreement of the Seller and the Purchasers' Agent). The basic objective of such selection shall be to secure the continuity of fair market pricing of Refined Gold delivered to the Purchasers under this Agreement; provided that any such selection shall preserve the pricing flexibility of the Quotational Period provided for in Section 3.1(a).

4. TAXES

- (a) All deliveries of Refined Gold and all other payments and transfers of property of any kind made under this Agreement to the Purchasers shall be made free and clear without any present or future deduction, withholding, charge, levy or imposition for or on account of any Taxes, except as required by Applicable Laws. Any such Taxes that are required by Applicable Laws to be so deducted, withheld, charged, levied, collected or imposed with respect to any such delivery, payment or transfer shall be paid by the Seller by delivering or paying to the applicable Purchaser or on its behalf, in addition to such delivery, payment or transfer, such additional delivery, payment or transfer as is necessary to ensure that the net amount received by such Purchaser (net of any such Taxes, including any Taxes required to be deducted, withheld, charged, levied, collected or imposed on any such additional amount) equals the full amount that such Purchaser would have received had no such deduction, withholding, charge, levy, collection or imposition been required.
- (b) If any Purchaser becomes liable for any Tax, other than Excluded Taxes, imposed on any delivery (or payment, as applicable) under this Agreement, the Seller shall indemnify such Purchaser for such Tax, and the indemnity payment shall be increased as necessary so that after the imposition of any Tax on the indemnity payment (including Tax in respect of any such increase in the indemnity payment), such Purchaser shall receive the full amount of Taxes for which it is liable. A certificate as to the amount of such payment or liability delivered to the Seller by such Purchaser shall be conclusive absent manifest error.
- (c) Notwithstanding Sections 4(a) and 4(b), the Seller shall not be responsible for any Excluded Taxes imposed or collected by any jurisdiction in respect of deliveries of Refined Gold or payments and transfers of property of any kind to the Purchasers pursuant to this Agreement. For these purposes “**Excluded Taxes**” means any Taxes that are recoverable by a Purchaser or its assignees by way of input tax credit, refund or rebate and any additional Taxes imposed or collected by a jurisdiction by reason of a Purchaser (or any assignee of a Purchaser pursuant to Section 10.1, but with respect only to the interest of such assignee) being incorporated or resident in that jurisdiction, carrying on business in, or having a permanent establishment or a connection in that jurisdiction or participating in a transaction separate from this Agreement in that jurisdiction, in each case determined by application of the laws of that jurisdiction, other than by reason of purchasing Refined Gold under this Agreement, receiving payments or deliveries under this Agreement in that jurisdiction, making payments under this Agreement, or enforcing rights under this Agreement.

5. TERM AND TERMINATION

5.1 Term

Unless otherwise terminated in accordance with this Article 5, this Agreement and the rights and obligations of the Parties hereunder shall be in effect from and after the date of this Agreement until the date on which Seller has Delivered, and final payment by the Purchasers has been made for, an aggregate amount of Refined Gold equal to the Aggregate Gold Quantity in accordance with this Agreement (the “**Term**”).

5.2 Purchasers' Right to Terminate

- (a) The Purchasers shall collectively have the right, by written notice from the Purchasers' Agent (at the direction of the Majority Purchasers) to the Seller, at their option and in addition to and not in substitution for any other remedies available to them at law or in equity (including pursuant to Article 9) to terminate this Agreement prior to the end of the Term if:
- (i) the Seller becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of its property or assets, and such proceeding is not contested by the Seller, diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance (for greater certainty, such 30-day grace period shall not apply if the Seller becomes bankrupt voluntarily or any such proceedings are initiated by the Seller);
 - (ii) an Order is made or a resolution is passed for the winding up, liquidation or dissolution of the Seller;
 - (iii) the financial position of the Seller deteriorates to such extent that, in the reasonable opinion of the Purchasers' Agent, the ability of the Seller to perform its obligations under this Agreement has been placed in jeopardy;
 - (iv) the Seller is in default of any obligation to deliver Refined Gold to any Purchaser under this Agreement, which default has not been cured to the satisfaction of the Purchasers' Agent, acting reasonably, within a period of five Business Days of a written demand made in respect thereof by the Purchasers' Agent;
 - (v) the Seller is, in any material respect, in default of its obligations under this Agreement (other than obligations dealt with in Section 5.2(a)(iv)), which default, if capable of cure, has not been cured to the satisfaction of the Purchasers' Agent, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Purchasers' Agent;
 - (vi) the Seller has Transferred all or any material portion of the Project Property pursuant to any Order (including any circumstance where all or any material portion of the Project Property is expropriated, nationalized, or is subject to any other act of eminent domain), unless such Transfer would have complied with Section 10.2 had such a Transfer not been a Permitted Disposition; or
 - (vii) any representation or warranty made by the Seller under or in connection with this Agreement is, in any material respect, incorrect or incomplete, which incorrectness or incompleteness, if capable of cure, has not been cured to the satisfaction of the Purchasers' Agent, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Purchasers' Agent.
- (b) In the event that the Purchasers elect to terminate this Agreement pursuant to Section 5.2(a)(iv), 5.2(a)(v) (as a result of a breach of Section 7.5 or 10.3), 5.2(a)(vi) or 5.2(a)(vii) (as a result of a breach of Section 8.2(j) or 8.2(k)), the Seller shall pay to each Purchaser an amount equal to the applicable Purchaser's Share of the Default Payment (it

being acknowledged by the Seller that the Default Payment is intended to be a genuine pre-estimate of liquidated damages that would be suffered by the Purchasers upon the termination of this Agreement as a result of any of the events listed in those Sections), plus any additional amounts that may be payable under any other remedies available to the Purchasers at law or in equity (including pursuant to Article 9).

5.3 Seller's Right to Terminate

In addition to the Seller right to terminate this Agreement pursuant to Section 2.6, the Seller shall have the right, by written notice to a Purchaser, to terminate this Agreement in respect of such Purchaser prior to the end of the Term if:

- (a) such Purchaser becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of its property and assets, and such proceeding is not contested by such Purchaser, diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance (for greater certainty, such 30-day grace period shall not apply if such Purchaser becomes bankrupt voluntarily or any such proceedings are initiated by such Purchaser);
- (b) an Order is made or a resolution is passed for the winding up, liquidation or dissolution of such Purchaser; or
- (c) such Purchaser is in default of payments of amounts totaling in excess of \$100,000 due in accordance with Section 3.1, which default has not been cured to the satisfaction of the Seller, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Seller; provided that any day during which such Purchaser is in good faith disputing a payment hereunder shall not count toward such 30-day period;
- (d) other than specified under clause (c) above, such Purchaser is, in any material respect, in default of its obligations under this Agreement, which default, if capable of cure, has not been cured to the satisfaction of the Seller, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Seller.

5.4 Effect of Termination

If this Agreement is terminated by the Purchasers or the Seller under Section 2.6 or this Section 5, then all rights and obligations under this Agreement shall terminate (provided that, in the case of a termination by the Seller, only to the extent such rights and obligations relate to the terminated Purchaser) other than in connection with any antecedent breach. Notwithstanding the foregoing, Sections 1 (to the extent applicable to surviving provisions), 2.6 (in respect of Refined Gold already Delivered), 4, 5.2(b), 6.6(b) (in respect of the period prior to termination of this Agreement), 9, 11, 12 and 13 shall survive termination of this Agreement.

6. REPORTING; BOOKS AND RECORDS; INSPECTIONS

6.1 Operations Reports

- (a) On or before the 15th day after the end of each calendar month, the Seller shall provide to the Purchasers a Monthly Production Report in respect of such month.

- (b) On or before December 31 of each calendar year, the Seller shall provide to the Purchasers an Annual Forecast Report in respect of the upcoming calendar year.
- (c) On or before March 30 of each calendar year, the Seller shall provide to the Purchasers a statement setting out the mineral reserves and mineral resources (by category) for the Project Real Property prepared in accordance with National Instrument 43-101 (with the assumptions used, including cut-off grade, metal prices and metal recoveries) as of the end of the prior calendar year; provided, however, that such statement need not be prepared by or under the supervision of a “qualified person” that is “independent” of the Seller (as those terms are used in National Instrument 43-101).

6.2 Copies of Certain Documents

The Seller shall promptly deliver or furnish, or cause to be delivered or furnished, to the Purchasers a copy of:

- (a) any amendment, revision or supplement to or replacement of the Anti-Corruption Policy;
- (b) any amendment, revision or supplement to or replacement of the Mine Plan;
- (c) any updated mineral reserve and mineral resource estimates prepared by or on behalf of the Seller in respect of the Project Real Property;
- (d) any technical reports or other material engineering or technical studies prepared by or on behalf of the Seller in respect of the Project; and
- (e) such other statements, accounts, budgets, forecasts, projections, reports or other information in respect of the Project as the Purchasers’ Agent may from time to time reasonably request.

6.3 Acquisition and Disposition of Project Real Property

The Seller shall promptly notify the Purchasers of the acquisition or disposition by the Seller of any Project Real Property (any such acquisition or disposition being subject to Section 7.4(b) or 10.2, respectively), and shall provide to the Purchasers and the Purchasers’ Agent an updated version of Schedule A together with such notification.

6.4 Notice of Adverse Impact

The Seller shall provide the Purchasers with written notice of each of the following events promptly upon the Seller becoming aware of or having knowledge of such event:

- (a) the occurrence of any event or circumstance giving rise to the right of the Purchasers to terminate this Agreement in accordance with Section 5.2, or any event or circumstance which with notice or lapse of time or both would give rise to, or may result in, the right of the Purchasers to terminate this Agreement in accordance with Section 5.2;
- (b) the loss of or material non-compliance with the terms of, or any threat (whether or not in writing) by a Governmental Body to revoke or suspend, any Authorization material to the Project;

- (c) all material actions, suits and proceedings before any Governmental Body or arbitrator pending or, to the knowledge of the Seller, threatened against or directly affecting the Seller or the Project, including with respect to the ownership, use, maintenance and operation of the Project;
- (d) any violation or suspected violation of any Applicable Law or the Anti-Corruption Policy by the Seller, or any Person acting on its behalf, which would reasonably be expected to result in any material liability, or to have an adverse impact on the reputation, of any Party;
- (e) any material loss or damage suffered to the Project or any Minerals, and whether the Seller or any other Seller has or plans to make any insurance claim in respect thereof;
- (f) any material claims, disputes or disturbances pertaining to the Project involving local communities, including without limitation, any aboriginal group;
- (g) any material labour disruption involving the workforce at the Project; and
- (h) any other event of change which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect,

in each case, accompanied by a written statement by a senior officer of the Seller setting forth details of the occurrence referred to therein.

6.5 Provision of Reports

Upon written notice to the Seller by any Purchaser at any time and from time to time, the Seller shall cease to provide any information or reports identified for the time period specified in such notice to such Purchaser. The Seller shall recommence regular reporting under this Agreement upon completion of such period or upon further written notice to the Seller by such Purchaser.

6.6 Books and Records; Audits

- (a) The Seller shall keep true, complete and accurate books and records of all of its operations and activities with respect to the Project and the Project Property, including the mining, milling, processing, transportation and marketing of all Minerals.
- (b) The Seller shall permit the Purchasers and their authorized representatives and agents to perform audits or other reviews and examinations of its books and records and other information relevant to the production, delivery and determination of Refined Gold under this Agreement and compliance with this Agreement from time to time at reasonable times at the Purchasers' sole risk and expense and not less than three Business Days' notice, provided that the Purchasers and their authorized representatives and agents will not exercise such rights more often than once during any calendar year absent a material deficiency identified during a previous audit or review, in which case such rights may be exercised at such periods as may be reasonably determined by the Purchasers (and in any event at least once during any calendar quarter) until no material deficiencies are identified during four consecutive audits or reviews, at which point the Purchasers will once again be limited to exercising such rights once per calendar year. The Purchasers shall use their commercially reasonable efforts to diligently complete any audit or other examination permitted hereunder, and will, to the extent commercially reasonable,

engage the Purchasers' Agent to conduct any such audit or other examination on their behalf.

6.7 Inspections

Upon no less than ten Business Days' notice to the Seller and subject at all times to the workplace rules and supervision of the Seller, the Seller shall grant, or cause to be granted, to the Purchasers' Agent and its representatives and agents, at reasonable times and at the Purchasers' Agent sole risk and expense, the right to access the Project Real Property, the Processing Facilities and the other facilities of the Project, in each case to monitor operations relating to the Project and compliance with this Agreement. The Purchasers' Agent shall use its commercially reasonable efforts to not interfere with operations conducted at the Project.

7. ADDITIONAL COVENANTS

7.1 Conduct of Operations

- (a) Except as otherwise provided herein, all decisions regarding the Project, including (i) the methods, extent, times, procedures and techniques of any exploration, development and mining related to the Project or any portion thereof, and (ii) decisions to operate or continue to operate the Project or any portion thereof, including with respect to closure and care and maintenance, shall be made by the Seller in its sole discretion.
- (b) The Seller shall ensure that all exploration, development and mining operations and other activities in respect of the Project will be conducted in a commercially reasonable manner in accordance with Good Industry Practice and in compliance, in all material respects, with the Mine Plan, Applicable Law, applicable Authorizations, applicable Other Rights and the Anti-Corruption Policy.
- (c) The Seller shall use all commercially reasonable efforts to obtain, as and when required, and preserve and maintain, all Authorizations (including environmental Authorizations), Other Rights and other contractual commitments which are required to permit the Seller to (i) own, operate and maintain the Project in the manner currently owned and operated and as contemplated by the Mine Plan, (ii) carry out commercial production transactions, and (iii) perform its obligations under this Agreement.
- (d) The Seller shall be responsible, at its own expense, for obtaining and maintaining any Authorizations and Other Rights required in order to perform its obligations under this Agreement, including the sale and delivery of Refined Gold to the Purchasers.

7.2 Processing and Refining

- (a) The Seller shall use all commercially reasonable efforts to ensure that: (i) subject to Section 7.2(c), all Minerals mined from the Project Real Property are processed at the Processing Facilities to produce Project Doré or at other mineral processing facilities located on the Project Real Property to produce gold concentrates; and (ii) all Project Doré is, in a prompt and timely manner, shipped to the Refinery for processing into Refined Gold.
- (b) The Seller shall not, without the prior written consent of the Purchasers' Agent (at the direction of the Majority Purchasers): (i) sell Minerals mined from the Project Real

Property until they have been processed into either gold concentrates or Project Doré; (ii) sell, ship or deliver Project Doré to any Person other than to a Refinery, as contemplated by this Agreement; (iii) until the closing of the Project Financing, enter into any agreement to sell Refined Gold derived from Project Doré other than pursuant to this Agreement or the Appian Offtake Agreement or in connection with the Project Financing; or (iv) until the closing of the Project Financing, amend, restate, supplement or otherwise modify the Appian Offtake Agreement other than in connection with the Project Financing.

- (c) Until the Processing Facilities have been constructed and commissioned, and subject to compliance with the other terms of this Agreement, the Seller may enter into toll milling agreements for the processing of Minerals into Project Doré. The Seller shall promptly provide the Purchasers' Agent with a copy of any toll milling agreements (including any amendments thereto) entered into by the Seller, subject to any redactions as may be required by confidentiality obligations owed by the Seller to its counterparty under such agreement. If the Seller is prohibited by confidentiality obligations from providing the Purchasers' Agent with a copy of any such agreement (whether or not redacted), the Seller shall provide to the Purchasers' Agent a summary of such agreement (to the extent permitted by such confidentiality obligations). The Seller shall use its commercially reasonable efforts to procure the consent of its counterparty to such agreement to the disclosure of such information by the Seller to the Purchasers' Agent under this Agreement.
- (d) The Seller shall promptly provide the Purchasers' Agent with a copy of any agreements (including any amendments thereto) entered into by the Seller with a Refinery in respect of the refining of Project Doré, subject to any redactions as may be required by confidentiality obligations owed by the Seller to the Refinery. If the Seller is prohibited by confidentiality obligations from providing the Purchasers' Agent with a copy of any such agreement (whether or not redacted), the Seller shall provide to the Purchasers' Agent a summary of such agreement (to the extent permitted by such confidentiality obligations). The Seller shall use its commercially reasonable efforts to procure the consent of any Refinery to the disclosure of such information by the Seller to the Purchasers' Agent under this Agreement.
- (e) The Seller shall promptly notify the Purchasers' Agent in writing of any dispute between the Seller and a Refinery in respect of a material matter arising out of or in connection with the purchase and sale of Minerals, processing of Minerals into Refined Gold or the delivery of Refined Gold to the Seller or the Purchasers and shall provide the Purchasers with timely updates of the status of any such dispute and the final decision and award of the court or arbitration panel with respect to such dispute, as the case may be.
- (f) The Seller shall ensure that each shipment of Minerals under any toll milling agreement or of Project Doré to the Refinery is adequately insured in such amounts and with such coverage as is customary in the mining industry.

7.3 Stockpiling off Property

The Seller may temporarily stockpile, store or place Minerals that will be processed into Project Doré off the Project Real Property provided that the Seller shall at all times do or cause to be done all things necessary to ensure that: (a) such Minerals are appropriately identified as to ownership and origin; (b) such Minerals are secured from loss, theft, tampering and

contamination; (c) the Purchasers' rights in and to such Minerals shall be the same as if the Minerals had never been removed from the Project Real Property; and (d) the Purchasers' rights in and to the Minerals pursuant to this Agreement shall otherwise be preserved.

7.4 Maintenance and Ownership of Project Property

- (a) The Seller shall at all times do or cause to be done all things necessary to maintain the Project Real Property in good standing, including paying or causing to be paid all Taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenance fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof, paying or causing to be paid all payments under any purchase, option or similar agreements in respect of optioned properties forming a part thereof and otherwise maintaining the Project Real Property in accordance with Applicable Laws.
- (b) The Seller shall ensure that all Project Property, whether now owned or hereafter acquired, is legally and beneficially owned by the Seller.

7.5 Anti-Corruption Compliance

- (a) The Seller shall not: (i) use, or authorize the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) make, or authorize the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds; or (iii) violate any provision of AML Legislation, Anti-Corruption Laws or any Sanctions.
- (b) The Seller shall maintain the Anti-Corruption Policy and ensure that it is updated from time to time to be consistent with Canadian mining industry best practices. The Seller shall at all times comply with the Anti-Corruption Policy.
- (c) The Seller shall provide the Purchasers with written notice of any non-compliance by it with any Sanctions, AML Legislation, Anti-Corruption Law or the Anti-Corruption Policy in any material respect promptly upon becoming aware of or having knowledge of such event, accompanied by a written statement by a senior officer of the Seller setting forth details of the occurrence referred to therein.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of the Purchasers

Each Purchaser, acknowledging that the other Parties are entering into this Agreement in reliance thereon, makes, on and as of the date of this Agreement (or, in the case of a Purchaser which is not a Party as of the date of this Agreement, as of the date on which such Purchaser becomes a Party by executing a Purchaser's Acknowledgement, and references in this Section 8.1 to this Agreement shall be deemed to include references to such Purchaser's Acknowledgement, *mutatis mutandis*), the representations and warranties to the other Parties set forth below.

- (a) Such Purchaser: (i) has been duly incorporated or formed and is validly existing under the laws of its incorporation or formation, as applicable; (ii) has all requisite corporate power

and authority or, if such entity is not a corporation, such other power and authority, to own and lease its property and assets and to carry on its business; and (iii) has all requisite corporate power and authority or, if such entity is not a corporation, such other power and authority, to enter into this Agreement, and to perform its obligations hereunder.

- (b) The execution and delivery by such Purchaser of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate or other action on its part and do not and will not: (i) contravene any provision of its constitutional documents or any resolution of its shareholders, partners or directors (or any committee thereof); (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving of notice or lapse of time or both), any agreement, contract, lease, license, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, understanding or commitment, whether written or oral, to which it is a party, subject or otherwise bound (including with respect to its assets), except in each case as would not have a material adverse effect on its ability to perform its obligations under this Agreement; or (iii) violate any Applicable Law.
- (c) This Agreement: (i) has been duly executed and delivered by such Purchaser; and (ii) constitutes a legal, valid and binding agreement of such Purchaser, enforceable against it in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (d) Such Purchaser is not required to give any notice to, make any filing with or obtain any Authorization, Order or other consent or approval of any Person in connection with the execution or delivery of or performance of its obligations under this Agreement or the consummation of the transactions contemplated herein and therein, other than (i) those that have already been obtained and copies of which have been provided to the Purchasers' Agent prior to the date of this Agreement, and (ii) those the absence of which would not be prejudicial to the interest of the Seller or other Purchasers or have a material adverse effect on such Purchaser's ability to perform its obligations under this Agreement.
- (e) Such Purchaser is not party to any contract that would give rise to a valid claim against any Seller for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

8.2 Representations and Warranties of the Seller

The Seller, acknowledging that the other Parties are entering into this Agreement in reliance thereon, hereby jointly and severally make on and as of the date of this Agreement, the representations and warranties to other Parties set forth below:

- (a) The Seller: (i) has been duly incorporated or formed and is validly existing under the laws of its incorporation or formation, as applicable; (ii) has all requisite corporate power and authority to own and lease its property and assets and to carry on its business; (iii) has all requisite corporate power and authority to enter into this Agreement, and to perform its obligations thereunder; and (iv) is duly qualified, licensed or registered to do

business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it make such qualification, licensing or registration necessary. No proceeding has been instituted or, to its knowledge, threatened in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification, licensing or registration. The Seller is up-to-date in all of its corporate filings in all material respects and is in good standing under Applicable Laws.

- (b) The execution and delivery by the Seller of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate or other action on its part and do not and will not: (i) contravene any provision of its constitutional documents or any resolution of its shareholders, partners or directors (or any committee thereof); (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving of notice or lapse of time or both), any agreement, contract, lease, license, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, understanding or commitment, whether written or oral, to which it is a party, subject or otherwise bound (including with respect to its assets), except in each case as would not have a Material Adverse Effect; (iii) violate any Applicable Law; or (iv) result in, or require, the creation or imposition of any Encumbrance on any of the Project Property.
- (c) This Agreement: (i) has been duly executed and delivered by the Seller; and (ii) constitutes a legal, valid and binding agreement of the Seller, enforceable against the Seller in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (d) The Seller is not required to give any notice to, make any filing with or obtain any Authorization, Order or other consent or approval of any Person in connection with the execution or delivery of or performance of its obligations under this Agreement or the consummation of the transactions contemplated herein, other than (i) those that have already been obtained and copies of which have been provided to the Purchasers' Agent prior to the date of this Agreement, and (ii) those the absence of which would not be prejudicial to the interest of the Purchasers or have a Material Adverse Effect.
- (e) The Seller does not have any Subsidiaries.
- (f) The Seller is not insolvent within the meaning of Applicable Law.
- (g) Schedule A sets out a complete and accurate list of the Project Real Property in which the Seller has any right, title or interest. The Seller:
 - (i) has valid and subsisting leasehold title to any and all leases of real property and mineral interests included within the Project Real Property;
 - (ii) has valid possessory and record title to all mineral interests included within the Project Real Property, except any mineral interests that are leased to the Seller and are covered under paragraph (i); and

- (iii) has good and marketable title to such other real property interests included within the Project Real Property and not otherwise included under paragraphs (i) and (ii) above.

The Project Real Property is free and clear of all Encumbrances other than Encumbrances which would not have a Material Adverse Effect.

- (h) Without limiting the generality of Section 8.2(g):
 - (i) the Seller owns or otherwise has valid rights to use all of the Project Real Property, and no Person other than the Seller has any rights to participate in the Project Real Property or operate the Project;
 - (ii) the Project Real Property constitutes all real property, mineral and surface interests and ancillary rights necessary for the development and mining operations of the Project, as currently operated and as contemplated to be developed and operated, substantially in accordance with the Mine Plan;
 - (iii) except as disclosed to the Purchasers' Agent in writing prior to the date of this Agreement, none of the Project Real Property or any Minerals produced therefrom are subject to an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an agreement, option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty; and
 - (iv) other than pursuant to Applicable Laws, there are no restrictions on the ability of the Seller to exploit the Project Real Property.
- (i) All rent, maintenance fees, recording fees and Taxes and all other amounts have been paid when due and payable, and all other actions and all other obligations have been taken and complied with, in each case as are required to maintain the Project Property in good standing.
- (j) The Seller is in compliance with, and has not been charged under, AML Legislation.
- (k) The Seller, and their respective officers, employees and, to the knowledge of the Seller, its directors and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in any Seller being designated as a Sanctioned Person or Sanctioned Entity. None of (a) the Seller or, to the knowledge of the Seller, any of its directors, officers or employees, or (b) to the knowledge of the Seller, any of agent of the Seller that will act in any capacity in connection with or benefit from this Agreement, (i) has used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, (ii) has made, or authorized the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds, or (iii) is a Sanctioned Person or a Sanctioned Entity. The transactions contemplated by this Agreement will not violate Anti-Corruption Laws or applicable Sanctions.

- (l) The Seller is not party to any contract that would give rise to a valid claim against any one or more of the Purchasers for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

9. INDEMNIFICATION

9.1 Indemnity of the Seller

The Seller agrees to indemnify and save each of the Purchasers and their Affiliates and the directors, officers, employees and agents of the foregoing harmless from and against any and all Losses suffered or incurred by any of them as a result of, in respect of, or arising as a consequence of:

- (a) any breach or inaccuracy of any representation or warranty of the Seller contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto;
- (b) any breach, including breach due to non-performance, by the Seller of any covenant or agreement to be performed by it under this Agreement or under any document, instrument or agreement delivered pursuant hereto;
- (c) the development or operation of the Project;
- (d) the failure of any Seller to comply with any Applicable Law, including any Applicable Law relating to environmental matters and reclamation obligations, any AML Legislation and Anti-Corruption Law; and
- (e) the physical environmental condition of the Project and matters of health and safety related thereto or any action or claim brought with respect thereto (including conditions arising before the date of this Agreement),

provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct of such indemnified Person.

9.2 Non-Party Indemnified Persons

The Purchasers' Agent and each of the Purchasers shall act as the trustee to its related indemnified Persons under this Article 9 to the extent indemnified under this Agreement and accepts this trust and will hold and enforce the covenants herein on behalf of such related indemnified Persons.

10. TRANSFER RIGHTS

10.1 Transfer Rights of Purchasers

- (a) Any Purchaser may Transfer, in whole or in part, its Purchaser's Share and all associated rights and obligations under this Agreement (to the extent of the Transferred portion of its Purchaser's Share) to any Person, without the consent of any other Party, provided that any such Transfer will only become effective and binding on the other Parties upon the delivery by the transferee to the Seller and the Purchasers' Agent of a Purchaser's Acknowledgement.

- (b) Subject to compliance with Section 10.1(a), upon such Transfer, such transferor will be released from such Transferred obligations under this Agreement. Upon the request of any such transferor or transferee, the Seller shall provide a written acknowledgement confirming that this Agreement remains in full force and effect, that the Seller is bound by its obligations under this Agreement in favour of the transferee and the transferor has been released from its obligations under this Agreement.
- (c) Following any permitted Transfer by a Purchaser, the Purchaser's Agent shall provide to the other Parties an updated Schedule B and such schedule shall be Schedule B for all purposes under this Agreement.

10.2 Transfer Rights of Seller

- (a) The Seller shall not Transfer, in whole or in part, its rights and obligations under this Agreement or all or any portion of the Project Real Property, other than pursuant to a Permitted Disposition, unless such Transfer is completed in compliance with the other provisions of this Section 10.2.
- (b) The Seller may Transfer its rights and obligations under this Agreement, or all or any portion of the Project Real Property, if the following provisions have been complied with:
 - (i) the Seller shall have provided the Purchasers' Agent with at least 30 days' prior written notice of the intent to effect such Transfer, such notice to include a description of the proposed Transfer and the identity of the proposed transferee (and any other Person that ultimately controls such transferee);
 - (ii) in connection with the Transfer:
 - (A) all of the Seller's interest in the Project Property shall be Transferred to the transferee, other than (A) leased personal property that is not material to the Project that, by the terms of the lease, may not be transferred, or (B) such other property in respect of which the Purchasers' Agent has received 30 days prior written notice and has not objected in writing on the basis that the failure to Transfer such property to the transferee could reasonably be expected to have a material adverse effect on the transferee's ability to explore, develop, construct or operate the Project, or on the economic viability of the Project, substantially as contemplated by the Mine Plan (as then in effect) or to perform its obligations under this Agreement; and
 - (B) all of the rights of the Seller under this Agreement shall be Transferred to, and its obligations hereunder assumed by, the transferee;
 - (iii) as a condition to completion of the Transfer, any transferee shall have first entered into an agreement, in form and substance satisfactory to the Purchasers' Agent, acting reasonably, to be bound by this Agreement or become so bound by operation of law; and

- (iv) after the Transfer (taking into account any agreements to be entered into in connection with the Transfer), the Purchasers shall remain entitled to purchase Refined Gold based on production of Project Doré on the same terms and conditions provided in this Agreement.

10.3 Sanctions

Notwithstanding any other provision of this Agreement, no Party shall assign, in whole or in part, any of its rights, obligations or interest under this Agreement to any Sanctioned Person or Sanctioned Entity.

11. THE PURCHASERS AND THE PURCHASERS' AGENT

11.1 Decision-Making

- (a) Any amendment, waiver, discharge or termination with respect to this Agreement relating to the following matters shall be effective only if agreed between the Seller and each of the Purchasers:
 - (i) any reduction in the amount payable or deliverable by the Seller to the Purchasers, or any alteration in the currency or mode of calculation or computation of any amount payable or deliverable by the Seller to the Purchasers hereunder (excluding any change to the Applicable Percentage and Aggregate Gold Quantity as contemplated in the definitions of those terms in Section 1.1);
 - (ii) any change to the purchase price for Refined Gold Delivered to the Purchasers, including the definition of "Quotational Period";
 - (iii) any provision of this Article 11; or
 - (iv) the reduction or elimination of any rights of any Purchaser, acting alone or together with other Purchasers, to exercise any rights or receive any information.
- (b) Except for the matters described in this Section 11.1 above or otherwise expressly provided for in this Agreement, any amendment, waiver, discharge or termination with respect to this Agreement shall be effective only if agreed between the Seller and the Majority Purchasers in writing, and any such amendment, waiver, discharge or termination that is so agreed shall be final and binding upon all of the Purchasers. Subject to the other provisions of this Section 11.1, where the terms of this Agreement refer to any action to be taken by the Purchasers or to any such action that requires the consent or other determination of the Purchasers, the action taken by and the consent or other determination given or made by the Majority Purchasers shall, except to the extent that this Agreement expressly provides to the contrary, constitute the action or consent or other determination of the Purchasers.
- (c) The Purchasers' Agent shall provide the other Purchasers with copies of all amendments, waivers or consents provided by the Purchasers' Agent with respect to any provisions of this Agreement promptly upon execution thereof.
- (d) To the extent that any of the Purchasers has an interest in the subject matter of any decision (other than the appointment of the Purchasers' Agent) requiring approval of the

Purchasers and such interest is adverse in any material respect from the interest of the other Purchasers, in their capacity as Purchasers, such Purchaser's Share shall be disregarded in determining the approval of the Majority Purchasers.

11.2 Purchasers' Obligations Several; No Partnership

The obligations of each Purchaser under this Agreement are several and not joint or joint and several. No Purchaser shall be responsible for the obligations of any other Purchaser hereunder. Neither the entering into of this Agreement nor the completion of any transactions contemplated herein shall constitute the Purchasers a partnership.

11.3 Purchasers' Agent

- (a) From time to time, the Purchasers may authorize one of the Purchasers, or an Affiliate of one of the Purchasers, to act as the Purchasers' Agent for taking the actions of the Purchasers' Agent specified under the Agreement. The Purchasers' Agent shall be OMF Fund II SO Ltd. or as otherwise may be designated from time to time by notice in writing from the Majority Purchasers to the other Parties.
- (b) In exercising its duties hereunder, the Purchasers' Agent may engage and pay for the advice or services of any lawyers, accountants or other experts whose advice or services may to it seem necessary, expedient or desirable and rely upon any advice so obtained. The Purchasers' Agent may refrain from exercising any right, power or discretion vested in it under this Agreement which would or might in its opinion in its sole discretion be contrary to any Applicable Law or otherwise render it liable to any Person, and may do anything which is in its opinion in its sole discretion necessary to comply with any such Applicable Law. The Purchasers' Agent shall not be bound to disclose to any Person any information relating to the Seller if such disclosure would or might in its opinion in its sole discretion constitute a breach of Applicable Law or be otherwise actionable at the suit of any Person.
- (c) The Purchasers' Agent shall not accept any responsibility for the accuracy and/or completeness of any information supplied in connection herewith and the Purchasers' Agent shall not be under any liability to any Purchaser as a result of taking or omitting to take any action in relation to the Agreement save in the case of the Purchasers' Agent's gross negligence or wilful misconduct.
- (d) Each Purchaser shall, on demand by the Purchasers' Agent, indemnify the Purchasers' Agent *pro rata* (based on the applicable Purchaser's Share), against any and all costs, claims, reasonable expenses (including legal fees) and liabilities which the Purchasers' Agent may incur (and which, where applicable, have not been reimbursed by the Seller) to the extent required hereunder, otherwise than by reason of its own gross negligence or wilful misconduct, in acting in its capacity as the Purchasers' Agent under this Agreement.

11.4 Sharing of Information

The Purchasers may, but shall not be required to, share among themselves any information they may have from time to time concerning the Seller whether or not such information is confidential; provided that any Confidential Information so shared will remain subject to the terms and conditions of Article 12. The Seller consents to the foregoing.

11.5 Amendments to this Article

The Purchasers may amend any provision in this Article 11 without prior notice to or the consent of the Seller, and the Purchasers shall provide a copy of any such amendment to the Seller reasonably promptly thereafter; *provided, however*, that if any such amendment would adversely affect any rights, entitlements, obligations or liabilities of the Seller in any material respect, such amendment shall not be effective until the Seller provide their written consent thereto, such consent not to be unreasonably withheld, conditioned or delayed.

12. CONFIDENTIALITY AND DISCLOSURES

12.1 Confidentiality

- (a) Each Party (a “**Receiving Party**”) agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates, employees, officers, directors, advisors and representatives to maintain as confidential and not to disclose, the terms contained in this Agreement and all information (whether written, oral or in electronic format) received or reviewed by it as a result of, pursuant to or in connection with this Agreement (collectively, the “**Confidential Information**”), provided that a Receiving Party may disclose Confidential Information in the following circumstances:
- (i) to its auditor, legal counsel, lenders, underwriters and investment bankers and to persons (“**Third Parties**”) with which it is considering or intends to enter into a transaction for which such Confidential Information would be relevant (and to advisors and representatives of any such Person), provided that such persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such persons to perform the services for which they were, or are proposed to be, retained by the Receiving Party or to consider or effect the applicable transaction, as applicable;
 - (ii) subject to Section 12.2, where that disclosure is necessary to comply with Applicable Laws, court order or regulatory request, provided that such disclosure is limited to only that Confidential Information so required to be disclosed and, where applicable, that the Receiving Party will have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled;
 - (iii) for the purposes of the preparation and conduct of any arbitration or court proceeding commenced under Section 13.2;
 - (iv) where such information is already available to the public other than by a breach of the confidentiality terms of this Agreement or is known by the Receiving Party prior to the entry into of this Agreement or obtained independently of this Agreement and the disclosure of such information would not breach any other confidentiality obligations;
 - (v) with the consent of the disclosing Party;

- (vi) to its Affiliates and those of its and its Affiliates' directors, officers, employees, advisors and representatives who need to have knowledge of the Confidential Information; and
- (vii) in the case of any Purchaser and its Affiliates, to any limited partner or co-investor or prospective limited partner or co-investor in or with a private equity fund managed by such Purchaser or Affiliates of such Purchaser, to the extent such information is reasonably relevant to the current investment or future investment decision of any such limited partner or co-investor or prospective limited partner or co-investor, provided that such persons undertake to maintain the confidentiality of it and are strictly limited in their use of the confidential information for the purpose of making an investment decision in or with respect to such Purchaser or Affiliates of such Purchaser.

Each Party shall ensure that its Affiliates and its and its Affiliates' employees, directors, officers, advisors and representatives and those persons listed in Section 12.1(a)(i) and (vii) are made aware of this Section 12.1 and comply with the provisions of this Section 12.1. Each Party shall be liable to the other Party for any improper use or disclosure of such terms or information by such persons.

- (b) The Purchasers acknowledge that the Seller will provide Appian with a copy of this Agreement and hereby consent to such disclosure, provided that Appian is made aware of the confidentiality restrictions set forth in this Section 12.1 and complies with the provisions of this Section 12.1. The Seller shall be liable to the Purchasers for any improper use or disclosure of this Agreement or its terms by Appian.

12.2 Press Releases and Public Disclosure

- (a) The Parties shall consult with each other before any of them or their respective Affiliates issues any press release or otherwise makes any public disclosure regarding this Agreement or the transactions contemplated hereby and shall not, and shall cause their respective Affiliates to not, issue any such press release or make any such public disclosure before receiving the consent of the other Parties, unless such public disclosure is required to meet the timely disclosure obligations of a Party or its Affiliates under Applicable Laws in circumstances where prior consultation with, or the obtaining of the consent of, the other Parties is not practicable, in which event a copy of such disclosure shall be provided to the other Parties by the Party which (or whose Affiliate) is required to make such disclosure at such time as it is made publicly available.
- (b) If a Party or any of its Affiliates is required by Applicable Law to file a copy of this Agreement on SEDAR (or otherwise publicly file a copy of this Agreement), such Party shall first consult with the Seller and the Purchasers' Agent (as applicable) with respect to, and agree upon, any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed on SEDAR (or otherwise). If such Party, the Seller and the Purchasers' Agent are unable to agree on such redactions, such Party (or its Affiliate) shall redact this Agreement to the fullest extent permitted by Applicable Laws before filing it on SEDAR (or otherwise).

13. GENERAL

13.1 Governing Law

This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein (without regard to its laws relating to any conflicts of laws), and, subject to Section 13.2, each of the Parties irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario. The United Nations Vienna Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

13.2 Disputes and Arbitration

(a) Subject to Section 13.2(b):

- (i) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof which has not been resolved by the Parties within the time frames specified herein (or where no time frames are specified, within 15 days of the delivery of written notice by either Party of such dispute, controversy or claim) shall be referred to the chief executive officer, general counsel or other individual of similar seniority and authority of each applicable Party for prompt resolution.
- (ii) Any such dispute, controversy or claim which cannot be resolved by such individuals within 15 days after it has been so referred to them hereunder, including the determination of the scope or applicability of this Agreement to arbitrate, shall be settled by binding arbitration administered by the International Center for Dispute Resolution, and any Party may so refer such dispute, controversy or claim to binding arbitration. Such referral to binding arbitration shall be to one qualified arbitrator in accordance with the Arbitration Rules, which Arbitration Rules shall govern such arbitration proceeding. The place of arbitration shall be New York, New York, and the language of arbitration shall be English. The determination of such arbitrator shall be final and binding upon the Parties and the costs of such arbitration shall be as determined by the arbitrator. Judgment on the award may be entered in any court having jurisdiction. The Parties covenant and agree that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.
- (iii) The arbitration, including any settlement discussions between the Parties related to the subject matter of the arbitration, shall be conducted on a private and confidential basis and any and all information exchanged and disclosed during the course of the arbitration shall be used only for the purposes of the arbitration and any appeal therefrom. No Party shall communicate any information obtained or disclosed during the course of the arbitration to any third party except to those experts or consultants employed or retained by, or consulted about retention on behalf of, such Party in connection with the arbitration and solely to the extent necessary for assisting in the arbitration, and only after such persons have agreed to be bound by these confidentiality conditions. In the event that disclosure of any information related to the arbitration is required to comply with Applicable Law or court order, the disclosing Party shall promptly notify the other Parties of

such disclosure, shall limit such disclosure limited to only that information so required to be disclosed and shall have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled.

- (iv) The award of the arbitrator and any reasons for the decision of the arbitrator shall also be kept confidential except (i) as may reasonably be necessary to obtain enforcement thereof; (ii) for any Party to comply with its disclosure obligations under Applicable Law; (iii) to permit the Parties to exercise properly their rights under the Arbitration Rules; and (iv) to the extent that disclosure is required to allow the Parties to consult with their professional advisors.
- (b) Section 13.2(a) shall not preclude the Parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction.

13.3 Specific Performance

The Seller acknowledges that any breach of this Agreement may cause the Purchasers irreparable harm for which damages are not an adequate remedy. The Seller agrees that, in the event of any such breach, in addition to other remedies at law or in equity that the Purchasers may have, the Purchasers shall be entitled to seek specific performance without the requirement of providing damages or posting a bond or other security.

13.4 Notices

Unless otherwise specifically provided in this Agreement, any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand to an officer or other responsible employee of the addressee or transmitted by facsimile transmission or other electronic format, addressed to:

If to the Seller to:

Harte Gold Corp.
1700 - 8 King St. East
Toronto, ON M5C 1B5

Attention: Timothy Campbell, Vice President & Secretary
Fax No.: (416) 368-5146
E-mail: tc@hartegold.com

If to the Purchasers' Agent:

OMF Fund II SO Ltd.
c/o Maples Corporate Services
PO Box 309, Ugland House
Grand Cayman, KY 1-1104, Cayman Islands

Attention: General Counsel
Fax No.: (212) 596-3489
E-mail: notices@orionresourcepartners.com

with a copy to:

Orion Resource Partners (USA) LP
1211 Avenue of the Americas, Suite 3000
New York, NY 10036

Attention: General Counsel
Fax No.: (212) 596-3489
Email: notices@orionresourcepartners.com

If to a Purchaser, in accordance with the details specified on Schedule B.

Any notice or other communication given in accordance with this Section 13.3, if delivered by hand as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery is received before 4:00 p.m. at the place of delivery; otherwise, it shall be deemed to be validly and effectively given on the Business Day next following the date of delivery. Any notice of communication which is transmitted by facsimile transmission or electronic mail as aforesaid, shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was received before 4:00 p.m. at the place of receipt; otherwise it shall be deemed to have been validly and effectively given on the next Business Day following such date of transmission.

13.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, opinions, advice, assertions of fact, matters, undertakings or collateral agreements, express, implied or statutory, with respect to the subject matter hereof and thereof by or between the Parties (or by any of their respective employees, directors, officers, representatives or agents).

13.6 Amendments

Subject to Section 11.5, this Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

13.7 Waivers

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement 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.

13.8 Severability

If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect and the Parties shall negotiate in good faith to replace any provision that is invalid, illegal or

unenforceable with such other valid provision that most closely replicates the economic effect and rights and benefits of such impugned provision.

13.9 Further Assurances

Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect the transactions contemplated herein, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

13.10 No Joint Venture

Nothing herein shall be construed to create, expressly or by implication, a joint venture, agency relationship, fiduciary relationship, mining partnership, commercial partnership or other partnership relationship between the Parties.

13.11 Beneficiaries

This Agreement is for the sole benefit of the Parties, and shall enure to the benefit of their respective successors and permitted assigns, and, except as otherwise expressly provided herein, nothing herein is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.

13.12 Counterparts

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

HARTE GOLD CORP.



Name: *S.G. ROMAN*
Title: *President + CEO*

**OMF FUND II SO LTD., as
Purchaser**

Name:
Title:

**OMF FUND II SO LTD., as
Purchasers' Agent**

Name:
Title:

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

HARTE GOLD CORP.

Name:

Title:

**OMF FUND II SO LTD., as
Purchaser**

Name:

Title:

**OMF FUND II SO LTD., as
Purchasers' Agent**

Name:

Title:

Schedule A

PROJECT REAL PROPERTY

LEASEHOLD PROPERTY

| PIN | Legal Description |
|-----------------|--|
| 31053-0001 (LT) | Mining Claims 1069328 to 1069331 inclusive, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 being Parts 1, 2, 3, 4, 5, 6, 7, 8, 9 on Plan 1R-13039, Except Surface Rights being Parts 2 to 9 inclusive on Plan 1R-13039, Hambleton, Odlum |
| 31054-0003 (LT) | Mining Claims SSM1069332, SSM1069333, SSM1069343, SSM1182993; Part Mining Claims SSM1069344, SSM1069346 Hambleton, Part 1 on Plan 1R-13011; District of Algoma |
| 31054-0004 (LT) | Part Mining Claim SSM1232640, Gourlay & Strickland, Part 2 on Plan 1R-13011; District of Algoma |
| 31054-0005 (LT) | Part Mining Claim SSM1235595 Gourlay, Part 3 on Plan 1R-13011, District of Algoma |
| 31054-0006 (LT) | Mining Rights Only Part Mining Claims SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595, Hambleton, Gourlay, Strickland & Odlum, Parts 4-9 on Plan 1R-13011; District of Algoma |
| 31078-0001 (LT) | Mining Claims SSM937770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, |

| PIN | Legal Description |
|-----------------|--|
| | SSM1078251, SSM1078252, SSM1135499, SSM1194337 & SSM1194340, being Parts 1 to 11 on Plan 1R-13038, except surface rights being Parts 4, 5, 7, 8, 9 & 11 on Plan 1R-13038; Hambleton Odlum; City of Sault Ste. Marie. |
| 31077-0001 (LT) | Mining Claims SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069654, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659 & SSM1140660 Being Parts 1,2,3,4,5,6,7 & 8 on Pan 1R-13019 Except Surface Rights being Parts 2 to 8 inclusive on Plan 1R-13019 Hambleton, Odlum & Strickland; City of Sault Ste. Marie |

**UNPATENTED MINING CLAIMS
HARTE GOLD CORP. – RECORDED HOLDER**

| Claim No. |
|---|
| SSM 1069380, SSM 1069381, SSM 1069382, SSM 1069383, SSM 1069384, SSM 1069385, SSM 1069386, SSM 1069387, SSM 1069388, SSM 1069389, SSM 1069390 ,SSM 1069391 |
| SSM 1078243, SSM 1078244, SSM 1078245, SSM 1078246, SSM 1078247, SSM 1078248, SSM 1078249 |
| SSM 1078253, SSM 1078254, SSM 1078255, SSM 1078256, SSM 1078257, SSM 1078258, SSM 1078259 |
| SSM 1078265, SSM 1078266, SSM 1078267, SSM 1078268, SSM 1078269, SSM 1078270, SSM 1078271, SSM 1078272, SSM 1078273, SSM 1078274, SSM 1078275, SSM 1078276, SSM 1078277 |
| SSM 1078314 |
| SSM 1078319 |
| SSM 1174765, SSM 1174766 |
| SSM 3012217, SSM 3012218 |
| SSM 4201077, SSM 4201078 |
| SSM 4201080, SSM 4201081 |
| SSM 4201083, SSM 4201084 |
| SSM 4201087 |
| SSM 4260657, SSM 4260658, SSM 4260659, SSM 4260660, SSM 4260661, SSM 4260662, SSM 4260663, SSM 4260664, SSM 4260665, SSM 4260666, SSM 4260667, SSM 4260668, SSM 4260669 |
| SSM 4270161 |
| SSM 1078315, SSM 1078316, SSM 1078317, SSM 1078318 |
| SSM 1140648, SSM 1140649 |
| SSM 1183012, SSM 1183013, SSM 1183014, SSM 1183015, SSM 1183016, SSM 1183017, SSM 1183018, SSM 1183019, SSM 1183020, SSM 1183021 |
| SSM 1232641 |
| SSM 3018389, SSM 3018390, SSM 3018391, SSM 3018392, SSM 3018393 |

| Claim No. |
|--|
| SSM 4201079 |
| SSM 4201082 |
| SSM 4201085, SSM 4201086 |
| SSM 4201088, SSM 4201089 |
| SSM 4201091, SSM 4201092, SSM 4201093 |
| SSM 4260601, SSM 4260602, SSM 4260603, SSM 4260604, SSM 4260605, SSM 4260606, SSM 4260607, SSM 4260608, SSM 4260609, SSM 4260610, SSM 4260611, SSM 4260612, SSM 4260613, SSM 4260614, SSM 4260615, SSM 4260616, SSM 4260617, SSM 4260618, SSM 4260619, SSM 4260620, SSM 4260621 |
| SSM 4260642, SSM 4260643 |
| SSM 4260644 |
| SSM 4201090 |
| SSM 4260645, SSM 4260646, SSM 4260647, SSM 4260648, SSM 4260649, SSM 4260650, SSM 4260651, SSM 4260652, SSM 4260653, SSM 4260654, SSM 4260655, SSM 4260656 |
| SSM 4267212 |
| SSM 4260622, SSM 4260623, SSM 4260624, SSM 4260625 |
| SSM 4260627, SSM 4260628 |
| SSM 4260630, SSM 4260631 |
| SSM 4260633, SSM 4260634 |
| SSM 4260636, SSM 4260637 |
| SSM 4260639, SSM 4260640, SSM 4260641 |
| SSM 1055500, SSM 1055501, SSM 1055502, SSM 1055503, SSM 1055504, SSM 1055505, SSM 1055506, SSM 1055507, SSM 1055508, SSM 1055509, SSM 1055510, SSM 1055511, SSM 1055512, SSM 1055513, SSM 1055514, SSM 1055515, SSM 1055516, SSM 1055517, SSM 1055518, SSM 1055519, SSM 1055520, SSM 1055521, SSM 1055522, SSM 1055523, SSM 1055524, SSM 1055525, SSM 1055526, SSM 1055527, SSM 1055528, SSM 1055529, SSM 1055530, SSM 1055531, SSM 1055532, SSM 1055533, SSM 1055534, SSM 1055535, SSM 1055536, SSM 1055537, SSM 1055538, SSM 1055539, SSM 1055540, SSM 1055541, SSM 1055542, SSM 1055543 |
| SSM 1055576, SSM 1055577, SSM 1055578, SSM 1055579, SSM 1055580, SSM 1055581, SSM |

| Claim No. |
|---|
| 1055582, SSM 1055583, SSM 1055584, SSM 1055585, SSM 1055586, SSM 1055587, SSM 1055588, SSM 1055589 |
| SSM 1069100 |
| SSM 1069120, SSM 1069121 |
| SSM 1069186, SSM 1069187, SSM 1069188, SSM 1069189, SSM 1069190, SSM 1069191, SSM 1069192, SSM 1069193, SSM 1069194 |
| SSM 1069196, SSM 1069197, SSM 1069198, SSM 1069199 |
| SSM 1069300, SSM 1069301, SSM 1069302, SSM 1069303, SSM 1069304, SSM 1069305, SSM 1069306, SSM 1069307, SSM 1069308, SSM 1069309, SSM 1069310, SSM 1069311, SSM 1069312, SSM 1069313, SSM 1069314, SSM 1069315, SSM 1069316, SSM 1069317, SSM 1069318, SSM 1069319, SSM 1069320, SSM 1069321, SSM 1069322, SSM 1069323, SSM 1069324, SSM 1069325, SSM 1069326 |
| SSM 1194339 |
| SSM 1235594 |
| SSM 4201064, SSM 4201065, SSM 4201066, SSM 4201067 |
| SSM 4201069, SSM 4201070, SSM 4201071 |
| SSM 4201074, SSM 4201075, SSM 4201076 |
| SSM 4228496, SSM 4228497 |
| SSM 4228499 |
| SSM 4260626 |
| SSM 4260629 |
| SSM 4260632 |
| SSM 4260635 |
| SSM 4260638 |
| SSM 4260670, SSM 4260671, SSM 4260672, SSM 4260673, SSM 4260674, SSM 4260675, SSM 4260676, SSM 4260677, SSM 4260678, SSM 4260679, SSM 4260680, SSM 4260681, SSM 4260682, SSM 4260683 |
| SSM 937765, SSM 937766, SSM 937767, SSM 937768 |

| Claim No. |
|---|
| SSM 1043698 |
| SSM 1043701, SSM 1043702, SSM 1043703, SSM 1043704, SSM 1043705, SSM 1043706, SSM 1043707, SSM 1043708, SSM 1043709, SSM 1043710, SSM 1043711, SSM 1043712 |
| SSM 1043715, SSM 1043716, SSM 1043717 |
| SSM 1043814, SSM 1043815, SSM 1043816, SSM 1043817, SSM 1043818, SSM 1043819, SSM 1043820, SSM 1043821, SSM 1043822, SSM 1043823, SSM 1043824, SSM 1043825, SSM 1043826, SSM 1043827, SSM 1043828 |
| SSM 1044094, SSM 1044095, SSM 1044096 |
| SSM 1044097 |
| SSM 1044100, SSM 1044101, SSM 1044102, SSM 1044103 |
| SSM 1069359, SSM 1069360, SSM 1069361, SSM 1069362 |
| SSM 1069375, SSM 1069376 |
| SSM 1069378, SSM 1069379 |

Schedule B

PURCHASERS

| Name of Purchaser | Notice Information | Purchaser's Share |
|--------------------------|---|--------------------------|
| OMF Fund II SO Ltd. | OMF Fund II SO Ltd. c/o Maples Corporate Services PO Box 309, Ugland House Grand Cayman, KY 1-1104, Cayman Islands Attention: General Counsel Facsimile No.: (212) 596-3489 Email: notices@orionresourcepartners.com with a copy to: Orion Resource Partners (USA) LP 1211 Avenue of the Americas, Suite 3000 New York, NY 10036 Attention: General Counsel Facsimile No.: (212) 596-3489 Email: notices@orionresourcepartners.com | 100.00% |

Schedule C

FORM OF PURCHASER'S ACKNOWLEDGEMENT

Capitalized terms used but not otherwise defined herein have the meanings given to them in that certain Offtake Agreement (the "Offtake Agreement") dated December 29, 2017 between Harte Gold Corp., as seller, OMF Fund II SO Ltd. and each of the other purchasers from time to time party thereto, and OMF Fund II SO Ltd., as the purchasers' agent.

Pursuant to Section 10.1 of the Offtake Agreement, the undersigned hereby agrees and undertakes in favour of the other Parties to be bound by the terms of the Offtake Agreement and to perform its obligations under the Offtake Agreement, in its capacity as a Purchaser thereunder, as if it were an original party thereto.

[NAME OF TRANSFEREE]

By: _____
Name:
Title:

EXHIBIT “B”

EXHIBIT "B"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

OFFTAKE AGREEMENT

Between

HARTE GOLD CORP.

as Seller

- and -

ANR INVESTMENTS B.V.

as Purchaser

January 9, 2018

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SCHEDULES

SCHEDULE A – DESCRIPTION OF PROJECT REAL PROPERTY

SCHEDULE B – FORM OF PURCHASER’S ACKNOWLEDGMENT

OFFTAKE AGREEMENT

THIS AGREEMENT is made as of the 9th day of January, 2018

BETWEEN:

HARTE GOLD CORP., a corporation existing under the laws of the Province of Ontario ("Seller")

– and –

ANR INVESTMENTS B.V., a company existing under the laws of the Netherlands ("Purchaser")

WHEREAS:

- (A) The Seller is the sole owner of the Project and has the right to mine 100% of the Minerals.
- (B) The Seller has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Seller, Refined Gold based on production of Project Doré, subject to and in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties mutually agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement (including the recitals hereto and the Schedules), unless the context otherwise requires, the following terms shall have the respective meanings given to them, as set out below, and grammatical variations of such terms shall have corresponding meanings:

"Affiliate" means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person.

"Aggregate Gold Quantity" means: (a) initially and until a Triggering Breach, 75,000 ounces of Refined Gold; or (b) from and after a Triggering Breach, 93,750 ounces of Refined Gold.

"Agreement" means this Offtake Agreement and all attached Schedules, in each case as the same may be amended, restated, supplemented, modified or superseded from time to time in accordance with the terms hereof.

"AML Legislation" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *USA PATRIOT Act*, and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" Applicable Laws, whether within Canada, in the United States or, to the extent applicable, elsewhere, including any regulations, guidelines or orders thereunder.

“Annual Forecast Report” means a written report prepared by the Seller in relation to a fiscal year with respect to the Project that contains, with reasonable detail, a forecast, based on the then current Mine Plan, for such fiscal year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis of: (a) the estimated tonnes and grade of Minerals to be mined; (b) the estimated tonnes and grade of Minerals to be stockpiled; and (c) the estimated tonnes and grade of Minerals to be processed, and expected recoveries for gold and other types of marketable minerals, including a breakdown by Project Doré and other Minerals produced by the Project.

“Anti-Corruption Laws” means the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* and all other laws, rules, and regulations of any jurisdiction applicable to the Seller from time to time concerning or relating to bribery or corruption.

“Anti-Corruption Policy” means the anti-bribery and anti-corruption policy of the Seller adopted by its board of directors, a copy of which has been provided to the Purchaser prior to the date hereof, as the same may be amended, revised, supplemented or replaced from time to time.

“Applicable Law” means any law (including common law and equity), any international or other treaty, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation, Order (including any securities laws or requirements of stock exchanges and any consent, decree or administrative Order), or Authorization of a Governmental Body in each case to the extent applicable to any specified Person, property, transaction or event, or any of such Person’s property or assets.

“Applicable Percentage” means a percentage equal to: (a) initially and until a Triggering Breach, 10%; or (b) from and after a Triggering Breach, 12.5%.

“Arbitration Rules” means the International Arbitration Rules of the International Centre for Dispute Resolution.

“Authorization” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Body having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“Business Day” means any day, other than a Saturday, Sunday or statutory holiday in any one or more of Toronto, Ontario, New York City, New York, or London, United Kingdom or a day on which banks are generally closed in any one or more of those cities.

“Control” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Default Payment” means, at any given time, an amount equal to the difference between the Aggregate Gold Quantity and the number of ounces of Refined Gold Delivered to the Purchaser hereunder as of such time multiplied by \$15.00.

"Delivery" means delivery of Refined Gold, and transfer of possession and title in respect thereof, from the Seller to the Purchaser in the manner provided for in this Agreement, and **"Delivered"** shall have a corresponding meaning.

"Delivery Date" has the meaning set out in Section 2.3(c).

"Delivery Time" has the meaning set out in Section 2.3(c).

"Early Settlement Amount" means, at any given time, an amount equal to the difference between the Aggregate Gold Quantity and the number of ounces of Refined Gold Delivered to the Purchaser hereunder as of such time multiplied by \$12.50.

"Encumbrance" means any mortgage, debenture, pledge, hypothec, lien, charge, contractual right of set-off, assignment by way of security, hypothecation or security interest, including a purchase money security interest, any consignment by way of security, the interest of a lessor under any capitalized lease obligation or any other security agreement, trust or arrangement having the effect of creating an interest in property as security for the payment of any debt, liability or obligation.

"Excluded Taxes" has the meaning set out in Section 4(c).

"Gold Price" has the meaning set out in Section 3.1(a).

"Good Industry Practice" means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill, care, prudence, oversight, economy and stewardship which is commonly observed or would reasonably be expected to be observed by skilled and experienced professionals in the Canadian mining industry engaged in the same type of undertaking under the same or similar circumstances.

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

"LBMA" means the London Bullion Market Association and its successor organization.

"Losses" means any and all damages, claims, losses, diminution of value, liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees); provided, however, that losses of a Person indemnified hereunder shall not include consequential, special, exemplary or punitive damages, except to the extent such losses are awarded to a third party in connection with a claim by a third party against such indemnified Person.

"Material Adverse Effect" means any change, event, occurrence, circumstance, fact or effect that, when taken individually or together with all other events, occurrences, changes or effects has, or could reasonably be expected to have, a material adverse effect on: (a) the ability of the Seller to explore, develop, construct or operate the Project, or on the economic viability of the Project, substantially as contemplated by the Mine Plan (as in effect at the time of such change, event, occurrence, circumstance, fact or effect); (b) any significant decrease to expected gold production from the Project as contemplated by the Mine Plan (as in effect at the time of such change, event, occurrence, circumstance, fact or effect); or (c) the ability of the Seller to perform its obligations under this Agreement.

“Mine Plan” means the development and mine plans for the Project as approved by the board of directors of the Seller, a copy of which have been provided to the Purchaser prior to the date hereof, as the same may be amended, revised, supplemented or replaced from time to time.

“Minerals” means any and all marketable metal bearing material in whatever form or state that is mined, produced, extracted or otherwise recovered from the Project Real Property, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Project Real Property, and including ore, concentrate, doré and any other products resulting from the further milling, processing or other beneficiation of Minerals.

“Monthly Production Report” means a written report prepared by the Seller in relation to a calendar month with respect to the Project that contains, for such month:

- (i) the estimated tonnes and grade of Minerals mined during such month;
- (ii) the estimated tonnes and grade of Minerals stockpiled during such month (and the total stockpile at the end of such month);
- (iii) the estimated tonnes and grade of Minerals processed during such month and recoveries for gold and other types of marketable minerals, including a breakdown by Project Doré and other Minerals produced by the Project;
- (iv) the estimated weight and fineness of Project Doré produced by the Project during such month that have not yet been shipped to the Refinery (and the total stockpile at the end of such month);
- (v) the estimated weight and fineness of Project Doré shipped to the Refinery during such month and the number of ounces of Refined Gold Outturned by the Refinery from Project Doré during such month;
- (vi) the aggregate number of ounces of Refined Gold Delivered to the Purchaser under this Agreement up to the end of such month; and
- (vii) such other information regarding the calculation of the amount of Refined Gold delivered to the Purchaser as the Purchaser may reasonably request.

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

“OFAC” means The Office of Foreign Assets Control of the US Department of the Treasury.

“Order” means any order, directive, decree, judgment, ruling, award, injunction, direction or legally binding request of any Governmental Body or other decision making authority of competent jurisdiction.

“Orion” means OMF FUND II SO Ltd.

“Orion Offtake Agreement” means the offtake agreement entered into on December 29, 2017 between Orion and each of the other purchasers from time to time party thereto, as purchasers, Orion, as purchasers’ agent, and the Seller, as seller, in respect of 40% of the Refined Gold produced from Project Doré, substantially in the same form as this Agreement.

“Other Minerals” means minerals that are not Minerals.

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

“Outturn” means an outturn to the Seller or other Person, as directed by the Seller, of Refined Gold from a Refinery processed from Project Doré.

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

“Payment Date” means, in respect of each Delivery of Refined Gold, the day which is the third Business Day after its Delivery Date.

“PEA” means the “NI 43-101 Technical Report on the Preliminary Economic Assessment of the Sugar Zone Project” prepared by Nordmin Engineering Ltd. with an effective date of May 31, 2012.

“Permitted Disposition” means either: (a) the Transfer of Project Property pursuant to any Order; or (b) any abandonment, surrender, relinquishment or allowing to lapse of any of the Project Real Property if the Seller determines, acting commercially reasonably, that it is not economical to mine the minerals from such Project Real Property, provided the Purchaser has received 30 days prior written notice and has not objected in writing that such Transfer could reasonably be expected to have a Material Adverse Effect.

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

“Pool Account” means such LBMA approved metal account or accounts located in London, United Kingdom, as the Purchaser may notify to the Seller from time to time, provided that any such notification shall be given to the Seller not less than five Business Days prior to the first Outturn in respect of which Refined Gold is to be credited to such account.

“Processing Facilities” means the mineral processing facilities, whether now-existing or constructed after the date hereof, owned by the Seller or an Affiliate thereof and located on the Project Real Property, which facilities are designed to process Minerals into doré bars that are ready to be shipped to a refinery for further refining into separate precious metals.

“Project” means the Seller’s Sugar Zone project located in the Sault Ste. Marie Mining Division approximately 25 kilometres northeast of the Town of White River, as described in the PEA, and any construction, development or expansion thereof, including the Processing Facilities and any new mines developed and operated using common infrastructure with the Sugar Zone project.

“Project Doré” means doré bars that are ready to be shipped to a refinery for further refining into separate precious metals, which doré bars are processed from: (a) Minerals or Other Minerals processed by the Seller or its Affiliates at the Processing Facilities; or (b) Minerals processed by any other Person on behalf of the Seller, including pursuant to any toll milling agreement entered into by the Seller in accordance with Section 7.2(c).

“Project Financing” means any type of financing, the proceeds of which are, will, or are intended to be, used to satisfy all or a portion of the budget as of the date hereof for completion of construction of the Project, a copy of which has been provided to the Purchaser.

“Project Property” means all of the property, assets, undertaking, approvals, licenses, permits and rights of the Seller in and relating to the Project, whether now owned or existing or hereafter acquired or arising, including real property, personal property and mineral interests, and specifically including, but not limited to, the Project Real Property and Minerals.

“Project Real Property” means all real property interests, all mineral claims, mineral leases and other mineral rights, and all surface access rights held by the Seller from time to time relating to the Project, whether created privately or by the action of any Governmental Body. The Project Real Property, as of the date hereof, is described in Schedule A and depicted on the map attached thereto.

“Purchaser” means the Purchaser hereto, as it may be updated from time to time in accordance with this Agreement.

“Purchaser’s Acknowledgement” means, in respect of a Person which becomes a Purchaser by virtue of a Transfer of another Purchaser’s rights and obligations under this Agreement in accordance with Section Error! Reference source not found., a written acknowledgement addressed to the Seller and the Purchaser in the form set forth in Schedule B duly executed by such Person.

“Purchaser’s Share” means, at any given time, the Applicable Percentage of the Purchaser, as determined in accordance with this Agreement.

“Quotational Period” means, in respect of each Delivery of Refined Gold, the period commencing on and including the third Business Day prior to its Delivery Date and ending on and including the Payment Date in respect of such Delivery.

“Refined Gold” means marketable metal bearing material in the form of gold bars or coins that is refined to standards meeting or exceeding 995 parts per 1,000 fine gold, and otherwise conforming to the LBMA specifications for good delivery.

“Refinery” means any Acceptable Refinery chosen by the Seller from time to time, provided that the Seller has given the Seller has given the Purchaser at least 10 Business Days’ prior written notice of such choice, accompanied by all documentation required to be delivered to the Purchaser under Section 7.2(d) in respect of such refinery. For the purposes of the foregoing, an **“Acceptable Refinery”** means a refinery that is recognized by the LBMA (or a successor satisfactory to the Purchaser) at the relevant time as producing gold bars meeting specifications for good delivery, or any other refinery as agreed to by the Seller and the Purchaser in writing from time to time.

“Sanctioned Entity” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that

is subject to a country Sanctions program administered and enforced by OFAC or by any Canadian Governmental Body.

“Sanctioned Person” means, (a) any Person listed in any sanctions-related list of designated Persons maintained by any Canadian Governmental Body, or (b) a Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by OFAC or any Canadian Governmental Body.

“SEDAR” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“Subscription Agreement” means the subscription agreement between the Seller and Orion Mine Finance Fund II LP as it existed on December 29, 2017.

“Subsidiary” means with respect to any Person, any other Person which is Controlled directly or indirectly by that Person, and **“Subsidiaries”** means all of such other Persons.

“Taxes” means all present and future taxes (including, for certainty, real property taxes), levies, imposts, stamp taxes, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body, including any interest, additions to tax or penalties applicable thereto.

“Term” has the meaning set out in Section 5.1.

“Transfer” means to, directly or indirectly, sell, transfer, assign, convey, dispose or otherwise grant a right, title or interest (including expropriation or other transfer required or imposed by law or any Governmental Body), whether voluntary or involuntary.

“Triggering Breach” means any breach by the Seller of the terms of section 4.5 of the Subscription Agreement (or any other event where the offtake rights of the purchasers under the Orion Offtake Agreement are increased directly or indirectly as a result of a Triggering Breach).

1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specifically provided or unless the context otherwise requires:

- (a) The terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.
- (b) References to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement.
- (c) Headings of Articles, Sections and Schedules are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (d) References to a Party in this Agreement mean the Party or its successors or permitted assigns.
- (e) The words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”.

- (f) Words importing the singular include the plural and vice versa and words importing gender include all genders.
- (g) A reference to an agreement includes all schedules, exhibits and other appendices attached thereto and shall include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement.
- (h) A reference to a statute includes all regulations made pursuant to and rules promulgated under such statute and, unless otherwise specified, any reference to a statute or regulation includes the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation from time to time.
- (i) A period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (New York City time) on the last day of the period.
- (j) Whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.
- (k) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.3 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, including the contents of any certificate to be delivered hereunder, such determination, consolidation or computation shall, unless the Parties otherwise agree or the context otherwise requires, be made in accordance with International Financial Reporting Standards, as adopted by the International Accounting Standards Board from time to time.

1.4 Currency and Manner of Payment

- (a) Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to United States dollars.
- (b) All payments of funds due by one Party to another under this Agreement shall be made in United States dollars and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by the receiving Party in writing from time to time.

1.5 Measurements

Reference to an "ounce" or "oz" means a troy ounce (being equal to 31.1034768 grams).

1.6 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the "knowledge" of the Seller, it shall be deemed to refer to the actual knowledge of any officer, director or member of senior management of the Seller (including the general manager

of the mine at the Project), and all information which ought to have been known by any of them after conducting a reasonable inquiry into the matters in question, whether or not any such inquiry was actually made.

1.7 Time of Essence

Time shall be of the essence of this Agreement.

1.8 Schedules

The following schedules are attached to and form part of this Agreement:

- Schedule A - Project Real Property
- Schedule B - Form of Purchaser's Acknowledgment

2. PURCHASE, SALE AND DELIVERY

2.1 Purchase and Sale of Refined Gold

- (a) Subject to and in accordance with the terms and conditions of this Agreement, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, in respect of each Outturn, an amount of Refined Gold equal to its Purchaser's Share of the Applicable Percentage of Refined Gold produced from Project Doré and credited to the Seller (or other Person, as directed by the Seller) by the Refinery in such Outturn, free and clear of all Encumbrances, until an aggregate amount of Refined Gold equal to the Aggregate Gold Quantity has been Delivered to the Purchaser under this Agreement.
- (b) The amount of Refined Gold to be delivered by the Seller to the Purchaser under this Agreement shall be calculated based on the amount of Refined Gold delivered or credited to the Seller (or other Person, as directed by the Seller) by a Refinery in each Outturn. For greater certainty, the Purchaser shall not be responsible for any refining, treatment or other charges, penalties, insurance, deductions, transportation, settlement, financing, price participation charges or other charges, penalties, deductions, set-offs, Taxes or expenses pertaining to and/or in respect of the Refined Gold that are incurred prior to or in respect of its Delivery to the Purchaser hereunder, all of which shall be for the account of the Seller.

2.2 Product Specifications

- (a) The Refined Gold to be delivered by the Seller to the Purchaser pursuant to this Agreement shall conform in all respects with the LBMA specifications for good delivery of gold bars under the "Good Delivery Rules" published by the LBMA from time to time, and the Purchaser shall not be required to purchase any Refined Gold that does not meet such specifications.
- (b) If the LBMA ceases to exist or ceases to publish or recognize specifications for the good delivery of gold or such specifications should no longer be internationally recognized as the basis for good delivery of gold, upon the request of either of them, the Seller and the Purchaser shall promptly meet and engage in discussions with a view to agreeing on a new basis for determining good delivery of Refined Gold under this Agreement. Until a replacement set of specifications is mutually agreed by the Seller and the Purchaser, deliveries of Refined Gold by the Seller to the Purchaser under this Agreement shall

conform to the last set of specifications for good delivery in effect under this Agreement immediately prior to the time such specifications ceased to be published or recognized.

- (c) The Seller shall not sell or deliver to the Purchaser (for the purposes of this Agreement and at any time during the Term) any Refined Gold that has been directly or indirectly purchased on a commodity exchange.

2.3 Delivery Obligations

- (a) On the date of each Outturn, the Seller shall sell and deliver, or cause to be delivered, the Refined Gold to be sold to the Purchaser in respect of such Outturn pursuant to Section 2.1 by way of credit (in metal) to such Purchaser's Pool Account.
- (b) The Seller shall cause the Refinery to directly credit the Purchaser's Pool Account with the applicable amount of Refined Gold on the date of each Outturn. Notwithstanding the foregoing, the Seller acknowledges its primary obligation to deliver the Refined Gold to be sold to the Purchaser in respect of an Outturn pursuant to Sections 2.1 and 2.3(a) and agrees that any arrangements with the Refinery implemented in accordance with the Section 2.3(b) shall not relieve the Seller of that obligation.
- (c) Delivery by the Seller of Refined Gold to the Purchaser shall be deemed to have been made at the time (the "**Delivery Time**") and on the date (the "**Delivery Date**") such Refined Gold is credited to their respective Pool Accounts.
- (d) All costs and expenses pertaining to each delivery of Refined Gold to the Purchaser shall be borne by the Seller.
- (e) For greater certainty, the Purchaser shall not be responsible for the return of any Refined Gold delivered to them (or any payment in lieu thereof or on account thereof) in connection with a provisional payment made by a Refinery, all of which shall be for the account of the Seller.

2.4 Passing of Title

Title to, and risk of loss of, Refined Gold shall pass from the Seller to the Purchaser at the Delivery Time thereof. The Seller represents and warrants to and covenants with the Purchaser that, at each Delivery Time: (i) it will be the sole legal and beneficial owner of the Refined Gold credited to the Pool Accounts; (ii) it will have good, valid and marketable title to such Refined Gold, and (iii) such Refined Gold will be free and clear of all Encumbrances.

2.5 Documentation

- (a) Promptly, and in any event no later than 24 hours after each shipment of Project Doré by the Seller to the Refinery, the Seller shall send the Purchaser notice of such shipment, including the date of such shipment and the weight and fineness of the doré bars so shipped.
- (b) Promptly, and in any event no later than 24 hours after delivery or receipt thereof by the Seller, the Seller shall send the Purchaser a copy or notice of, as applicable, all documents and information delivered to or received from the Refinery related to the shipping of Project Doré and the processing thereof into Refined Gold, including the expected date of the Outturn, sampling/assay information, umpire reports (if any), invoices and other

settlement documents, unless the sharing of such information or documentation is restricted by applicable confidentiality obligations or Applicable Laws, and then only to the extent of such restriction. The Seller shall use its commercially reasonable efforts to procure the consent of any Refinery to the disclosure of information by the Seller to the Purchaser under this Agreement.

- (c) At least three Business Days prior to each Outturn, the Seller shall notify the Purchaser in writing of the expected Delivery Date and the number of ounces of Refined Gold to be sold and delivered to the Purchaser on the Delivery Date.
- (d) On the date of each Outturn, the Seller shall deliver an invoice to the Purchaser that shall include:
 - (i) the number of ounces of Refined Gold sold and Delivered to such Purchaser;
 - (ii) the Delivery Date and Delivery Time; and
 - (iii) such other information as may be reasonably requested by such Purchaser to allow it to verify all aspects of the delivery of Refined Gold reflected in such invoice.
- (e) All notices referred to in this Section 2.5 shall be given by email at the email address(es) designated by the Purchaser in writing from time to time. The initial email address of the Purchaser for such purpose is harteofftake@appiancapitaladvisory.com.

2.6 Buyout Provision

If any one Person, or any one group of Persons acting jointly and in concert, acquires more than 50% of the Seller's common shares before the second anniversary of the date of this Agreement, the Seller may terminate this Agreement upon notice to the Purchaser and payment to the Purchaser of an amount equal to the Purchaser's Share of the Early Settlement Amount during the 30-day period following such acquisition.

3. PRICING AND PAYMENT

3.1 Payment

- (a) The purchase price payable by a Purchaser to the Seller for each ounce of Refined Gold Delivered to such Purchaser hereunder shall be equal to such Purchaser's choice of any one of the a.m. LBMA Gold Price in U.S. dollars per ounce or the p.m. LBMA Gold Price in U.S. dollars per ounce quoted by the LBMA on any day during the Quotational Period (the Purchaser's choice referred to herein as the "Gold Price").
- (b) At or before 4:00 p.m. (in New York City, New York) on the Payment Date in respect of each Delivery of Refined Gold to the Purchaser hereunder, such Purchaser shall provide the following to the Seller by email (at such email address designated by the Seller in writing from time to time):
 - (i) notice of the Gold Price chosen by the Purchaser in accordance with Section 3.1(a) (or, in the absence of any choice by the Purchaser, the Gold Price shall be the Gold Price designated by the Purchaser from the quotations set out in Section 3.1(a), or,

- in the absence of any choice by the Purchaser or the Purchaser, the Gold Price shall be the lowest of such quotations); and
- (ii) a calculation of the aggregate Gold Price for such Refined Gold, being the Gold Price multiplied by the number of ounces of Refined Gold in such Delivery.
- (c) The Purchaser shall pay the aggregate Gold Price owing to the Seller as notified by the Purchaser to the Seller pursuant to Section 3.1(b) in cash on each Payment Date.

3.2 Replacement Pricing

If any of the price quotations used in the determination of the Gold Price cease to exist, cease to be published or should no longer be internationally recognized as the basis for the settlement of bullion contracts, then, upon the request of either of them, the Purchaser and the Seller shall promptly meet and engage in discussions with a view to selecting a comparable commodity quotation for purposes of this Agreement (which selection shall become effective upon the agreement of the Seller and the Purchaser). The basic objective of such selection shall be to secure the continuity of fair market pricing of Refined Gold delivered to the Purchaser under this Agreement; provided that any such selection shall preserve the pricing flexibility of the Quotational Period provided for in Section 3.1(a).

4. TAXES

- (a) All deliveries of Refined Gold and all other payments and transfers of property of any kind made under this Agreement to the Purchaser shall be made free and clear without any present or future deduction, withholding, charge, levy or imposition for or on account of any Taxes, except as required by Applicable Laws. Any such Taxes that are required by Applicable Laws to be so deducted, withheld, charged, levied, collected or imposed with respect to any such delivery, payment or transfer shall be paid by the Seller by delivering or paying to the applicable Purchaser or on its behalf, in addition to such delivery, payment or transfer, such additional delivery, payment or transfer as is necessary to ensure that the net amount received by such Purchaser (net of any such Taxes, including any Taxes required to be deducted, withheld, charged, levied, collected or imposed on any such additional amount) equals the full amount that the Purchaser would have received had no such deduction, withholding, charge, levy, collection or imposition been required.
- (b) If the Purchaser becomes liable for any Tax, other than Excluded Taxes, imposed on any delivery (or payment, as applicable) under this Agreement, the Seller shall indemnify the Purchaser for such Tax, and the indemnity payment shall be increased as necessary so that after the imposition of any Tax on the indemnity payment (including Tax in respect of any such increase in the indemnity payment), the Purchaser shall receive the full amount of Taxes for which it is liable. A certificate as to the amount of such payment or liability delivered to the Seller by the Purchaser shall be conclusive absent manifest error.
- (c) Notwithstanding Sections 4(a) and 4(b), the Seller shall not be responsible for any Excluded Taxes imposed or collected by any jurisdiction in respect of deliveries of Refined Gold or payments and transfers of property of any kind to the Purchaser pursuant to this Agreement. For these purposes "Excluded Taxes" means any Taxes that are recoverable by the Purchaser or its assignees by way of input tax credit, refund or rebate and any additional Taxes imposed or collected by a jurisdiction by reason of a Purchaser (or any assignee of a Purchaser pursuant to Section **Error! Reference source not found.**, but with

respect only to the interest of such assignee) being incorporated or resident in that jurisdiction, carrying on business in, or having a permanent establishment or a connection in that jurisdiction or participating in a transaction separate from this Agreement in that jurisdiction, in each case determined by application of the laws of that jurisdiction, other than by reason of purchasing Refined Gold under this Agreement, receiving payments or deliveries under this Agreement in that jurisdiction, making payments under this Agreement, or enforcing rights under this Agreement.

5. TERM AND TERMINATION

5.1 Term

Unless otherwise terminated in accordance with this Article 5, this Agreement and the rights and obligations of the Parties hereunder shall be in effect from and after the date of this Agreement until the date on which Seller has Delivered, and final payment by the Purchaser has been made for, an aggregate amount of Refined Gold equal to the Aggregate Gold Quantity in accordance with this Agreement (the "Term").

5.2 Purchaser's Right to Terminate

- (a) The Purchaser shall have the right, by written notice from the Purchaser to the Seller, at its option and in addition to and not in substitution for any other remedies available to it at law or in equity (including pursuant to Article 9) to terminate this Agreement prior to the end of the Term if:
- (i) the Seller becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of its property or assets, and such proceeding is not contested by the Seller, diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance (for greater certainty, such 30-day grace period shall not apply if the Seller becomes bankrupt voluntarily or any such proceedings are initiated by the Seller);
 - (ii) an Order is made or a resolution is passed for the winding up, liquidation or dissolution of the Seller;
 - (iii) the financial position of the Seller deteriorates to such extent that, in the reasonable opinion of the Purchaser, the ability of the Seller to perform its obligations under this Agreement has been placed in jeopardy;
 - (iv) the Seller is in default of any obligation to deliver Refined Gold to the Purchaser under this Agreement, which default has not been cured to the satisfaction of the Purchaser, acting reasonably, within a period of five Business Days of a written demand made in respect thereof by the Purchaser;
 - (v) the Seller is, in any material respect, in default of its obligations under this Agreement (other than obligations dealt with in Section 5.2(a)(iv)), which default, if capable of cure, has not been cured to the satisfaction of the Purchaser, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Purchaser;

- (vi) the Seller has Transferred all or any material portion of the Project Property pursuant to any Order (including any circumstance where all or any material portion of the Project Property is expropriated, nationalized, or is subject to any other act of eminent domain), unless such Transfer would have complied with Section 10.2 had such a Transfer not been a Permitted Disposition; or
 - (vii) any representation or warranty made by the Seller under or in connection with this Agreement is, in any material respect, incorrect or incomplete, which incorrectness or incompleteness, if capable of cure, has not been cured to the satisfaction of the Purchaser, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Purchaser.
- (b) In the event that the Purchaser elect to terminate this Agreement pursuant to Section 5.2(a)(iv), 5.2(a)(v) (as a result of a breach of Section 7.5 or 10.3), 5.2(a)(vi) or 5.2(a)(vii) (as a result of a breach of Section 8.2(j) or 8.2(k)), the Seller shall pay to the Purchaser an amount equal to the Purchaser's Share of the Default Payment (it being acknowledged by the Seller that the Default Payment is intended to be a genuine pre-estimate of liquidated damages that would be suffered by the Purchaser upon the termination of this Agreement as a result of any of the events listed in those Sections), plus any additional amounts that may be payable under any other remedies available to the Purchaser at law or in equity (including pursuant to Article 9).

5.3 Seller's Right to Terminate

In addition to the Seller right to terminate this Agreement pursuant to Section 2.6, the Seller shall have the right, by written notice to the Purchaser, to terminate this Agreement in respect of the Purchaser prior to the end of the Term if:

- (a) such Purchaser becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of its property and assets, and such proceeding is not contested by such Purchaser, diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance (for greater certainty, such 30-day grace period shall not apply if such Purchaser becomes bankrupt voluntarily or any such proceedings are initiated by such Purchaser);
- (b) an Order is made or a resolution is passed for the winding up, liquidation or dissolution of such Purchaser; or
- (c) such Purchaser is in default of payments of amounts totaling in excess of \$100,000 due in accordance with Section 3.1, which default has not been cured to the satisfaction of the Seller, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Seller; provided that any day during which the Purchaser is in good faith disputing a payment hereunder shall not count toward such 30-day period;
- (d) other than specified under clause (c) above, the Purchaser is, in any material respect, in default of its obligations under this Agreement, which default, if capable of cure, has not been cured to the satisfaction of the Seller, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Seller.

5.4 Effect of Termination

If this Agreement is terminated by the Purchaser or the Seller under Section 2.6 or this Section 5, then all rights and obligations under this Agreement shall terminate (provided that, in the case of a termination by the Seller, only to the extent such rights and obligations relate to the terminated Purchaser) other than in connection with any antecedent breach. Notwithstanding the foregoing, Sections 1 (to the extent applicable to surviving provisions), 2.6 (in respect of Refined Gold already Delivered), 4, 5.2(b), 6.6(b) (in respect of the period prior to termination of this Agreement), 9, 11, 12 and 13 shall survive termination of this Agreement.

6. REPORTING; BOOKS AND RECORDS; INSPECTIONS

6.1 Operations Reports

- (a) On or before the 15th day after the end of each calendar month, the Seller shall provide to the Purchaser a Monthly Production Report in respect of such month.
- (b) On or before December 31 of each calendar year, the Seller shall provide to the Purchaser an Annual Forecast Report in respect of the upcoming calendar year.
- (c) On or before March 30 of each calendar year, the Seller shall provide to the Purchaser a statement setting out the mineral reserves and mineral resources (by category) for the Project Real Property prepared in accordance with National Instrument 43-101 (with the assumptions used, including cut-off grade, metal prices and metal recoveries) as of the end of the prior calendar year; provided, however, that such statement need not be prepared by or under the supervision of a "qualified person" that is "independent" of the Seller (as those terms are used in National Instrument 43-101).

6.2 Copies of Certain Documents

The Seller shall promptly deliver or furnish, or cause to be delivered or furnished, to the Purchaser a copy of:

- (a) any amendment, revision or supplement to or replacement of the Anti-Corruption Policy;
- (b) any amendment, revision or supplement to or replacement of the Mine Plan;
- (c) any updated mineral reserve and mineral resource estimates prepared by or on behalf of the Seller in respect of the Project Real Property;
- (d) any technical reports or other material engineering or technical studies prepared by or on behalf of the Seller in respect of the Project; and
- (e) such other statements, accounts, budgets, forecasts, projections, reports or other information in respect of the Project as the Purchaser may from time to time reasonably request.

6.3 Acquisition and Disposition of Project Real Property

The Seller shall promptly notify the Purchaser of the acquisition or disposition by the Seller of any Project Real Property (any such acquisition or disposition being subject to Section 7.4(b) or 10.2,

respectively), and shall provide to the Purchaser and the Purchaser an updated version of Schedule A together with such notification.

6.4 Notice of Adverse Impact

The Seller shall provide the Purchaser with written notice of each of the following events promptly upon the Seller becoming aware of or having knowledge of such event:

- (a) the occurrence of any event or circumstance giving rise to the right of the Purchaser to terminate this Agreement in accordance with Section 5.2, or any event or circumstance which with notice or lapse of time or both would give rise to, or may result in, the right of the Purchaser to terminate this Agreement in accordance with Section 5.2;
- (b) the loss of or material non-compliance with the terms of, or any threat (whether or not in writing) by a Governmental Body to revoke or suspend, any Authorization material to the Project;
- (c) all material actions, suits and proceedings before any Governmental Body or arbitrator pending or, to the knowledge of the Seller, threatened against or directly affecting the Seller or the Project, including with respect to the ownership, use, maintenance and operation of the Project;
- (d) any violation or suspected violation of any Applicable Law or the Anti-Corruption Policy by the Seller, or any Person acting on its behalf, which would reasonably be expected to result in any material liability, or to have an adverse impact on the reputation, of any Party;
- (e) any material loss or damage suffered to the Project or any Minerals, and whether the Seller or any other Seller has or plans to make any insurance claim in respect thereof;
- (f) any material claims, disputes or disturbances pertaining to the Project involving local communities, including without limitation, any aboriginal group;
- (g) any material labour disruption involving the workforce at the Project; and
- (h) any other event of change which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect,

in each case, accompanied by a written statement by a senior officer of the Seller setting forth details of the occurrence referred to therein.

6.5 Provision of Reports

Upon written notice to the Seller by the Purchaser at any time and from time to time, the Seller shall cease to provide any information or reports identified for the time period specified in such notice to such Purchaser. The Seller shall recommence regular reporting under this Agreement upon completion of such period or upon further written notice to the Seller by the Purchaser.

6.6 Books and Records; Audits

- (a) The Seller shall keep true, complete and accurate books and records of all of its operations and activities with respect to the Project and the Project Property, including the mining, milling, processing, transportation and marketing of all Minerals.
- (b) The Seller shall permit the Purchaser and its authorized representatives and agents to perform audits or other reviews and examinations of its books and records and other information relevant to the production, delivery and determination of Refined Gold under this Agreement and compliance with this Agreement from time to time at reasonable times at the Purchaser's sole risk and expense and not less than three Business Days' notice, provided that the Purchaser and its authorized representatives and agents will not exercise such rights more often than once during any calendar year absent a material deficiency identified during a previous audit or review, in which case such rights may be exercised at such periods as may be reasonably determined by the Purchaser (and in any event at least once during any calendar quarter) until no material deficiencies are identified during four consecutive audits or reviews, at which point the Purchaser will once again be limited to exercising such rights once per calendar year. The Purchaser shall use its commercially reasonable efforts to diligently complete any audit or other examination permitted hereunder.

6.7 Inspections

Upon no less than ten Business Days' notice to the Seller and subject at all times to the workplace rules and supervision of the Seller, the Seller shall grant, or cause to be granted, to the Purchaser and its representatives and agents, at reasonable times and at the Purchaser sole risk and expense, the right to access the Project Real Property, the Processing Facilities and the other facilities of the Project, in each case to monitor operations relating to the Project and compliance with this Agreement. The Purchaser shall use its commercially reasonable efforts to not interfere with operations conducted at the Project.

7. ADDITIONAL COVENANTS

7.1 Conduct of Operations

- (a) Except as otherwise provided herein, all decisions regarding the Project, including (i) the methods, extent, times, procedures and techniques of any exploration, development and mining related to the Project or any portion thereof, and (ii) decisions to operate or continue to operate the Project or any portion thereof, including with respect to closure and care and maintenance, shall be made by the Seller in its sole discretion.
- (b) The Seller shall ensure that all exploration, development and mining operations and other activities in respect of the Project will be conducted in a commercially reasonable manner in accordance with Good Industry Practice and in compliance, in all material respects, with the Mine Plan, Applicable Law, applicable Authorizations, applicable Other Rights and the Anti-Corruption Policy.
- (c) The Seller shall use all commercially reasonable efforts to obtain, as and when required, and preserve and maintain, all Authorizations (including environmental Authorizations), Other Rights and other contractual commitments which are required to permit the Seller to (i) own, operate and maintain the Project in the manner currently owned and operated and

as contemplated by the Mine Plan, (ii) carry out commercial production transactions, and (iii) perform its obligations under this Agreement.

- (d) The Seller shall be responsible, at its own expense, for obtaining and maintaining any Authorizations and Other Rights required in order to perform its obligations under this Agreement, including the sale and delivery of Refined Gold to the Purchaser.

7.2 Processing and Refining

- (a) The Seller shall use all commercially reasonable efforts to ensure that: (i) subject to Section 7.2(c), all Minerals mined from the Project Real Property are processed at the Processing Facilities to produce Project Doré or at other mineral processing facilities located on the Project Real Property to produce gold concentrates; and (ii) all Project Doré is, in a prompt and timely manner, shipped to the Refinery for processing into Refined Gold.
- (b) The Seller shall not, without the prior written consent of the Purchaser: (i) sell Minerals mined from the Project Real Property until they have been processed into either gold concentrates or Project Doré; (ii) sell, ship or deliver Project Doré to any Person other than to a Refinery, as contemplated by this Agreement; (iii) until the closing of the Project Financing, enter into any agreement to sell Refined Gold derived from Project Doré other than pursuant to this Agreement, or the Orion Offtake Agreement, or in connection with the Project Financing; or (iv) until the closing of the Project Financing, amend, restate, supplement or otherwise modify the Orion Offtake Agreement other than in connection with the Project Financing.
- (c) Until the Processing Facilities have been constructed and commissioned, and subject to compliance with the other terms of this Agreement, the Seller may enter into toll milling agreements for the processing of Minerals into Project Doré. The Seller shall promptly provide the Purchaser with a copy of any toll milling agreements (including any amendments thereto) entered into by the Seller, subject to any redactions as may be required by confidentiality obligations owed by the Seller to its counterparty under such agreement. If the Seller is prohibited by confidentiality obligations from providing the Purchaser with a copy of any such agreement (whether or not redacted), the Seller shall provide to the Purchaser a summary of such agreement (to the extent permitted by such confidentiality obligations). The Seller shall use its commercially reasonable efforts to procure the consent of its counterparty to such agreement to the disclosure of such information by the Seller to the Purchaser under this Agreement.
- (d) The Seller shall promptly provide the Purchaser with a copy of any agreements (including any amendments thereto) entered into by the Seller with a Refinery in respect of the refining of Project Doré, subject to any redactions as may be required by confidentiality obligations owed by the Seller to the Refinery. If the Seller is prohibited by confidentiality obligations from providing the Purchaser with a copy of any such agreement (whether or not redacted), the Seller shall provide to the Purchaser a summary of such agreement (to the extent permitted by such confidentiality obligations). The Seller shall use its commercially reasonable efforts to procure the consent of any Refinery to the disclosure of such information by the Seller to the Purchaser under this Agreement.
- (e) The Seller shall promptly notify the Purchaser in writing of any dispute between the Seller and a Refinery in respect of a material matter arising out of or in connection with the purchase and sale of Minerals, processing of Minerals into Refined Gold or the delivery of

Refined Gold to the Seller or the Purchaser and shall provide the Purchaser with timely updates of the status of any such dispute and the final decision and award of the court or arbitration panel with respect to such dispute, as the case may be.

- (f) The Seller shall ensure that each shipment of Minerals under any toll milling agreement or of Project Doré to the Refinery is adequately insured in such amounts and with such coverage as is customary in the mining industry.

7.3 Stockpiling off Property

The Seller may temporarily stockpile, store or place Minerals that will be processed into Project Doré off the Project Real Property provided that the Seller shall at all times do or cause to be done all things necessary to ensure that: (a) such Minerals are appropriately identified as to ownership and origin; (b) such Minerals are secured from loss, theft, tampering and contamination; (c) the Purchaser's rights in and to such Minerals shall be the same as if the Minerals had never been removed from the Project Real Property; and (d) the Purchaser's rights in and to the Minerals pursuant to this Agreement shall otherwise be preserved.

7.4 Maintenance and Ownership of Project Property

- (a) The Seller shall at all times do or cause to be done all things necessary to maintain the Project Real Property in good standing, including paying or causing to be paid all Taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenance fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof, paying or causing to be paid all payments under any purchase, option or similar agreements in respect of optioned properties forming a part thereof and otherwise maintaining the Project Real Property in accordance with Applicable Laws.
- (b) The Seller shall ensure that all Project Property, whether now owned or hereafter acquired, is legally and beneficially owned by the Seller.

7.5 Anti-Corruption Compliance

- (a) The Seller shall not: (i) use, or authorize the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) make, or authorize the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds; or (iii) violate any provision of AML Legislation, Anti-Corruption Laws or any Sanctions.
- (b) The Seller shall maintain the Anti-Corruption Policy and ensure that it is updated from time to time to be consistent with Canadian mining industry best practices. The Seller shall at all times comply with the Anti-Corruption Policy.
- (c) The Seller shall provide the Purchaser with written notice of any non-compliance by it with any Sanctions, AML Legislation, Anti-Corruption Law or the Anti-Corruption Policy in any material respect promptly upon becoming aware of or having knowledge of such event, accompanied by a written statement by a senior officer of the Seller setting forth details of the occurrence referred to therein.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of the Purchaser

Each Purchaser, acknowledging that the other Parties are entering into this Agreement in reliance thereon, makes, on and as of the date of this Agreement (or, in the case of a Purchaser which is not a Party as of the date of this Agreement, as of the date on which such Purchaser becomes a Party by executing a Purchaser's Acknowledgement, and references in this Section 8.1 to this Agreement shall be deemed to include references to such Purchaser's Acknowledgement, *mutatis mutandis*), the representations and warranties to the other Parties set forth below.

- (a) The Purchaser: (i) has been duly incorporated or formed and is validly existing under the laws of its incorporation or formation, as applicable; (ii) has all requisite corporate power and authority or, if such entity is not a corporation, such other power and authority, to own and lease its property and assets and to carry on its business; and (iii) has all requisite corporate power and authority or, if such entity is not a corporation, such other power and authority, to enter into this Agreement, and to perform its obligations hereunder.
- (b) The execution and delivery by the Purchaser of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate or other action on its part and do not and will not: (i) contravene any provision of its constitutional documents or any resolution of its shareholders, partners or directors (or any committee thereof); (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving of notice or lapse of time or both), any agreement, contract, lease, license, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, understanding or commitment, whether written or oral, to which it is a party, subject or otherwise bound (including with respect to its assets), except in each case as would not have a material adverse effect on its ability to perform its obligations under this Agreement; or (iii) violate any Applicable Law.
- (c) This Agreement: (i) has been duly executed and delivered by the Purchaser; and (ii) constitutes a legal, valid and binding agreement of the Purchaser, enforceable against it in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (d) The Purchaser is not required to give any notice to, make any filing with or obtain any Authorization, Order or other consent or approval of any Person in connection with the execution or delivery of or performance of its obligations under this Agreement or the consummation of the transactions contemplated herein and therein, other than (i) those that have already been obtained and copies of which have been provided to the Purchaser prior to the date of this Agreement, and (ii) those the absence of which would not be prejudicial to the interest of the Seller or the Purchaser or have a material adverse effect on the Purchaser's ability to perform its obligations under this Agreement.
- (e) The Purchaser is not party to any contract that would give rise to a valid claim against any Seller for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

8.2 Representations and Warranties of the Seller

The Seller, acknowledging that the other Parties are entering into this Agreement in reliance thereon, hereby jointly and severally make on and as of the date of this Agreement, the representations and warranties to other Parties set forth below:

- (a) The Seller: (i) has been duly incorporated or formed and is validly existing under the laws of its incorporation or formation, as applicable; (ii) has all requisite corporate power and authority to own and lease its property and assets and to carry on its business; (iii) has all requisite corporate power and authority to enter into this Agreement, and to perform its obligations thereunder; and (iv) is duly qualified, licensed or registered to do business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it make such qualification, licensing or registration necessary. No proceeding has been instituted or, to its knowledge, threatened in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification, licensing or registration. The Seller is up-to-date in all of its corporate filings in all material respects and is in good standing under Applicable Laws.
- (b) The execution and delivery by the Seller of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate or other action on its part and do not and will not: (i) contravene any provision of its constitutional documents or any resolution of its shareholders, partners or directors (or any committee thereof); (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving of notice or lapse of time or both), any agreement, contract, lease, license, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, understanding or commitment, whether written or oral, to which it is a party, subject or otherwise bound (including with respect to its assets), except in each case as would not have a Material Adverse Effect; (iii) violate any Applicable Law; or (iv) result in, or require, the creation or imposition of any Encumbrance on any of the Project Property.
- (c) This Agreement: (i) has been duly executed and delivered by the Seller; and (ii) constitutes a legal, valid and binding agreement of the Seller, enforceable against the Seller in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (d) The Seller is not required to give any notice to, make any filing with or obtain any Authorization, Order or other consent or approval of any Person in connection with the execution or delivery of or performance of its obligations under this Agreement or the consummation of the transactions contemplated herein, other than (i) those that have already been obtained and copies of which have been provided to the Purchaser prior to the date of this Agreement, and (ii) those the absence of which would not be prejudicial to the interest of the Purchaser or have a Material Adverse Effect.
- (e) The Seller does not have any Subsidiaries.
- (f) The Seller is not insolvent within the meaning of Applicable Law.

- (g) Schedule A sets out a complete and accurate list of the Project Real Property in which the Seller has any right, title or interest. The Seller:
- (i) has valid and subsisting leasehold title to any and all leases of real property and mineral interests included within the Project Real Property;
 - (ii) has valid possessory and record title to all mineral interests included within the Project Real Property, except any mineral interests that are leased to the Seller and are covered under paragraph (i); and
 - (iii) has good and marketable title to such other real property interests included within the Project Real Property and not otherwise included under paragraphs (i) and (ii) above.

The Project Real Property is free and clear of all Encumbrances other than Encumbrances which would not have a Material Adverse Effect.

- (h) Without limiting the generality of Section 8.2(g):
- (i) the Seller owns or otherwise has valid rights to use all of the Project Real Property, and no Person other than the Seller has any rights to participate in the Project Real Property or operate the Project;
 - (ii) the Project Real Property constitutes all real property, mineral and surface interests and ancillary rights necessary for the development and mining operations of the Project, as currently operated and as contemplated to be developed and operated, substantially in accordance with the Mine Plan;
 - (iii) except as disclosed to the Purchaser in writing prior to the date of this Agreement, none of the Project Real Property or any Minerals produced therefrom are subject to an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an agreement, option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty; and
 - (iv) other than pursuant to Applicable Laws, there are no restrictions on the ability of the Seller to exploit the Project Real Property.
- (i) All rent, maintenance fees, recording fees and Taxes and all other amounts have been paid when due and payable, and all other actions and all other obligations have been taken and complied with, in each case as are required to maintain the Project Property in good standing.
- (j) The Seller is in compliance with, and has not been charged under, AML Legislation.
- (k) The Seller, and its respective officers, employees and, to the knowledge of the Seller, its directors and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in any Seller being designated as a Sanctioned Person or Sanctioned Entity. None of (a) the Seller or, to the knowledge of the Seller, any of its directors, officers or employees, or (b) to the knowledge of the Seller, any of agent

of the Seller that will act in any capacity in connection with or benefit from this Agreement, (i) has used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, (ii) has made, or authorized the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds, or (iii) is a Sanctioned Person or a Sanctioned Entity. The transactions contemplated by this Agreement will not violate Anti-Corruption Laws or applicable Sanctions.

- (l) The Seller is not party to any contract that would give rise to a valid claim against any one or more of the Purchaser for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

9. INDEMNIFICATION

9.1 Indemnity of the Seller

The Seller agrees to indemnify and save the Purchaser and its Affiliates and the directors, officers, employees and agents of the foregoing harmless from and against any and all Losses suffered or incurred by any of them as a result of, in respect of, or arising as a consequence of:

- (a) any breach or inaccuracy of any representation or warranty of the Seller contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto;
- (b) any breach, including breach due to non-performance, by the Seller of any covenant or agreement to be performed by it under this Agreement or under any document, instrument or agreement delivered pursuant hereto;
- (c) the development or operation of the Project;
- (d) the failure of any Seller to comply with any Applicable Law, including any Applicable Law relating to environmental matters and reclamation obligations, any AML Legislation and Anti-Corruption Law; and
- (e) the physical environmental condition of the Project and matters of health and safety related thereto or any action or claim brought with respect thereto (including conditions arising before the date of this Agreement),

provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct of such indemnified Person.

9.2 Non-Party Indemnified Persons

The Purchaser shall act as the trustee to its related indemnified Persons under this Article 9 to the extent indemnified under this Agreement and accepts this trust and will hold and enforce the covenants herein on behalf of such related indemnified Persons.

10. TRANSFER RIGHTS

10.1 Transfer Rights of Purchaser

- (a) The Purchaser may Transfer, in whole or in part, its Purchaser's Share and all associated rights and obligations under this Agreement (to the extent of the Transferred portion of its Purchaser's Share) to any Person, without the consent of any other Party, provided that any such Transfer will only become effective and binding on the other Parties upon the delivery by the transferee to the Seller of a Purchaser's Acknowledgement.
- (b) Subject to compliance with Section 10.1(a), upon such Transfer, such transferor will be released from such Transferred obligations under this Agreement. Upon the request of any such transferor or transferee, the Seller shall provide a written acknowledgement confirming that this Agreement remains in full force and effect, that the Seller is bound by its obligations under this Agreement in favour of the transferee and the transferor has been released from its obligations under this Agreement.

10.2 Transfer Rights of Seller

- (a) The Seller shall not Transfer, in whole or in part, its rights and obligations under this Agreement or all or any portion of the Project Real Property, other than pursuant to a Permitted Disposition, unless such Transfer is completed in compliance with the other provisions of this Section 10.2.
- (b) The Seller may Transfer its rights and obligations under this Agreement, or all or any portion of the Project Real Property, if the following provisions have been complied with:
 - (i) the Seller shall have provided the Purchaser with at least 30 days' prior written notice of the intent to effect such Transfer, such notice to include a description of the proposed Transfer and the identity of the proposed transferee (and any other Person that ultimately controls such transferee);
 - (ii) in connection with the Transfer:
 - (A) all of the Seller's interest in the Project Property shall be Transferred to the transferee, other than (A) leased personal property that is not material to the Project that, by the terms of the lease, may not be transferred, or (B) such other property in respect of which the Purchaser has received 30 days prior written notice and has not objected in writing on the basis that the failure to Transfer such property to the transferee could reasonably be expected to have a material adverse effect on the transferee's ability to explore, develop, construct or operate the Project, or on the economic viability of the Project, substantially as contemplated by the Mine Plan (as then in effect) or to perform its obligations under this Agreement; and
 - (B) all of the rights of the Seller under this Agreement shall be Transferred to, and its obligations hereunder assumed by, the transferee;

- (iii) as a condition to completion of the Transfer, any transferee shall have first entered into an agreement, in form and substance satisfactory to the Purchaser, acting reasonably, to be bound by this Agreement or become so bound by operation of law; and
- (iv) after the Transfer (taking into account any agreements to be entered into in connection with the Transfer), the Purchaser shall remain entitled to purchase Refined Gold based on production of Project Doré on the same terms and conditions provided in this Agreement.

10.3 Sanctions

Notwithstanding any other provision of this Agreement, no Party shall assign, in whole or in part, any of its rights, obligations or interest under this Agreement to any Sanctioned Person or Sanctioned Entity.

11. THE PURCHASER

11.1 Decision-Making

- (a) Any amendment, waiver, discharge or termination with respect to this Agreement relating to the following matters shall be effective only if agreed between the Seller and the Purchaser:
 - (i) any reduction in the amount payable or deliverable by the Seller to the Purchaser, or any alteration in the currency or mode of calculation or computation of any amount payable or deliverable by the Seller to the Purchaser hereunder (excluding any change to the Applicable Percentage and Aggregate Gold Quantity as contemplated in the definitions of those terms in Section 1.1);
 - (ii) any change to the purchase price for Refined Gold Delivered to the Purchaser, including the definition of "Quotational Period";
 - (iii) any provision of this Article 11; or
 - (iv) the reduction or elimination of any rights of the Purchaser to exercise any rights or receive any information.
- (b) Except for the matters described in this Section 11.1 above or otherwise expressly provided for in this Agreement, any amendment, waiver, discharge or termination with respect to this Agreement shall be effective only if agreed between the Seller and the Purchaser in writing, and any such amendment, waiver, discharge or termination that is so agreed shall be final and binding upon the Purchaser. Subject to the other provisions of this Section 11.1, where the terms of this Agreement refer to any action to be taken by the Purchaser or to any such action that requires the consent or other determination of the Purchaser, the action taken by and the consent or other determination given or made by the Purchaser shall, except to the extent that this Agreement expressly provides to the contrary, constitute the action or consent or other determination of the Purchaser.

11.2 [Intentionally Deleted]

11.3 [Intentionally Deleted]

11.4 [Intentionally Deleted]

12. CONFIDENTIALITY AND DISCLOSURES

12.1 Confidentiality

- (a) Each Party (a "**Receiving Party**") agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates, employees, officers, directors, advisors and representatives to maintain as confidential and not to disclose, the terms contained in this Agreement and all information (whether written, oral or in electronic format) received or reviewed by it as a result of, pursuant to or in connection with this Agreement (collectively, the "**Confidential Information**"), provided that a Receiving Party may disclose Confidential Information in the following circumstances:
- (i) to its auditor, legal counsel, lenders, underwriters and investment bankers and to persons ("**Third Parties**") with which it is considering or intends to enter into a transaction for which such Confidential Information would be relevant (and to advisors and representatives of any such Person), provided that such persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such persons to perform the services for which they were, or are proposed to be, retained by the Receiving Party or to consider or effect the applicable transaction, as applicable;
 - (ii) subject to Section 12.2, where that disclosure is necessary to comply with Applicable Laws, court order or regulatory request, provided that such disclosure is limited to only that Confidential Information so required to be disclosed and, where applicable, that the Receiving Party will have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled;
 - (iii) for the purposes of the preparation and conduct of any arbitration or court proceeding commenced under Section 13.2;
 - (iv) where such information is already available to the public other than by a breach of the confidentiality terms of this Agreement or is known by the Receiving Party prior to the entry into of this Agreement or obtained independently of this Agreement and the disclosure of such information would not breach any other confidentiality obligations;
 - (v) with the consent of the disclosing Party;
 - (vi) to its Affiliates and those of its and its Affiliates' directors, officers, employees, advisors and representatives who need to have knowledge of the Confidential Information; and

- (vii) in the case of any Purchaser and its Affiliates, to any limited partner or co-investor or prospective limited partner or co-investor in or with a private equity fund managed by such Purchaser or Affiliates of such Purchaser, to the extent such information is reasonably relevant to the current investment or future investment decision of any such limited partner or co-investor or prospective limited partner or co-investor, provided that such persons undertake to maintain the confidentiality of it and are strictly limited in their use of the confidential information for the purpose of making an investment decision in or with respect to the Purchaser or Affiliates of the Purchaser.

Each Party shall ensure that its Affiliates and its and its Affiliates' employees, directors, officers, advisors and representatives and those persons listed in Section 12.1(a)(i) and (vii) are made aware of this Section 12.1 and comply with the provisions of this Section 12.1. Each Party shall be liable to the other Party for any improper use or disclosure of such terms or information by such persons.

- (b) The Purchaser acknowledges that the Seller will provide Orion with a copy of this Agreement and hereby consent to such disclosure, provided that Orion is made aware of the confidentiality restrictions set forth in this Section 12.1 and complies with the provisions of this Section 12.1. The Seller shall be liable to the Purchaser for any improper use or disclosure of this Agreement or its terms by Orion.

12.2 Press Releases and Public Disclosure

- (a) The Parties shall consult with each other before any of them or their respective Affiliates issues any press release or otherwise makes any public disclosure regarding this Agreement or the transactions contemplated hereby and shall not, and shall cause their respective Affiliates to not, issue any such press release or make any such public disclosure before receiving the consent of the other Parties, unless such public disclosure is required to meet the timely disclosure obligations of a Party or its Affiliates under Applicable Laws in circumstances where prior consultation with, or the obtaining of the consent of, the other Parties is not practicable, in which event a copy of such disclosure shall be provided to the other Parties by the Party which (or whose Affiliate) is required to make such disclosure at such time as it is made publicly available.
- (b) If a Party or any of its Affiliates is required by Applicable Law to file a copy of this Agreement on SEDAR (or otherwise publicly file a copy of this Agreement), such Party shall first consult with the Seller and the Purchaser (as applicable) with respect to, and agree upon, any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed on SEDAR (or otherwise). If such Party, the Seller and the Purchaser are unable to agree on such redactions, such Party (or its Affiliate) shall redact this Agreement to the fullest extent permitted by Applicable Laws before filing it on SEDAR (or otherwise).

13. GENERAL

13.1 Governing Law

This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein (without regard to its laws relating to any conflicts of laws), and, subject to Section 13.2, each of the Parties irrevocably attorns and submits to the non-

exclusive jurisdiction of the courts of the Province of Ontario. The United Nations Vienna Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

13.2 Disputes and Arbitration

(a) Subject to Section 13.2(b):

- (i) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof which has not been resolved by the Parties within the time frames specified herein (or where no time frames are specified, within 15 days of the delivery of written notice by either Party of such dispute, controversy or claim) shall be referred to the chief executive officer, general counsel or other individual of similar seniority and authority of each applicable Party for prompt resolution.
- (ii) Any such dispute, controversy or claim which cannot be resolved by such individuals within 15 days after it has been so referred to them hereunder, including the determination of the scope or applicability of this Agreement to arbitrate, shall be settled by binding arbitration administered by the International Center for Dispute Resolution, and any Party may so refer such dispute, controversy or claim to binding arbitration. Such referral to binding arbitration shall be to one qualified arbitrator in accordance with the Arbitration Rules, which Arbitration Rules shall govern such arbitration proceeding. The place of arbitration shall be New York, New York, and the language of arbitration shall be English. The determination of such arbitrator shall be final and binding upon the Parties and the costs of such arbitration shall be as determined by the arbitrator. Judgment on the award may be entered in any court having jurisdiction. The Parties covenant and agree that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.
- (iii) The arbitration, including any settlement discussions between the Parties related to the subject matter of the arbitration, shall be conducted on a private and confidential basis and any and all information exchanged and disclosed during the course of the arbitration shall be used only for the purposes of the arbitration and any appeal therefrom. No Party shall communicate any information obtained or disclosed during the course of the arbitration to any third party except to those experts or consultants employed or retained by, or consulted about retention on behalf of, such Party in connection with the arbitration and solely to the extent necessary for assisting in the arbitration, and only after such persons have agreed to be bound by these confidentiality conditions. In the event that disclosure of any information related to the arbitration is required to comply with Applicable Law or court order, the disclosing Party shall promptly notify the other Parties of such disclosure, shall limit such disclosure limited to only that information so required to be disclosed and shall have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled.
- (iv) The award of the arbitrator and any reasons for the decision of the arbitrator shall also be kept confidential except (i) as may reasonably be necessary to obtain enforcement thereof; (ii) for any Party to comply with its disclosure obligations under Applicable Law; (iii) to permit the Parties to exercise properly their rights

under the Arbitration Rules; and (iv) to the extent that disclosure is required to allow the Parties to consult with their professional advisors.

- (b) Section 13.2(a) shall not preclude the Parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction.

13.3 Specific Performance

The Seller acknowledges that any breach of this Agreement may cause the Purchaser irreparable harm for which damages are not an adequate remedy. The Seller agrees that, in the event of any such breach, in addition to other remedies at law or in equity that the Purchaser may have, the Purchaser shall be entitled to seek specific performance without the requirement of providing damages or posting a bond or other security.

13.4 Notices

Unless otherwise specifically provided in this Agreement, any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand to an officer or other responsible employee of the addressee or transmitted by facsimile transmission or other electronic format, addressed to:

If to the Seller to:

Harte Gold Corp.
1700 - 8 King St. East
Toronto, ON M5C 1B5

Attention: Timothy Campbell, Vice President & Secretary
Fax No.: (416) 368-5146
E-mail: tc@hartegold.com

If to the Purchaser to:

ANR Investments B.V.
Zuidplein 126
Tower H 15th Floor
1077XV Amsterdam
Netherlands

Attention: Wolfgang Out and Richard Schaapherder
Facsimile: +31 (0) 20 240 3089
E-mail: wolfgang.out@centralis.eu and
Richard.Schaapherder@centralis.eu

with a copy to:

Appian Capital Advisory LLP
23 King Street, 1st Floor
London SW1Y 6QY
United Kingdom

Attention: Colin Paton, Chief Financial Officer
Facsimile: +44 (0) 207 900 1975
Email: cpaton@appiancapitaladvisory.com

and

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, Ontario, Canada M5K 1E6

Attention: Shea T. Small
Facsimile: (416) 868-0673
E-mail: ssmall@mccarthy.ca

Any notice or other communication given in accordance with this Section 13.3, if delivered by hand as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery is received before 4:00 p.m. at the place of delivery; otherwise, it shall be deemed to be validly and effectively given on the Business Day next following the date of delivery. Any notice of communication which is transmitted by facsimile transmission or electronic mail as aforesaid, shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was received before 4:00 p.m. at the place of receipt; otherwise it shall be deemed to have been validly and effectively given on the next Business Day following such date of transmission.

13.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, opinions, advice, assertions of fact, matters, undertakings or collateral agreements, express, implied or statutory, with respect to the subject matter hereof and thereof by or between the Parties (or by any of their respective employees, directors, officers, representatives or agents).

13.6 Amendments

This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

13.7 Waivers

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement 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.

13.8 Severability

If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect and the Parties shall negotiate in good faith to replace any provision that is invalid, illegal or unenforceable with such other valid provision that most closely replicates the economic effect and rights and benefits of such impugned provision.

13.9 Further Assurances

Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect the transactions contemplated herein, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

13.10 No Joint Venture

Nothing herein shall be construed to create, expressly or by implication, a joint venture, agency relationship, fiduciary relationship, mining partnership, commercial partnership or other partnership relationship between the Parties.

13.11 Beneficiaries

This Agreement is for the sole benefit of the Parties, and shall enure to the benefit of their respective successors and permitted assigns, and, except as otherwise expressly provided herein, nothing herein is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.

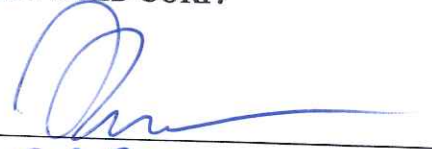
13.12 Counterparts

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.


[Signature pages follow.]


IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

HARTE GOLD CORP.


Name: *S.G. Norman*
Title: *President + CEO*

ANR INVESTMENTS B.V.


Name: **Richard Schaepfender**
Title: *Director B*


Name: **Michael Scherb**
Title: **Director A**

Schedule A

PROJECT REAL PROPERTY

LEASEHOLD PROPERTY

| PIN | Legal Description |
|-----------------|--|
| 31053-0001 (LT) | Mining Claims 1069328 to 1069331 inclusive, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 being Parts 1, 2, 3, 4, 5, 6, 7, 8, 9 on Plan 1R-13039, Except Surface Rights being Parts 2 to 9 inclusive on Plan 1R-13039, Hambleton, Odium |
| 31054-0003 (LT) | Mining Claims SSM1069332, SSM1069333, SSM1069343, SSM1182993; Part Mining Claims SSM1069344, SSM1069346 Hambleton, Part 1 on Plan 1R-13011; District of Algoma |
| 31054-0004 (LT) | Part Mining Claim SSM1232640, Gourlay & Strickland, Part 2 on Plan 1R-13011; District of Algoma |
| 31054-0005 (LT) | Part Mining Claim SSM1235595 Gourlay, Part 3 on Plan 1R-13011, District of Algoma |
| 31054-0006 (LT) | Mining Rights Only Part Mining Claims SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595, Hambleton, Gourlay, Strickland & Odium, Parts 4-9 on Plan 1R-13011; District of Algoma |
| 31078-0001 (LT) | Mining Claims SSM93770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, |

| PIN | Legal Description |
|-----------------|--|
| | SSM1078251, SSM1078252, SSM1135499, SSM1194337 & SSM1194340, being Parts 1 to 11 on Plan 1R-13038, except surface rights being Parts 4, 5, 7, 8, 9 & 11 on Plan 1R-13038; Hambleton Odium; City of Sault Ste. Marie. |
| 31077-0001 (LT) | Mining Claims SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069654, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659 & SSM1140660 Being Parts 1,2,3,4,5,6,7 & 8 on Pan 1R-13019 Except Surface Rights being Parts 2 to 8 inclusive on Plan 1R-13019 Hambleton, Odium & Strickland; City of Sault Ste. Marie |

**UNPATENTED MINING CLAIMS
HARTE GOLD CORP. – RECORDED HOLDER**

| Claim No. |
|---|
| SSM 1069380, SSM 1069381, SSM 1069382, SSM 1069383, SSM 1069384, SSM 1069385, SSM 1069386, SSM 1069387, SSM 1069388, SSM 1069389, SSM 1069390, SSM 1069391 |
| SSM 1078243, SSM 1078244, SSM 1078245, SSM 1078246, SSM 1078247, SSM 1078248, SSM 1078249 |
| SSM 1078253, SSM 1078254, SSM 1078255, SSM 1078256, SSM 1078257, SSM 1078258, SSM 1078259 |
| SSM 1078265, SSM 1078266, SSM 1078267, SSM 1078268, SSM 1078269, SSM 1078270, SSM 1078271, SSM 1078272, SSM 1078273, SSM 1078274, SSM 1078275, SSM 1078276, SSM 1078277 |
| SSM 1078314 |
| SSM 1078319 |
| SSM 1174765, SSM 1174766 |
| SSM 3012217, SSM 3012218 |
| SSM 4201077, SSM 4201078 |
| SSM 4201080, SSM 4201081 |
| SSM 4201083, SSM 4201084 |
| SSM 4201087 |
| SSM 4260657, SSM 4260658, SSM 4260659, SSM 4260660, SSM 4260661, SSM 4260662, SSM 4260663, SSM 4260664, SSM 4260665, SSM 4260666, SSM 4260667, SSM 4260668, SSM 4260669 |
| SSM 4270161 |
| SSM 1078315, SSM 1078316, SSM 1078317, SSM 1078318 |
| SSM 1140648, SSM 1140649 |
| SSM 1183012, SSM 1183013, SSM 1183014, SSM 1183015, SSM 1183016, SSM 1183017, SSM 1183018, SSM 1183019, SSM 1183020, SSM 1183021 |
| SSM 1232641 |
| SSM 3018389, SSM 3018390, SSM 3018391, SSM 3018392, SSM 3018393 |

| Claim No. |
|--|
| SSM 4201079 |
| SSM 4201082 |
| SSM 4201085, SSM 4201086 |
| SSM 4201088, SSM 4201089 |
| SSM 4201091, SSM 4201092, SSM 4201093 |
| SSM 4260601, SSM 4260602, SSM 4260603, SSM 4260604, SSM 4260605, SSM 4260606, SSM 4260607, SSM 4260608, SSM 4260609, SSM 4260610, SSM 4260611, SSM 4260612, SSM 4260613, SSM 4260614, SSM 4260615, SSM 4260616, SSM 4260617, SSM 4260618, SSM 4260619, SSM 4260620, SSM 4260621 |
| SSM 4260642, SSM 4260643 |
| SSM 4260644 |
| SSM 4201090 |
| SSM 4260645, SSM 4260646, SSM 4260647, SSM 4260648, SSM 4260649, SSM 4260650, SSM 4260651, SSM 4260652, SSM 4260653, SSM 4260654, SSM 4260655, SSM 4260656 |
| SSM 4267212 |
| SSM 4260622, SSM 4260623, SSM 4260624, SSM 4260625 |
| SSM 4260627, SSM 4260628 |
| SSM 4260630, SSM 4260631 |
| SSM 4260633, SSM 4260634 |
| SSM 4260636, SSM 4260637 |
| SSM 4260639, SSM 4260640, SSM 4260641 |
| SSM 1055500, SSM 1055501, SSM 1055502, SSM 1055503, SSM 1055504, SSM 1055505, SSM 1055506, SSM 1055507, SSM 1055508, SSM 1055509, SSM 1055510, SSM 1055511, SSM 1055512, SSM 1055513, SSM 1055514, SSM 1055515, SSM 1055516, SSM 1055517, SSM 1055518, SSM 1055519, SSM 1055520, SSM 1055521, SSM 1055522, SSM 1055523, SSM 1055524, SSM 1055525, SSM 1055526, SSM 1055527, SSM 1055528, SSM 1055529, SSM 1055530, SSM 1055531, SSM 1055532, SSM 1055533, SSM 1055534, SSM 1055535, SSM 1055536, SSM 1055537, SSM 1055538, SSM 1055539, SSM 1055540, SSM 1055541, SSM 1055542, SSM 1055543 |

| Claim No. |
|---|
| SSM 1055576, SSM 1055577, SSM 1055578, SSM 1055579, SSM 1055580, SSM 1055581, SSM 1055582, SSM 1055583, SSM 1055584, SSM 1055585, SSM 1055586, SSM 1055587, SSM 1055588, SSM 1055589 |
| SSM 1069100 |
| SSM 1069120, SSM 1069121 |
| SSM 1069186, SSM 1069187, SSM 1069188, SSM 1069189, SSM 1069190, SSM 1069191, SSM 1069192, SSM 1069193, SSM 1069194 |
| SSM 1069196, SSM 1069197, SSM 1069198, SSM 1069199 |
| SSM 1069300, SSM 1069301, SSM 1069302, SSM 1069303, SSM 1069304, SSM 1069305, SSM 1069306, SSM 1069307, SSM 1069308, SSM 1069309, SSM 1069310, SSM 1069311, SSM 1069312, SSM 1069313, SSM 1069314, SSM 1069315, SSM 1069316, SSM 1069317, SSM 1069318, SSM 1069319, SSM 1069320, SSM 1069321, SSM 1069322, SSM 1069323, SSM 1069324, SSM 1069325, SSM 1069326 |
| SSM 1194339 |
| SSM 1235594 |
| SSM 4201064, SSM 4201065, SSM 4201066, SSM 4201067 |
| SSM 4201069, SSM 4201070, SSM 4201071 |
| SSM 4201074, SSM 4201075, SSM 4201076 |
| SSM 4228496, SSM 4228497 |
| SSM 4228499 |
| SSM 4260626 |
| SSM 4260629 |
| SSM 4260632 |
| SSM 4260635 |
| SSM 4260638 |
| SSM 4260670, SSM 4260671, SSM 4260672, SSM 4260673, SSM 4260674, SSM 4260675, SSM 4260676, SSM 4260677, SSM 4260678, SSM 4260679, SSM 4260680, SSM 4260681, SSM 4260682, SSM 4260683 |
| SSM 937765, SSM 937766, SSM 937767, SSM 937768 |

| Claim No. |
|---|
| SSM 1043698 |
| SSM 1043701, SSM 1043702, SSM 1043703, SSM 1043704, SSM 1043705, SSM 1043706, SSM 1043707, SSM 1043708, SSM 1043709, SSM 1043710, SSM 1043711, SSM 1043712 |
| SSM 1043715, SSM 1043716, SSM 1043717 |
| SSM 1043814, SSM 1043815, SSM 1043816, SSM 1043817, SSM 1043818, SSM 1043819, SSM 1043820, SSM 1043821, SSM 1043822, SSM 1043823, SSM 1043824, SSM 1043825, SSM 1043826, SSM 1043827, SSM 1043828 |
| SSM 1044094, SSM 1044095, SSM 1044096 |
| SSM 1044097 |
| SSM 1044100, SSM 1044101, SSM 1044102, SSM 1044103 |
| SSM 1069359, SSM 1069360, SSM 1069361, SSM 1069362 |
| SSM 1069375, SSM 1069376 |
| SSM 1069378, SSM 1069379 |

Schedule B

FORM OF PURCHASER'S ACKNOWLEDGEMENT

Capitalized terms used but not otherwise defined herein have the meanings given to them in that certain Offtake Agreement (the "Offtake Agreement") dated January [●], 2018 between Harte Gold Corp., as seller and ANR Investments B.V. as purchaser.

Pursuant to Section **Error! Reference source not found.** of the Offtake Agreement, the undersigned hereby agrees and undertakes in favour of the other Parties to be bound by the terms of the Offtake Agreement and to perform its obligations under the Offtake Agreement, in its capacity as a Purchaser thereunder, as if it were an original party thereto.

[NAME OF TRANSFEREE]

By: _____

Name:

Title:

EXHIBIT “C”

EXHIBIT "C"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021


A Commissioner for Taking Affidavits

OFFTAKE AGREEMENT

Between

HARTE GOLD CORP.

as Seller

- and -

ANR INVESTMENTS B.V.

as Purchaser

July 14, 2020

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SCHEDULES

SCHEDULE A – DESCRIPTION OF PROJECT REAL PROPERTY

SCHEDULE B – FORM OF PURCHASER’S ACKNOWLEDGMENT

OFFTAKE AGREEMENT

THIS AGREEMENT is made as of the 14th day of July, 2020

BETWEEN:

HARTE GOLD CORP., a corporation existing under the laws of the Province of Ontario (“**Seller**”)

– and –

ANR INVESTMENTS B.V., a company existing under the laws of the Netherlands (“**Purchaser**”)

WHEREAS:

- (A) The Seller is the sole owner of the Project and has the right to mine 100% of the Minerals.
- (B) The Seller has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Seller, Refined Gold based on production of Project Doré, subject to and in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties mutually agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement (including the recitals hereto and the Schedules), unless the context otherwise requires, the following terms shall have the respective meanings given to them, as set out below, and grammatical variations of such terms shall have corresponding meanings:

“**Affiliate**” means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person.

“**Aggregate Gold Quantity**” means 500,000 ounces of Refined Gold.

“**Agreement**” means this Offtake Agreement and all attached Schedules, in each case as the same may be amended, restated, supplemented, modified or superseded from time to time in accordance with the terms hereof.

“**AML Legislation**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *USA PATRIOT Act*, and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” Applicable Laws, whether within Canada, in the United States or, to the extent applicable, elsewhere, including any regulations, guidelines or orders thereunder.

“Annual Forecast Report” means a written report prepared by the Seller in relation to a fiscal year with respect to the Project that contains, with reasonable detail, a forecast, based on the then current Mine Plan, for such fiscal year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis of: (a) the estimated tonnes and grade of Minerals to be mined; (b) the estimated tonnes and grade of Minerals to be stockpiled; and (c) the estimated tonnes and grade of Minerals to be processed, and expected recoveries for gold and other types of marketable minerals, including a breakdown by Project Doré and other Minerals produced by the Project.

“Anti-Corruption Laws” means the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* and all other laws, rules, and regulations of any jurisdiction applicable to the Seller from time to time concerning or relating to bribery or corruption.

“Anti-Corruption Policy” means the anti-bribery and anti-corruption policy of the Seller adopted by its board of directors, a copy of which has been provided to the Purchaser prior to the date hereof, as the same may be amended, revised, supplemented or replaced from time to time.

“Applicable Law” means any law (including common law and equity), any international or other treaty, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation, Order (including any securities laws or requirements of stock exchanges and any consent, decree or administrative Order), or Authorization of a Governmental Body in each case to the extent applicable to any specified Person, property, transaction or event, or any of such Person’s property or assets.

“Applicable Percentage” means a percentage equal to 18.5%.

“Arbitration Rules” means the International Arbitration Rules of the International Centre for Dispute Resolution.

“Authorization” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Body having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“Business Day” means any day, other than a Saturday, Sunday or statutory holiday in any one or more of Toronto, Ontario, New York City, New York, or London, United Kingdom or a day on which banks are generally closed in any one or more of those cities.

“Control” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Default Payment” means, at any given time, an amount equal to the difference between the Aggregate Gold Quantity and the number of ounces of Refined Gold Delivered to the Purchaser hereunder as of such time multiplied by \$15.00.

“**Delivery**” means delivery of Refined Gold, and transfer of possession and title in respect thereof, from the Seller to the Purchaser in the manner provided for in this Agreement, and “**Delivered**” shall have a corresponding meaning.

“**Delivery Date**” has the meaning set out in Section 2.3(c).

“**Delivery Time**” has the meaning set out in Section 2.3(c).

“**Encumbrance**” means any mortgage, debenture, pledge, hypothec, lien, charge, contractual right of set-off, assignment by way of security, hypothecation or security interest, including a purchase money security interest, any consignment by way of security, the interest of a lessor under any capitalized lease obligation or any other security agreement, trust or arrangement having the effect of creating an interest in property as security for the payment of any debt, liability or obligation.

“**Excluded Taxes**” has the meaning set out in Section 4(c).

“**Gold Price**” has the meaning set out in Section 3.1(a).

“**Good Industry Practice**” means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill, care, prudence, oversight, economy and stewardship which is commonly observed or would reasonably be expected to be observed by skilled and experienced professionals in the Canadian mining industry engaged in the same type of undertaking under the same or similar circumstances.

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

“**LBMA**” means the London Bullion Market Association and its successor organization.

“**Losses**” means any and all damages, claims, losses, diminution of value, liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees); provided, however, that losses of a Person indemnified hereunder shall not include consequential, special, exemplary or punitive damages, except to the extent such losses are awarded to a third party in connection with a claim by a third party against such indemnified Person.

“**Material Adverse Effect**” means any change, event, occurrence, circumstance, fact or effect that, when taken individually or together with all other events, occurrences, changes or effects has, or could reasonably be expected to have, a material adverse effect on: (a) the ability of the Seller to explore, develop, construct or operate the Project, or on the economic viability of the Project, substantially as contemplated by the Mine Plan (as in effect at the time of such change, event, occurrence, circumstance, fact or effect); (b) any significant decrease to expected gold production from the Project as contemplated by the Mine Plan (as in effect at the time of such change, event, occurrence, circumstance, fact or effect); or (c) the ability of the Seller to perform its obligations under this Agreement.

“**Mine Plan**” means the development and mine plans for the Project as approved by the board of directors of the Seller, a copy of which have been provided to the Purchaser prior to the date hereof, as the same may be amended, revised, supplemented or replaced from time to time.

“**Minerals**” means any and all marketable metal bearing material in whatever form or state that is mined, produced, extracted or otherwise recovered from the Project Real Property, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Project Real Property, and including ore, concentrate, doré and any other products resulting from the further milling, processing or other beneficiation of Minerals.

“**Monthly Production Report**” means a written report prepared by the Seller in relation to a calendar month with respect to the Project that contains, for such month:

- (i) the estimated tonnes and grade of Minerals mined during such month;
- (ii) the estimated tonnes and grade of Minerals stockpiled during such month (and the total stockpile at the end of such month);
- (iii) the estimated tonnes and grade of Minerals processed during such month and recoveries for gold and other types of marketable minerals, including a breakdown by Project Doré and other Minerals produced by the Project;
- (iv) the estimated weight and fineness of Project Doré produced by the Project during such month that have not yet been shipped to the Refinery (and the total stockpile at the end of such month);
- (v) the estimated weight and fineness of Project Doré shipped to the Refinery during such month and the number of ounces of Refined Gold Outturned by the Refinery from Project Doré during such month;
- (vi) the aggregate number of ounces of Refined Gold Delivered to the Purchaser under this Agreement up to the end of such month; and
- (vii) such other information regarding the calculation of the amount of Refined Gold delivered to the Purchaser as the Purchaser may reasonably request.

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

“**OFAC**” means The Office of Foreign Assets Control of the US Department of the Treasury.

“**Order**” means any order, directive, decree, judgment, ruling, award, injunction, direction or legally binding request of any Governmental Body or other decision making authority of competent jurisdiction.

“**Other Minerals**” means minerals that are not Minerals.

“**Other Rights**” means all licenses, approvals, authorizations, consents, rights (including surface rights, access rights and rights of way), privileges, concessions or franchises issued or obtained from any Person other than a Governmental Body that are held or required to be obtained by the

Seller for the construction, development and operation of the Project, as contemplated by the current or then applicable Mine Plan.

“**Outturn**” means an outturn to the Seller or other Person, as directed by the Seller, of Refined Gold from a Refinery processed from Project Doré.

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

“**Payment Date**” means, in respect of each Delivery of Refined Gold, the day which is the third Business Day after its Delivery Date.

“**Permitted Disposition**” means either: (a) the Transfer of Project Property pursuant to any Order; or (b) any abandonment, surrender, relinquishment or allowing to lapse of any of the Project Real Property if the Seller determines, acting commercially reasonably, that it is not economical to mine the minerals from such Project Real Property, provided the Purchaser has received 30 days prior written notice and has not objected in writing that such Transfer could reasonably be expected to have a Material Adverse Effect.

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

“**Pool Account**” means such LBMA approved metal account or accounts located in London, United Kingdom, as the Purchaser may notify to the Seller from time to time, provided that any such notification shall be given to the Seller not less than five Business Days prior to the first Outturn in respect of which Refined Gold is to be credited to such account.

“**Processing Facilities**” means the mineral processing facilities, whether now-existing or constructed after the date hereof, owned by the Seller or an Affiliate thereof and located on the Project Real Property, which facilities are designed to process Minerals into doré bars that are ready to be shipped to a refinery for further refining into separate precious metals.

“**Project**” means the Seller’s Sugar Zone project located in the Sault Ste. Marie Mining Division approximately 25 kilometres northeast of the Town of White River, as described in the Technical Report, and any construction, development or expansion thereof, including the Processing Facilities and any new mines developed and operated using common infrastructure with the Sugar Zone project.

“**Project Doré**” means doré bars that are ready to be shipped to a refinery for further refining into separate precious metals, which doré bars are processed from: (a) Minerals or Other Minerals processed by the Seller or its Affiliates at the Processing Facilities; or (b) Minerals processed by any other Person on behalf of the Seller.

“**Project Property**” means all of the property, assets, undertaking, approvals, licenses, permits and rights of the Seller in and relating to the Project, whether now owned or existing or hereafter acquired or arising, including real property, personal property and mineral interests, and specifically including, but not limited to, the Project Real Property and Minerals.

“**Project Real Property**” means all real property interests, all mineral claims, mineral leases and other mineral rights, and all surface access rights held by the Seller from time to time relating to

the Project, whether created privately or by the action of any Governmental Body. The Project Real Property, as of the date hereof, is described in Schedule A and depicted on the map attached thereto.

“Purchaser” means the Purchaser hereto, as it may be updated from time to time in accordance with this Agreement.

“Purchaser’s Acknowledgement” means, in respect of a Person which becomes a Purchaser by virtue of a Transfer of another Purchaser’s rights and obligations under this Agreement in accordance with Section 10.1, a written acknowledgement addressed to the Seller and the Purchaser in the form set forth in Schedule B duly executed by such Person.

“Purchaser’s Share” means, at any given time, the Applicable Percentage of the Purchaser, as determined in accordance with this Agreement.

“Quotational Period” means, in respect of each Delivery of Refined Gold, the period commencing on and including the third Business Day prior to its Delivery Date and ending on and including the Payment Date in respect of such Delivery.

“Refined Gold” means marketable metal bearing material in the form of gold bars or coins that is refined to standards meeting or exceeding 995 parts per 1,000 fine gold, and otherwise conforming to the LBMA specifications for good delivery.

“Refinery” means any Acceptable Refinery chosen by the Seller from time to time, provided that the Seller has given the Seller has given the Purchaser at least 10 Business Days’ prior written notice of such choice, accompanied by all documentation required to be delivered to the Purchaser under Section 7.2(c) in respect of such refinery. For the purposes of the foregoing, an **“Acceptable Refinery”** means a refinery that is recognized by the LBMA (or a successor satisfactory to the Purchaser) at the relevant time as producing gold bars meeting specifications for good delivery, or any other refinery as agreed to by the Seller and the Purchaser in writing from time to time.

“Sanctioned Entity” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country Sanctions program administered and enforced by OFAC or by any Canadian Governmental Body.

“Sanctioned Person” means, (a) any Person listed in any sanctions-related list of designated Persons maintained by any Canadian Governmental Body, or (b) a Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by OFAC or any Canadian Governmental Body.

“SEDAR” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“Subsidiary” means with respect to any Person, any other Person which is Controlled directly or indirectly by that Person, and **“Subsidiaries”** means all of such other Persons.

“**Taxes**” means all present and future taxes (including, for certainty, real property taxes), levies, imposts, stamp taxes, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body, including any interest, additions to tax or penalties applicable thereto.

“**Technical Report**” means the technical report entitled “Technical Report and Feasibility Study on the Sugar Zone Gold Operation Sault Ste. Marie Mining Division, Ontario UTM Zone 16U NAD83 646,140 m E,5,406,900 m N for Harte Gold Corp.” prepared by P&E Mining Consultants Inc. and having an effective date of February 14, 2019.

“**Term**” has the meaning set out in Section 5.1.

“**Transfer**” means to, directly or indirectly, sell, transfer, assign, convey, dispose or otherwise grant a right, title or interest (including expropriation or other transfer required or imposed by law or any Governmental Body), whether voluntary or involuntary.

1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specifically provided or unless the context otherwise requires:

- (a) The terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.
- (b) References to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement.
- (c) Headings of Articles, Sections and Schedules are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (d) References to a Party in this Agreement mean the Party or its successors or permitted assigns.
- (e) The words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”.
- (f) Words importing the singular include the plural and vice versa and words importing gender include all genders.
- (g) A reference to an agreement includes all schedules, exhibits and other appendices attached thereto and shall include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement.
- (h) A reference to a statute includes all regulations made pursuant to and rules promulgated under such statute and, unless otherwise specified, any reference to a statute or regulation includes the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation from time to time.
- (i) A period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (New York City time) on the last day of the period.

- (j) Whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.
- (k) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.3 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, including the contents of any certificate to be delivered hereunder, such determination, consolidation or computation shall, unless the Parties otherwise agree or the context otherwise requires, be made in accordance with International Financial Reporting Standards, as adopted by the International Accounting Standards Board from time to time.

1.4 Currency and Manner of Payment

- (a) Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to United States dollars.
- (b) All payments of funds due by one Party to another under this Agreement shall be made in United States dollars and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by the receiving Party in writing from time to time.

1.5 Measurements

Reference to an “ounce” or “oz” means a troy ounce (being equal to 31.1034768 grams).

1.6 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of the Seller, it shall be deemed to refer to the actual knowledge of any officer, director or member of senior management of the Seller (including the general manager of the mine at the Project), and all information which ought to have been known by any of them after conducting a reasonable inquiry into the matters in question, whether or not any such inquiry was actually made.

1.7 Time of Essence

Time shall be of the essence of this Agreement.

1.8 Schedules

The following schedules are attached to and form part of this Agreement:

- Schedule A - Project Real Property
- Schedule B - Form of Purchaser’s Acknowledgment

The Seller covenants to deliver an updated Schedule A – Project Real Property to the Purchaser within five (5) Business Days from the date hereof.

2. PURCHASE, SALE AND DELIVERY

2.1 Purchase and Sale of Refined Gold

- (a) Subject to and in accordance with the terms and conditions of this Agreement, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, in respect of each Outturn, an amount of Refined Gold equal to its Purchaser's Share of the Applicable Percentage of Refined Gold produced from Project Doré and credited to the Seller (or other Person, as directed by the Seller) by the Refinery in such Outturn, free and clear of all Encumbrances, until an aggregate amount of Refined Gold equal to the Aggregate Gold Quantity has been Delivered to the Purchaser under this Agreement.
- (b) The amount of Refined Gold to be delivered by the Seller to the Purchaser under this Agreement shall be calculated based on the amount of Refined Gold delivered or credited to the Seller (or other Person, as directed by the Seller) by a Refinery in each Outturn. For greater certainty, the Purchaser shall not be responsible for any refining, treatment or other charges, penalties, insurance, deductions, transportation, settlement, financing, price participation charges or other charges, penalties, deductions, set-offs, Taxes or expenses pertaining to and/or in respect of the Refined Gold that are incurred prior to or in respect of its Delivery to the Purchaser hereunder, all of which shall be for the account of the Seller.

2.2 Product Specifications

- (a) The Refined Gold to be delivered by the Seller to the Purchaser pursuant to this Agreement shall conform in all respects with the LBMA specifications for good delivery of gold bars under the "Good Delivery Rules" published by the LBMA from time to time, and the Purchaser shall not be required to purchase any Refined Gold that does not meet such specifications.
- (b) If the LBMA ceases to exist or ceases to publish or recognize specifications for the good delivery of gold or such specifications should no longer be internationally recognized as the basis for good delivery of gold, upon the request of either of them, the Seller and the Purchaser shall promptly meet and engage in discussions with a view to agreeing on a new basis for determining good delivery of Refined Gold under this Agreement. Until a replacement set of specifications is mutually agreed by the Seller and the Purchaser, deliveries of Refined Gold by the Seller to the Purchaser under this Agreement shall conform to the last set of specifications for good delivery in effect under this Agreement immediately prior to the time such specifications ceased to be published or recognized.
- (c) The Seller shall not sell or deliver to the Purchaser (for the purposes of this Agreement and at any time during the Term) any Refined Gold that has been directly or indirectly purchased on a commodity exchange.

2.3 Delivery Obligations

- (a) On the date of each Outturn, the Seller shall sell and deliver, or cause to be delivered, the Refined Gold to be sold to the Purchaser in respect of such Outturn pursuant to Section 2.1 by way of credit (in metal) to such Purchaser's Pool Account.
- (b) The Seller shall cause the Refinery to directly credit the Purchaser's Pool Account with the applicable amount of Refined Gold on the date of each Outturn. Notwithstanding the foregoing, the Seller acknowledges its primary obligation to deliver the Refined Gold to be sold to the Purchaser in respect of an Outturn pursuant to Sections 2.1 and 2.3(a) and agrees that any arrangements with the Refinery implemented in accordance with the Section 2.3(b) shall not relieve the Seller of that obligation.
- (c) Delivery by the Seller of Refined Gold to the Purchaser shall be deemed to have been made at the time (the "**Delivery Time**") and on the date (the "**Delivery Date**") such Refined Gold is credited to their respective Pool Accounts.
- (d) All costs and expenses pertaining to each delivery of Refined Gold to the Purchaser shall be borne by the Seller.
- (e) For greater certainty, the Purchaser shall not be responsible for the return of any Refined Gold delivered to them (or any payment in lieu thereof or on account thereof) in connection with a provisional payment made by a Refinery, all of which shall be for the account of the Seller.

2.4 Passing of Title

Title to, and risk of loss of, Refined Gold shall pass from the Seller to the Purchaser at the Delivery Time thereof. The Seller represents and warrants to and covenants with the Purchaser that, at each Delivery Time: (i) it will be the sole legal and beneficial owner of the Refined Gold credited to the Pool Accounts; (ii) it will have good, valid and marketable title to such Refined Gold, and (iii) such Refined Gold will be free and clear of all Encumbrances.

2.5 Documentation

- (a) Promptly, and in any event no later than 24 hours after each shipment of Project Doré by the Seller to the Refinery, the Seller shall send the Purchaser notice of such shipment, including the date of such shipment and the weight and fineness of the doré bars so shipped.
- (b) Promptly, and in any event no later than 24 hours after delivery or receipt thereof by the Seller, the Seller shall send the Purchaser a copy or notice of, as applicable, all documents and information delivered to or received from the Refinery related to the shipping of Project Doré and the processing thereof into Refined Gold, including the expected date of the Outturn, sampling/assay information, umpire reports (if any), invoices and other settlement documents, unless the sharing of such information or documentation is restricted by applicable confidentiality obligations or Applicable Laws, and then only to the extent of such restriction. The Seller shall use its commercially reasonable efforts to procure the consent of any Refinery to the disclosure of information by the Seller to the Purchaser under this Agreement.

- (c) At least three Business Days prior to each Outturn, the Seller shall notify the Purchaser in writing of the expected Delivery Date and the number of ounces of Refined Gold to be sold and delivered to the Purchaser on the Delivery Date.
- (d) On the date of each Outturn, the Seller shall deliver an invoice to the Purchaser that shall include:
 - (i) the number of ounces of Refined Gold sold and Delivered to such Purchaser;
 - (ii) the Delivery Date and Delivery Time; and
 - (iii) such other information as may be reasonably requested by such Purchaser to allow it to verify all aspects of the delivery of Refined Gold reflected in such invoice.
- (e) All notices referred to in this Section 2.5 shall be given by email at the email address(es) designated by the Purchaser in writing from time to time. The initial email address of the Purchaser for such purpose is harteofftake@appiancapitaladvisory.com.

3. PRICING AND PAYMENT

3.1 Payment

- (a) The purchase price payable by a Purchaser to the Seller for each ounce of Refined Gold Delivered to such Purchaser hereunder shall be equal to such Purchaser's choice of any one of the a.m. LBMA Gold Price in U.S. dollars per ounce or the p.m. LBMA Gold Price in U.S. dollars per ounce quoted by the LBMA on any day during the Quotational Period (the Purchaser's choice referred to herein as the "**Gold Price**").
- (b) At or before 4:00 p.m. (in New York City, New York) on the Payment Date in respect of each Delivery of Refined Gold to the Purchaser hereunder, such Purchaser shall provide the following to the Seller by email (at such email address designated by the Seller in writing from time to time):
 - (i) notice of the Gold Price chosen by the Purchaser in accordance with Section 3.1(a) (or, in the absence of any choice by the Purchaser, the Gold Price shall be the Gold Price designated by the Purchaser from the quotations set out in Section 3.1(a), or, in the absence of any choice by the Purchaser or the Purchaser, the Gold Price shall be the lowest of such quotations); and
 - (ii) a calculation of the aggregate Gold Price for such Refined Gold, being the Gold Price multiplied by the number of ounces of Refined Gold in such Delivery.
- (c) The Purchaser shall pay the aggregate Gold Price owing to the Seller as notified by the Purchaser to the Seller pursuant to Section 3.1(b) in cash on each Payment Date.

3.2 Replacement Pricing

If any of the price quotations used in the determination of the Gold Price cease to exist, cease to be published or should no longer be internationally recognized as the basis for the settlement of bullion contracts, then, upon the request of either of them, the Purchaser and the Seller shall

promptly meet and engage in discussions with a view to selecting a comparable commodity quotation for purposes of this Agreement (which selection shall become effective upon the agreement of the Seller and the Purchaser). The basic objective of such selection shall be to secure the continuity of fair market pricing of Refined Gold delivered to the Purchaser under this Agreement; provided that any such selection shall preserve the pricing flexibility of the Quotational Period provided for in Section 3.1(a).

4. TAXES

- (a) All deliveries of Refined Gold and all other payments and transfers of property of any kind made under this Agreement to the Purchaser shall be made free and clear without any present or future deduction, withholding, charge, levy or imposition for or on account of any Taxes, except as required by Applicable Laws. Any such Taxes that are required by Applicable Laws to be so deducted, withheld, charged, levied, collected or imposed with respect to any such delivery, payment or transfer shall be paid by the Seller by delivering or paying to the applicable Purchaser or on its behalf, in addition to such delivery, payment or transfer, such additional delivery, payment or transfer as is necessary to ensure that the net amount received by such Purchaser (net of any such Taxes, including any Taxes required to be deducted, withheld, charged, levied, collected or imposed on any such additional amount) equals the full amount that the Purchaser would have received had no such deduction, withholding, charge, levy, collection or imposition been required.
- (b) If the Purchaser becomes liable for any Tax, other than Excluded Taxes, imposed on any delivery (or payment, as applicable) under this Agreement, the Seller shall indemnify the Purchaser for such Tax, and the indemnity payment shall be increased as necessary so that after the imposition of any Tax on the indemnity payment (including Tax in respect of any such increase in the indemnity payment), the Purchaser shall receive the full amount of Taxes for which it is liable. A certificate as to the amount of such payment or liability delivered to the Seller by the Purchaser shall be conclusive absent manifest error.
- (c) Notwithstanding Sections 4(a) and 4(b), the Seller shall not be responsible for any Excluded Taxes imposed or collected by any jurisdiction in respect of deliveries of Refined Gold or payments and transfers of property of any kind to the Purchaser pursuant to this Agreement. For these purposes “**Excluded Taxes**” means any Taxes that are recoverable by the Purchaser or its assignees by way of input tax credit, refund or rebate and any additional Taxes imposed or collected by a jurisdiction by reason of a Purchaser (or any assignee of a Purchaser pursuant to Section 10.1, but with respect only to the interest of such assignee) being incorporated or resident in that jurisdiction, carrying on business in, or having a permanent establishment or a connection in that jurisdiction or participating in a transaction separate from this Agreement in that jurisdiction, in each case determined by application of the laws of that jurisdiction, other than by reason of purchasing Refined Gold under this Agreement, receiving payments or deliveries under this Agreement in that jurisdiction, making payments under this Agreement, or enforcing rights under this Agreement.

5. TERM AND TERMINATION

5.1 Term

Unless otherwise terminated in accordance with this Article 5, this Agreement and the rights and obligations of the Parties hereunder shall be in effect from and after the date of this Agreement until the date on which Seller has Delivered, and final payment by the Purchaser has been made for, an aggregate amount of Refined Gold equal to the Aggregate Gold Quantity in accordance with this Agreement (the “**Term**”).

5.2 Purchaser's Right to Terminate

- (a) The Purchaser shall have the right, by written notice from the Purchaser to the Seller, at its option and in addition to and not in substitution for any other remedies available to it at law or in equity (including pursuant to Article 9) to terminate this Agreement prior to the end of the Term if:
- (i) the Seller becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of its property or assets, and such proceeding is not contested by the Seller, diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance (for greater certainty, such 30-day grace period shall not apply if the Seller becomes bankrupt voluntarily or any such proceedings are initiated by the Seller);
 - (ii) an Order is made or a resolution is passed for the winding up, liquidation or dissolution of the Seller;
 - (iii) the financial position of the Seller deteriorates to such extent that, in the reasonable opinion of the Purchaser, the ability of the Seller to perform its obligations under this Agreement has been placed in jeopardy;
 - (iv) the Seller is in default of any obligation to deliver Refined Gold to the Purchaser under this Agreement, which default has not been cured to the satisfaction of the Purchaser, acting reasonably, within a period of five Business Days of a written demand made in respect thereof by the Purchaser;
 - (v) the Seller is, in any material respect, in default of its obligations under this Agreement (other than obligations dealt with in Section 5.2(a)(iv)), which default, if capable of cure, has not been cured to the satisfaction of the Purchaser, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Purchaser;
 - (vi) the Seller has Transferred all or any material portion of the Project Property pursuant to any Order (including any circumstance where all or any material portion of the Project Property is expropriated, nationalized, or is subject to any other act of eminent domain), unless such Transfer would have complied with Section 10.2 had such a Transfer not been a Permitted Disposition; or

- (vii) any representation or warranty made by the Seller under or in connection with this Agreement is, in any material respect, incorrect or incomplete, which incorrectness or incompleteness, if capable of cure, has not been cured to the satisfaction of the Purchaser, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Purchaser.
- (b) In the event that the Purchaser elect to terminate this Agreement pursuant to Section 5.2(a)(iv), 5.2(a)(v) (as a result of a breach of Section 7.5 or 10.3), 5.2(a)(vi) or 5.2(a)(vii) (as a result of a breach of Section 8.2(j) or 8.2(k)), the Seller shall pay to the Purchaser an amount equal to the Purchaser's Share of the Default Payment (it being acknowledged by the Seller that the Default Payment is intended to be a genuine pre-estimate of liquidated damages that would be suffered by the Purchaser upon the termination of this Agreement as a result of any of the events listed in those Sections), plus any additional amounts that may be payable under any other remedies available to the Purchaser at law or in equity (including pursuant to Article 9).

5.3 Seller's Right to Terminate

The Seller shall have the right, by written notice to the Purchaser, to terminate this Agreement in respect of the Purchaser prior to the end of the Term if:

- (a) such Purchaser becomes bankrupt, whether voluntarily or involuntarily, or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over any of its property and assets, and such proceeding is not contested by such Purchaser, diligently, in good faith and on a timely basis and dismissed or stayed within 30 days of its commencement or issuance (for greater certainty, such 30-day grace period shall not apply if such Purchaser becomes bankrupt voluntarily or any such proceedings are initiated by such Purchaser);
- (b) an Order is made or a resolution is passed for the winding up, liquidation or dissolution of such Purchaser; or
- (c) such Purchaser is in default of payments of amounts totaling in excess of \$100,000 due in accordance with Section 3.1, which default has not been cured to the satisfaction of the Seller, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Seller; provided that any day during which the Purchaser is in good faith disputing a payment hereunder shall not count toward such 30-day period;
- (d) other than specified under clause (c) above, the Purchaser is, in any material respect, in default of its obligations under this Agreement, which default, if capable of cure, has not been cured to the satisfaction of the Seller, acting reasonably, within a period of 30 days of a written demand made in respect thereof by the Seller.

5.4 Effect of Termination

If this Agreement is terminated by the Purchaser or the Seller under this Section 5, then all rights and obligations under this Agreement shall terminate (provided that, in the case of a termination by the Seller, only to the extent such rights and obligations relate to the terminated Purchaser) other than in connection with any antecedent breach. Notwithstanding the foregoing, Sections 1 (to the extent applicable to surviving provisions), 4, 5.2(b), 6.6(b) (in respect of the period prior to termination of this Agreement), 9, 11, 12 and 13 shall survive termination of this Agreement.

6. REPORTING; BOOKS AND RECORDS; INSPECTIONS

6.1 Operations Reports

- (a) On or before the 15th day after the end of each calendar month, the Seller shall provide to the Purchaser a Monthly Production Report in respect of such month.
- (b) On or before December 31 of each calendar year, the Seller shall provide to the Purchaser an Annual Forecast Report in respect of the upcoming calendar year.
- (c) On or before March 30 of each calendar year, the Seller shall provide to the Purchaser a statement setting out the mineral reserves and mineral resources (by category) for the Project Real Property prepared in accordance with National Instrument 43-101 (with the assumptions used, including cut-off grade, metal prices and metal recoveries) as of the end of the prior calendar year; provided, however, that such statement need not be prepared by or under the supervision of a “qualified person” that is “independent” of the Seller (as those terms are used in National Instrument 43-101).

6.2 Copies of Certain Documents

The Seller shall promptly deliver or furnish, or cause to be delivered or furnished, to the Purchaser a copy of:

- (a) any amendment, revision or supplement to or replacement of the Anti-Corruption Policy;
- (b) any amendment, revision or supplement to or replacement of the Mine Plan;
- (c) any updated mineral reserve and mineral resource estimates prepared by or on behalf of the Seller in respect of the Project Real Property;
- (d) any technical reports or other material engineering or technical studies prepared by or on behalf of the Seller in respect of the Project; and
- (e) such other statements, accounts, budgets, forecasts, projections, reports or other information in respect of the Project as the Purchaser may from time to time reasonably request.

6.3 Acquisition and Disposition of Project Real Property

The Seller shall promptly notify the Purchaser of the acquisition or disposition by the Seller of any Project Real Property (any such acquisition or disposition being subject to Section 7.4(b) or 10.2, respectively), and shall provide to the Purchaser and the Purchaser an updated version of Schedule A together with such notification.

6.4 Notice of Adverse Impact

The Seller shall provide the Purchaser with written notice of each of the following events promptly upon the Seller becoming aware of or having knowledge of such event:

- (a) the occurrence of any event or circumstance giving rise to the right of the Purchaser to terminate this Agreement in accordance with Section 5.2, or any event or circumstance

which with notice or lapse of time or both would give rise to, or may result in, the right of the Purchaser to terminate this Agreement in accordance with Section 5.2;

- (b) the loss of or material non-compliance with the terms of, or any threat (whether or not in writing) by a Governmental Body to revoke or suspend, any Authorization material to the Project;
- (c) all material actions, suits and proceedings before any Governmental Body or arbitrator pending or, to the knowledge of the Seller, threatened against or directly affecting the Seller or the Project, including with respect to the ownership, use, maintenance and operation of the Project;
- (d) any violation or suspected violation of any Applicable Law or the Anti-Corruption Policy by the Seller, or any Person acting on its behalf, which would reasonably be expected to result in any material liability, or to have an adverse impact on the reputation, of any Party;
- (e) any material loss or damage suffered to the Project or any Minerals, and whether the Seller or any other Seller has or plans to make any insurance claim in respect thereof;
- (f) any material claims, disputes or disturbances pertaining to the Project involving local communities, including without limitation, any aboriginal group;
- (g) any material labour disruption involving the workforce at the Project; and
- (h) any other event of change which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect,

in each case, accompanied by a written statement by a senior officer of the Seller setting forth details of the occurrence referred to therein.

6.5 Provision of Reports

Upon written notice to the Seller by the Purchaser at any time and from time to time, the Seller shall cease to provide any information or reports identified for the time period specified in such notice to such Purchaser. The Seller shall recommence regular reporting under this Agreement upon completion of such period or upon further written notice to the Seller by the Purchaser.

6.6 Books and Records; Audits

- (a) The Seller shall keep true, complete and accurate books and records of all of its operations and activities with respect to the Project and the Project Property, including the mining, milling, processing, transportation and marketing of all Minerals.
- (b) The Seller shall permit the Purchaser and its authorized representatives and agents to perform audits or other reviews and examinations of its books and records and other information relevant to the production, delivery and determination of Refined Gold under this Agreement and compliance with this Agreement from time to time at reasonable times at the Purchaser's sole risk and expense and not less than three Business Days' notice, provided that the Purchaser and its authorized representatives and agents will not exercise such rights more often than once during any calendar year absent a material

deficiency identified during a previous audit or review, in which case such rights may be exercised at such periods as may be reasonably determined by the Purchaser (and in any event at least once during any calendar quarter) until no material deficiencies are identified during four consecutive audits or reviews, at which point the Purchaser will once again be limited to exercising such rights once per calendar year. The Purchaser shall use its commercially reasonable efforts to diligently complete any audit or other examination permitted hereunder.

6.7 Inspections

Upon no less than ten Business Days' notice to the Seller and subject at all times to the workplace rules and supervision of the Seller, the Seller shall grant, or cause to be granted, to the Purchaser and its representatives and agents, at reasonable times and at the Purchaser sole risk and expense, the right to access the Project Real Property, the Processing Facilities and the other facilities of the Project, in each case to monitor operations relating to the Project and compliance with this Agreement. The Purchaser shall use its commercially reasonable efforts to not interfere with operations conducted at the Project.

7. ADDITIONAL COVENANTS

7.1 Conduct of Operations

- (a) Except as otherwise provided herein, all decisions regarding the Project, including (i) the methods, extent, times, procedures and techniques of any exploration, development and mining related to the Project or any portion thereof, and (ii) decisions to operate or continue to operate the Project or any portion thereof, including with respect to closure and care and maintenance, shall be made by the Seller in its sole discretion.
- (b) The Seller shall ensure that all exploration, development and mining operations and other activities in respect of the Project will be conducted in a commercially reasonable manner in accordance with Good Industry Practice and in compliance, in all material respects, with the Mine Plan, Applicable Law, applicable Authorizations, applicable Other Rights and the Anti-Corruption Policy.
- (c) The Seller shall use all commercially reasonable efforts to obtain, as and when required, and preserve and maintain, all Authorizations (including environmental Authorizations), Other Rights and other contractual commitments which are required to permit the Seller to (i) own, operate and maintain the Project in the manner currently owned and operated and as contemplated by the Mine Plan, (ii) carry out commercial production transactions, and (iii) perform its obligations under this Agreement.
- (d) The Seller shall be responsible, at its own expense, for obtaining and maintaining any Authorizations and Other Rights required in order to perform its obligations under this Agreement, including the sale and delivery of Refined Gold to the Purchaser.

7.2 Processing and Refining

- (a) The Seller shall use all commercially reasonable efforts to ensure that: (i) subject to Section 7.2(c), all Minerals mined from the Project Real Property are processed at the Processing Facilities to produce Project Doré or at other mineral processing facilities located on the Project Real Property to produce gold concentrates; and (ii) all Project

concentrates; and (ii) all Project Doré is, in a prompt and timely manner, shipped to the Refinery for processing into Refined Gold.

- (b) The Seller shall not, without the prior written consent of the Purchaser: (i) sell Minerals mined from the Project Real Property until they have been processed into either gold concentrates or Project Doré; or (ii) sell, ship or deliver Project Doré to any Person other than to a Refinery, as contemplated by this Agreement.
- (c) The Seller shall promptly provide the Purchaser with a copy of any agreements (including any amendments thereto) entered into by the Seller with a Refinery in respect of the refining of Project Doré, subject to any redactions as may be required by confidentiality obligations owed by the Seller to the Refinery. If the Seller is prohibited by confidentiality obligations from providing the Purchaser with a copy of any such agreement (whether or not redacted), the Seller shall provide to the Purchaser a summary of such agreement (to the extent permitted by such confidentiality obligations). The Seller shall use its commercially reasonable efforts to procure the consent of any Refinery to the disclosure of such information by the Seller to the Purchaser under this Agreement.
- (d) The Seller shall promptly notify the Purchaser in writing of any dispute between the Seller and a Refinery in respect of a material matter arising out of or in connection with the purchase and sale of Minerals, processing of Minerals into Refined Gold or the delivery of Refined Gold to the Seller or the Purchaser and shall provide the Purchaser with timely updates of the status of any such dispute and the final decision and award of the court or arbitration panel with respect to such dispute, as the case may be.
- (e) The Seller shall ensure that each shipment of Project Doré to the Refinery is adequately insured in such amounts and with such coverage as is customary in the mining industry.

7.3 Stockpiling off Property

The Seller may temporarily stockpile, store or place Minerals that will be processed into Project Doré off the Project Real Property provided that the Seller shall at all times do or cause to be done all things necessary to ensure that: (a) such Minerals are appropriately identified as to ownership and origin; (b) such Minerals are secured from loss, theft, tampering and contamination; (c) the Purchaser's rights in and to such Minerals shall be the same as if the Minerals had never been removed from the Project Real Property; and (d) the Purchaser's rights in and to the Minerals pursuant to this Agreement shall otherwise be preserved.

7.4 Maintenance and Ownership of Project Property

- (a) The Seller shall at all times do or cause to be done all things necessary to maintain the Project Real Property in good standing, including paying or causing to be paid all Taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenance fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof, paying or causing to be paid all payments under any purchase, option or similar agreements in respect of optioned properties forming a part thereof and otherwise maintaining the Project Real Property in accordance with Applicable Laws.

- (b) The Seller shall ensure that all Project Property, whether now owned or hereafter acquired, is legally and beneficially owned by the Seller.

7.5 Anti-Corruption Compliance

- (a) The Seller shall not: (i) use, or authorize the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) make, or authorize the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds; or (iii) violate any provision of AML Legislation, Anti-Corruption Laws or any Sanctions.
- (b) The Seller shall maintain the Anti-Corruption Policy and ensure that it is updated from time to time to be consistent with Canadian mining industry best practices. The Seller shall at all times comply with the Anti-Corruption Policy.
- (c) The Seller shall provide the Purchaser with written notice of any non-compliance by it with any Sanctions, AML Legislation, Anti-Corruption Law or the Anti-Corruption Policy in any material respect promptly upon becoming aware of or having knowledge of such event, accompanied by a written statement by a senior officer of the Seller setting forth details of the occurrence referred to therein.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of the Purchaser

Each Purchaser, acknowledging that the other Parties are entering into this Agreement in reliance thereon, makes, on and as of the date of this Agreement (or, in the case of a Purchaser which is not a Party as of the date of this Agreement, as of the date on which such Purchaser becomes a Party by executing a Purchaser's Acknowledgement, and references in this Section 8.1 to this Agreement shall be deemed to include references to such Purchaser's Acknowledgement, *mutatis mutandis*), the representations and warranties to the other Parties set forth below.

- (a) The Purchaser: (i) has been duly incorporated or formed and is validly existing under the laws of its incorporation or formation, as applicable; (ii) has all requisite corporate power and authority or, if such entity is not a corporation, such other power and authority, to own and lease its property and assets and to carry on its business; and (iii) has all requisite corporate power and authority or, if such entity is not a corporation, such other power and authority, to enter into this Agreement, and to perform its obligations hereunder.
- (b) The execution and delivery by the Purchaser of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate or other action on its part and do not and will not: (i) contravene any provision of its constitutional documents or any resolution of its shareholders, partners or directors (or any committee thereof); (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving of notice or lapse of time or both), any agreement, contract, lease, license, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, understanding or commitment, whether written or oral, to which it is a party, subject or otherwise bound (including with respect to its

assets), except in each case as would not have a material adverse effect on its ability to perform its obligations under this Agreement; or (iii) violate any Applicable Law.

- (c) This Agreement: (i) has been duly executed and delivered by the Purchaser; and (ii) constitutes a legal, valid and binding agreement of the Purchaser, enforceable against it in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (d) The Purchaser is not required to give any notice to, make any filing with or obtain any Authorization, Order or other consent or approval of any Person in connection with the execution or delivery of or performance of its obligations under this Agreement or the consummation of the transactions contemplated herein and therein, other than (i) those that have already been obtained and copies of which have been provided to the Purchaser prior to the date of this Agreement, and (ii) those the absence of which would not be prejudicial to the interest of the Seller or the Purchaser or have a material adverse effect on the Purchaser's ability to perform its obligations under this Agreement.
- (e) The Purchaser is not party to any contract that would give rise to a valid claim against any Seller for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

8.2 Representations and Warranties of the Seller

The Seller, acknowledging that the other Parties are entering into this Agreement in reliance thereon, hereby jointly and severally make on and as of the date of this Agreement, the representations and warranties to other Parties set forth below:

- (a) The Seller: (i) has been duly incorporated or formed and is validly existing under the laws of its incorporation or formation, as applicable; (ii) has all requisite corporate power and authority to own and lease its property and assets and to carry on its business; (iii) has all requisite corporate power and authority to enter into this Agreement, and to perform its obligations thereunder; and (iv) is duly qualified, licensed or registered to do business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it make such qualification, licensing or registration necessary. No proceeding has been instituted or, to its knowledge, threatened in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification, licensing or registration. The Seller is up-to-date in all of its corporate filings in all material respects and is in good standing under Applicable Laws.
- (b) The execution and delivery by the Seller of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate or other action on its part and do not and will not: (i) contravene any provision of its constitutional documents or any resolution of its shareholders, partners or directors (or any committee thereof); (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under (with or without the giving of notice or lapse of time or both), any agreement, contract, lease, license, concession, option, indenture, mortgage, deed of trust, debenture, note or other instrument, understanding or commitment, whether written or oral, to which it is a party, subject or otherwise bound (including with respect to its assets), except in

each case as would not have a Material Adverse Effect; (iii) violate any Applicable Law; or (iv) result in, or require, the creation or imposition of any Encumbrance on any of the Project Property.

- (c) This Agreement: (i) has been duly executed and delivered by the Seller; and (ii) constitutes a legal, valid and binding agreement of the Seller, enforceable against the Seller in accordance with its terms, except to the extent enforcement may be affected by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
 - (d) The Seller is not required to give any notice to, make any filing with or obtain any Authorization, Order or other consent or approval of any Person in connection with the execution or delivery of or performance of its obligations under this Agreement or the consummation of the transactions contemplated herein, other than (i) those that have already been obtained and copies of which have been provided to the Purchaser prior to the date of this Agreement, and (ii) those the absence of which would not be prejudicial to the interest of the Purchaser or have a Material Adverse Effect.
 - (e) The Seller does not have any Subsidiaries.
 - (f) The Seller is not insolvent within the meaning of Applicable Law.
 - (g) Schedule A sets out a complete and accurate list of the Project Real Property in which the Seller has any right, title or interest. The Seller:
 - (i) has valid and subsisting leasehold title to any and all leases of real property and mineral interests included within the Project Real Property;
 - (ii) has valid possessory and record title to all mineral interests included within the Project Real Property, except any mineral interests that are leased to the Seller and are covered under paragraph (i); and
 - (iii) has good and marketable title to such other real property interests included within the Project Real Property and not otherwise included under paragraphs (i) and (ii) above.
- The Project Real Property is free and clear of all Encumbrances other than Encumbrances which would not have a Material Adverse Effect.
- (h) Without limiting the generality of Section 8.2(g):
 - (i) the Seller owns or otherwise has valid rights to use all of the Project Real Property, and no Person other than the Seller has any rights to participate in the Project Real Property or operate the Project;
 - (ii) the Project Real Property constitutes all real property, mineral and surface interests and ancillary rights necessary for the development and mining operations of the Project, as currently operated and as contemplated to be developed and operated, substantially in accordance with the Mine Plan;

- (iii) except as disclosed to the Purchaser in writing prior to the date of this Agreement, none of the Project Real Property or any Minerals produced therefrom are subject to an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an agreement, option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty; and
- (iv) other than pursuant to Applicable Laws, there are no restrictions on the ability of the Seller to exploit the Project Real Property.
- (i) All rent, maintenance fees, recording fees and Taxes and all other amounts have been paid when due and payable, and all other actions and all other obligations have been taken and complied with, in each case as are required to maintain the Project Property in good standing.
- (j) The Seller is in compliance with, and has not been charged under, AML Legislation.
- (k) The Seller, and its respective officers, employees and, to the knowledge of the Seller, its directors and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in any Seller being designated as a Sanctioned Person or Sanctioned Entity. None of (a) the Seller or, to the knowledge of the Seller, any of its directors, officers or employees, or (b) to the knowledge of the Seller, any of agent of the Seller that will act in any capacity in connection with or benefit from this Agreement, (i) has used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, (ii) has made, or authorized the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds, or (iii) is a Sanctioned Person or a Sanctioned Entity. The transactions contemplated by this Agreement will not violate Anti-Corruption Laws or applicable Sanctions.
- (l) The Seller is not party to any contract that would give rise to a valid claim against any one or more of the Purchaser for a brokerage commission, finder's fee or like payment in connection with the transactions contemplated by this Agreement.

9. INDEMNIFICATION

9.1 Indemnity of the Seller

The Seller agrees to indemnify and save the Purchaser and its Affiliates and the directors, officers, employees and agents of the foregoing harmless from and against any and all Losses suffered or incurred by any of them as a result of, in respect of, or arising as a consequence of:

- (a) any breach or inaccuracy of any representation or warranty of the Seller contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto;
- (b) any breach, including breach due to non-performance, by the Seller of any covenant or agreement to be performed by it under this Agreement or under any document, instrument or agreement delivered pursuant hereto;

- (c) the development or operation of the Project;
- (d) the failure of any Seller to comply with any Applicable Law, including any Applicable Law relating to environmental matters and reclamation obligations, any AML Legislation and Anti-Corruption Law; and
- (e) the physical environmental condition of the Project and matters of health and safety related thereto or any action or claim brought with respect thereto (including conditions arising before the date of this Agreement),

provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct of such indemnified Person.

9.2 Non-Party Indemnified Persons

The Purchaser shall act as the trustee to its related indemnified Persons under this Article 9 to the extent indemnified under this Agreement and accepts this trust and will hold and enforce the covenants herein on behalf of such related indemnified Persons.

10. TRANSFER RIGHTS

10.1 Transfer Rights of Purchaser

- (a) The Purchaser may Transfer, in whole or in part, its Purchaser's Share and all associated rights and obligations under this Agreement (to the extent of the Transferred portion of its Purchaser's Share) to any Person, without the consent of any other Party, provided that any such Transfer will only become effective and binding on the other Parties upon the delivery by the transferee to the Seller of a Purchaser's Acknowledgement.
- (b) Subject to compliance with Section 10.1(a), upon such Transfer, such transferor will be released from such Transferred obligations under this Agreement. Upon the request of any such transferor or transferee, the Seller shall provide a written acknowledgement confirming that this Agreement remains in full force and effect, that the Seller is bound by its obligations under this Agreement in favour of the transferee and the transferor has been released from its obligations under this Agreement.

10.2 Transfer Rights of Seller

- (a) The Seller shall not Transfer, in whole or in part, its rights and obligations under this Agreement or all or any portion of the Project Real Property, other than pursuant to a Permitted Disposition, unless such Transfer is completed in compliance with the other provisions of this Section 10.2.
- (b) The Seller may Transfer its rights and obligations under this Agreement, or all or any portion of the Project Real Property, if the following provisions have been complied with:
 - (i) the Seller shall have provided the Purchaser with at least 30 days' prior written notice of the intent to effect such Transfer, such notice to include a description of the proposed Transfer and the identity of the proposed transferee (and any other Person that ultimately controls such transferee);

- (ii) in connection with the Transfer:
 - (A) all of the Seller's interest in the Project Property shall be Transferred to the transferee, other than (A) leased personal property that is not material to the Project that, by the terms of the lease, may not be transferred, or (B) such other property in respect of which the Purchaser has received 30 days prior written notice and has not objected in writing on the basis that the failure to Transfer such property to the transferee could reasonably be expected to have a material adverse effect on the transferee's ability to explore, develop, construct or operate the Project, or on the economic viability of the Project, substantially as contemplated by the Mine Plan (as then in effect) or to perform its obligations under this Agreement; and
 - (B) all of the rights of the Seller under this Agreement shall be Transferred to, and its obligations hereunder assumed by, the transferee;
- (iii) as a condition to completion of the Transfer, any transferee shall have first entered into an agreement, in form and substance satisfactory to the Purchaser, acting reasonably, to be bound by this Agreement or become so bound by operation of law; and
- (iv) after the Transfer (taking into account any agreements to be entered into in connection with the Transfer), the Purchaser shall remain entitled to purchase Refined Gold based on production of Project Doré on the same terms and conditions provided in this Agreement.

10.3 Sanctions

Notwithstanding any other provision of this Agreement, no Party shall assign, in whole or in part, any of its rights, obligations or interest under this Agreement to any Sanctioned Person or Sanctioned Entity.

11. THE PURCHASER

11.1 Decision-Making

- (a) Any amendment, waiver, discharge or termination with respect to this Agreement relating to the following matters shall be effective only if agreed between the Seller and the Purchaser:
 - (i) any reduction in the amount payable or deliverable by the Seller to the Purchaser, or any alteration in the currency or mode of calculation or computation of any amount payable or deliverable by the Seller to the Purchaser hereunder (excluding any change to the Applicable Percentage and Aggregate Gold Quantity as contemplated in the definitions of those terms in Section 1.1);
 - (ii) any change to the purchase price for Refined Gold Delivered to the Purchaser, including the definition of "Quotational Period";

- (iii) any provision of this Article 11; or
 - (iv) the reduction or elimination of any rights of the Purchaser to exercise any rights or receive any information.
- (b) Except for the matters described in this Section 11.1 above or otherwise expressly provided for in this Agreement, any amendment, waiver, discharge or termination with respect to this Agreement shall be effective only if agreed between the Seller and the Purchaser in writing, and any such amendment, waiver, discharge or termination that is so agreed shall be final and binding upon the Purchaser. Subject to the other provisions of this Section 11.1, where the terms of this Agreement refer to any action to be taken by the Purchaser or to any such action that requires the consent or other determination of the Purchaser, the action taken by and the consent or other determination given or made by the Purchaser shall, except to the extent that this Agreement expressly provides to the contrary, constitute the action or consent or other determination of the Purchaser.

12. CONFIDENTIALITY AND DISCLOSURES

12.1 Confidentiality

- (a) Each Party (a “**Receiving Party**”) agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates, employees, officers, directors, advisors and representatives to maintain as confidential and not to disclose, the terms contained in this Agreement and all information (whether written, oral or in electronic format) received or reviewed by it as a result of, pursuant to or in connection with this Agreement (collectively, the “**Confidential Information**”), provided that a Receiving Party may disclose Confidential Information in the following circumstances:
- (i) to its auditor, legal counsel, lenders, underwriters and investment bankers and to persons (“**Third Parties**”) with which it is considering or intends to enter into a transaction for which such Confidential Information would be relevant (and to advisors and representatives of any such Person), provided that such persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such persons to perform the services for which they were, or are proposed to be, retained by the Receiving Party or to consider or effect the applicable transaction, as applicable;
 - (ii) subject to Section 12.2, where that disclosure is necessary to comply with Applicable Laws, court order or regulatory request, provided that such disclosure is limited to only that Confidential Information so required to be disclosed and, where applicable, that the Receiving Party will have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled;
 - (iii) for the purposes of the preparation and conduct of any arbitration or court proceeding commenced under Section 13.2;
 - (iv) where such information is already available to the public other than by a breach of the confidentiality terms of this Agreement or is known by the Receiving Party prior to the entry into of this Agreement or obtained independently of this

Agreement and the disclosure of such information would not breach any other confidentiality obligations;

- (v) with the consent of the disclosing Party;
- (vi) to its Affiliates and those of its and its Affiliates' directors, officers, employees, advisors and representatives who need to have knowledge of the Confidential Information; and
- (vii) in the case of any Purchaser and its Affiliates, to any limited partner or co-investor or prospective limited partner or co-investor in or with a private equity fund managed by such Purchaser or Affiliates of such Purchaser, to the extent such information is reasonably relevant to the current investment or future investment decision of any such limited partner or co-investor or prospective limited partner or co-investor, provided that such persons undertake to maintain the confidentiality of it and are strictly limited in their use of the confidential information for the purpose of making an investment decision in or with respect to the Purchaser or Affiliates of the Purchaser.

Each Party shall ensure that its Affiliates and its and its Affiliates' employees, directors, officers, advisors and representatives and those persons listed in Section 12.1(a)(i) and (vii) are made aware of this Section 12.1 and comply with the provisions of this Section 12.1. Each Party shall be liable to the other Party for any improper use or disclosure of such terms or information by such persons.

12.2 Press Releases and Public Disclosure

- (a) The Parties shall consult with each other before any of them or their respective Affiliates issues any press release or otherwise makes any public disclosure regarding this Agreement or the transactions contemplated hereby and shall not, and shall cause their respective Affiliates to not, issue any such press release or make any such public disclosure before receiving the consent of the other Parties, unless such public disclosure is required to meet the timely disclosure obligations of a Party or its Affiliates under Applicable Laws in circumstances where prior consultation with, or the obtaining of the consent of, the other Parties is not practicable, in which event a copy of such disclosure shall be provided to the other Parties by the Party which (or whose Affiliate) is required to make such disclosure at such time as it is made publicly available.
- (b) If a Party or any of its Affiliates is required by Applicable Law to file a copy of this Agreement on SEDAR (or otherwise publicly file a copy of this Agreement), such Party shall first consult with the Seller and the Purchaser (as applicable) with respect to, and agree upon, any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed on SEDAR (or otherwise). If such Party, the Seller and the Purchaser are unable to agree on such redactions, such Party (or its Affiliate) shall redact this Agreement to the fullest extent permitted by Applicable Laws before filing it on SEDAR (or otherwise).

13. GENERAL

13.1 Governing Law

This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein (without regard to its laws relating to any conflicts of laws), and, subject to Section 13.2, each of the Parties irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario. The United Nations Vienna Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

13.2 Disputes and Arbitration

(a) Subject to Section 13.2(b):

- (i) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof which has not been resolved by the Parties within the time frames specified herein (or where no time frames are specified, within 15 days of the delivery of written notice by either Party of such dispute, controversy or claim) shall be referred to the chief executive officer, general counsel or other individual of similar seniority and authority of each applicable Party for prompt resolution.
- (ii) Any such dispute, controversy or claim which cannot be resolved by such individuals within 15 days after it has been so referred to them hereunder, including the determination of the scope or applicability of this Agreement to arbitrate, shall be settled by binding arbitration administered by the International Center for Dispute Resolution, and any Party may so refer such dispute, controversy or claim to binding arbitration. Such referral to binding arbitration shall be to one qualified arbitrator in accordance with the Arbitration Rules, which Arbitration Rules shall govern such arbitration proceeding. The place of arbitration shall be New York, New York, and the language of arbitration shall be English. The determination of such arbitrator shall be final and binding upon the Parties and the costs of such arbitration shall be as determined by the arbitrator. Judgment on the award may be entered in any court having jurisdiction. The Parties covenant and agree that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.
- (iii) The arbitration, including any settlement discussions between the Parties related to the subject matter of the arbitration, shall be conducted on a private and confidential basis and any and all information exchanged and disclosed during the course of the arbitration shall be used only for the purposes of the arbitration and any appeal therefrom. No Party shall communicate any information obtained or disclosed during the course of the arbitration to any third party except to those experts or consultants employed or retained by, or consulted about retention on behalf of, such Party in connection with the arbitration and solely to the extent necessary for assisting in the arbitration, and only after such persons have agreed to be bound by these confidentiality conditions. In the event that disclosure of any information related to the arbitration is required to comply with Applicable Law or court order, the disclosing Party shall promptly notify the other Parties of

such disclosure, shall limit such disclosure limited to only that information so required to be disclosed and shall have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled.

- (iv) The award of the arbitrator and any reasons for the decision of the arbitrator shall also be kept confidential except (i) as may reasonably be necessary to obtain enforcement thereof; (ii) for any Party to comply with its disclosure obligations under Applicable Law; (iii) to permit the Parties to exercise properly their rights under the Arbitration Rules; and (iv) to the extent that disclosure is required to allow the Parties to consult with their professional advisors.
- (b) Section 13.2(a) shall not preclude the Parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction.

13.3 Specific Performance

The Seller acknowledges that any breach of this Agreement may cause the Purchaser irreparable harm for which damages are not an adequate remedy. The Seller agrees that, in the event of any such breach, in addition to other remedies at law or in equity that the Purchaser may have, the Purchaser shall be entitled to seek specific performance without the requirement of providing damages or posting a bond or other security.

13.4 Notices

Unless otherwise specifically provided in this Agreement, any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand to an officer or other responsible employee of the addressee or transmitted by electronic transmission, addressed to:

If to the Seller to:

Harte Gold Corp.
161 Bay Street, Suite 2400
Toronto, ON M5J 2S1

Attention: Sam Coetzer
E-mail: scoetzer@hartegold.com

If to the Purchaser to:

ANR Investments B.V.
Zuidplein 126
Tower H 15th Floor
1077XV Amsterdam
Netherlands

Attention: Richard Schaapherder and Wolfgang Out
E-mail: richard.schaapherder@centralis.eu and
wolfgang.out@centralis.eu

with a copy to:

Appian Capital Advisory LLP
5th Floor, 45 Pall Mall
London SW1Y 5JG
United Kingdom

Attention: Michael W. Scherb and Winta Jarvis
Email: mws@appiancapitaladvisory.com and
wj Jarvis@appiancapitaladvisory.com

and

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, Ontario, Canada M5K 1E6

Attention: Shea T. Small
E-mail: ssmall@mccarthy.ca

Any notice or other communication given in accordance with this Section 13.3, if delivered by hand as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery is received before 4:00 p.m. at the place of delivery; otherwise, it shall be deemed to be validly and effectively given on the Business Day next following the date of delivery. Any notice of communication which is transmitted by electronic mail as aforesaid, shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was received before 4:00 p.m. at the place of receipt; otherwise it shall be deemed to have been validly and effectively given on the next Business Day following such date of transmission.

13.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, opinions, advice, assertions of fact, matters, undertakings or collateral agreements, express, implied or statutory, with respect to the subject matter hereof and thereof by or between the Parties (or by any of their respective employees, directors, officers, representatives or agents).

13.6 Amendments

This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

13.7 Waivers

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any

Party to exercise, and no delay in exercising, any right under this Agreement 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.

13.8 Severability

If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect and the Parties shall negotiate in good faith to replace any provision that is invalid, illegal or unenforceable with such other valid provision that most closely replicates the economic effect and rights and benefits of such impugned provision.

13.9 Further Assurances

Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect the transactions contemplated herein, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

13.10 No Joint Venture

Nothing herein shall be construed to create, expressly or by implication, a joint venture, agency relationship, fiduciary relationship, mining partnership, commercial partnership or other partnership relationship between the Parties.

13.11 Beneficiaries

This Agreement is for the sole benefit of the Parties, and shall enure to the benefit of their respective successors and permitted assigns, and, except as otherwise expressly provided herein, nothing herein is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.

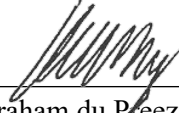
13.12 Counterparts

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

HARTE GOLD CORP.



Name: Graham du Preez

Title: Executive Vice President & Chief Financial Officer

ANR INVESTMENTS B.V.

Name: Guy de Freitas

Title: Director A

Name: Adriano Fagundes

Title: Director B

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

HARTE GOLD CORP.

Name:

Title:

ANR INVESTMENTS B.V.

DocuSigned by:
Michael Scherb
81FC784FBFCD4AF...

DocuSigned by:
Adriano Fagundes
951E206317B549C...

Name: Michael Scherb

Adriano Fagundes

Title: Director A

Director B

Schedule A

PROJECT REAL PROPERTY

LEASEHOLD PROPERTY

| PIN | Legal Description |
|-----------------|--|
| 31053-0001 (LT) | Mining Claims 1069328 to 1069331 inclusive, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 being Parts 1, 2, 3, 4, 5, 6, 7, 8, 9 on Plan 1R-13039, Except Surface Rights being Parts 2 to 9 inclusive on Plan 1R-13039, Hambleton, Odlum |
| 31054-0003 (LT) | Mining Claims SSM1069332, SSM1069333, SSM1069343, SSM1182993; Part Mining Claims SSM1069344, SSM1069346 Hambleton, Part 1 on Plan 1R-13011; District of Algoma |
| 31054-0004 (LT) | Part Mining Claim SSM1232640, Gourlay & Strickland, Part 2 on Plan 1R-13011; District of Algoma |
| 31054-0005 (LT) | Part Mining Claim SSM1235595 Gourlay, Part 3 on Plan 1R-13011, District of Algoma |
| 31054-0006 (LT) | Mining Rights Only Part Mining Claims SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595, Hambleton, Gourlay, Strickland & Odlum, Parts 4-9 on Plan 1R-13011; District of Algoma |
| 31078-0001 (LT) | Mining Claims SSM937770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, |

| PIN | Legal Description |
|-----------------|--|
| | SSM1078251, SSM1078252, SSM1135499, SSM1194337 & SSM1194340, being Parts 1 to 11 on Plan 1R-13038, except surface rights being Parts 4, 5, 7, 8, 9 & 11 on Plan 1R-13038; Hambleton Odlum; City of Sault Ste. Marie. |
| 31077-0001 (LT) | Mining Claims SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069654, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659 & SSM1140660 Being Parts 1,2,3,4,5,6,7 & 8 on Pan 1R-13019 Except Surface Rights being Parts 2 to 8 inclusive on Plan 1R-13019 Hambleton, Odlum & Strickland; City of Sault Ste. Marie |

**UNPATENTED MINING CLAIMS
HARTE GOLD CORP. – RECORDED HOLDER**

| Claim No. |
|---|
| SSM 1069380, SSM 1069381, SSM 1069382, SSM 1069383, SSM 1069384, SSM 1069385, SSM 1069386, SSM 1069387, SSM 1069388, SSM 1069389, SSM 1069390 ,SSM 1069391 |
| SSM 1078243, SSM 1078244, SSM 1078245, SSM 1078246, SSM 1078247, SSM 1078248, SSM 1078249 |
| SSM 1078253, SSM 1078254, SSM 1078255, SSM 1078256, SSM 1078257, SSM 1078258, SSM 1078259 |
| SSM 1078265, SSM 1078266, SSM 1078267, SSM 1078268, SSM 1078269, SSM 1078270, SSM 1078271, SSM 1078272, SSM 1078273, SSM 1078274, SSM 1078275, SSM 1078276, SSM 1078277 |
| SSM 1078314 |
| SSM 1078319 |
| SSM 1174765, SSM 1174766 |
| SSM 3012217, SSM 3012218 |
| SSM 4201077, SSM 4201078 |
| SSM 4201080, SSM 4201081 |
| SSM 4201083, SSM 4201084 |
| SSM 4201087 |
| SSM 4260657, SSM 4260658, SSM 4260659, SSM 4260660, SSM 4260661, SSM 4260662, SSM 4260663, SSM 4260664, SSM 4260665, SSM 4260666, SSM 4260667, SSM 4260668, SSM 4260669 |
| SSM 4270161 |
| SSM 1078315, SSM 1078316, SSM 1078317, SSM 1078318 |
| SSM 1140648, SSM 1140649 |
| SSM 1183012, SSM 1183013, SSM 1183014, SSM 1183015, SSM 1183016, SSM 1183017, SSM 1183018, SSM 1183019, SSM 1183020, SSM 1183021 |
| SSM 1232641 |
| SSM 3018389, SSM 3018390, SSM 3018391, SSM 3018392, SSM 3018393 |

| Claim No. |
|--|
| SSM 4201079 |
| SSM 4201082 |
| SSM 4201085, SSM 4201086 |
| SSM 4201088, SSM 4201089 |
| SSM 4201091, SSM 4201092, SSM 4201093 |
| SSM 4260601, SSM 4260602, SSM 4260603, SSM 4260604, SSM 4260605, SSM 4260606, SSM 4260607, SSM 4260608, SSM 4260609, SSM 4260610, SSM 4260611, SSM 4260612, SSM 4260613, SSM 4260614, SSM 4260615, SSM 4260616, SSM 4260617, SSM 4260618, SSM 4260619, SSM 4260620, SSM 4260621 |
| SSM 4260642, SSM 4260643 |
| SSM 4260644 |
| SSM 4201090 |
| SSM 4260645, SSM 4260646, SSM 4260647, SSM 4260648, SSM 4260649, SSM 4260650, SSM 4260651, SSM 4260652, SSM 4260653, SSM 4260654, SSM 4260655, SSM 4260656 |
| SSM 4267212 |
| SSM 4260622, SSM 4260623, SSM 4260624, SSM 4260625 |
| SSM 4260627, SSM 4260628 |
| SSM 4260630, SSM 4260631 |
| SSM 4260633, SSM 4260634 |
| SSM 4260636, SSM 4260637 |
| SSM 4260639, SSM 4260640, SSM 4260641 |
| SSM 1055500, SSM 1055501, SSM 1055502, SSM 1055503, SSM 1055504, SSM 1055505, SSM 1055506, SSM 1055507, SSM 1055508, SSM 1055509, SSM 1055510, SSM 1055511, SSM 1055512, SSM 1055513, SSM 1055514, SSM 1055515, SSM 1055516, SSM 1055517, SSM 1055518, SSM 1055519, SSM 1055520, SSM 1055521, SSM 1055522, SSM 1055523, SSM 1055524, SSM 1055525, SSM 1055526, SSM 1055527, SSM 1055528, SSM 1055529, SSM 1055530, SSM 1055531, SSM 1055532, SSM 1055533, SSM 1055534, SSM 1055535, SSM 1055536, SSM 1055537, SSM 1055538, SSM 1055539, SSM 1055540, SSM 1055541, SSM 1055542, SSM 1055543 |
| SSM 1055576, SSM 1055577, SSM 1055578, SSM 1055579, SSM 1055580, SSM 1055581, SSM |

| Claim No. |
|---|
| 1055582, SSM 1055583, SSM 1055584, SSM 1055585, SSM 1055586, SSM 1055587, SSM 1055588, SSM 1055589 |
| SSM 1069100 |
| SSM 1069120, SSM 1069121 |
| SSM 1069186, SSM 1069187, SSM 1069188, SSM 1069189, SSM 1069190, SSM 1069191, SSM 1069192, SSM 1069193, SSM 1069194 |
| SSM 1069196, SSM 1069197, SSM 1069198, SSM 1069199 |
| SSM 1069300, SSM 1069301, SSM 1069302, SSM 1069303, SSM 1069304, SSM 1069305, SSM 1069306, SSM 1069307, SSM 1069308, SSM 1069309, SSM 1069310, SSM 1069311, SSM 1069312, SSM 1069313, SSM 1069314, SSM 1069315, SSM 1069316, SSM 1069317, SSM 1069318, SSM 1069319, SSM 1069320, SSM 1069321, SSM 1069322, SSM 1069323, SSM 1069324, SSM 1069325, SSM 1069326 |
| SSM 1194339 |
| SSM 1235594 |
| SSM 4201064, SSM 4201065, SSM 4201066, SSM 4201067 |
| SSM 4201069, SSM 4201070, SSM 4201071 |
| SSM 4201074, SSM 4201075, SSM 4201076 |
| SSM 4228496, SSM 4228497 |
| SSM 4228499 |
| SSM 4260626 |
| SSM 4260629 |
| SSM 4260632 |
| SSM 4260635 |
| SSM 4260638 |
| SSM 4260670, SSM 4260671, SSM 4260672, SSM 4260673, SSM 4260674, SSM 4260675, SSM 4260676, SSM 4260677, SSM 4260678, SSM 4260679, SSM 4260680, SSM 4260681, SSM 4260682, SSM 4260683 |
| SSM 937765, SSM 937766, SSM 937767, SSM 937768 |

| Claim No. |
|---|
| SSM 1043698 |
| SSM 1043701, SSM 1043702, SSM 1043703, SSM 1043704, SSM 1043705, SSM 1043706, SSM 1043707, SSM 1043708, SSM 1043709, SSM 1043710, SSM 1043711, SSM 1043712 |
| SSM 1043715, SSM 1043716, SSM 1043717 |
| SSM 1043814, SSM 1043815, SSM 1043816, SSM 1043817, SSM 1043818, SSM 1043819, SSM 1043820, SSM 1043821, SSM 1043822, SSM 1043823, SSM 1043824, SSM 1043825, SSM 1043826, SSM 1043827, SSM 1043828 |
| SSM 1044094, SSM 1044095, SSM 1044096 |
| SSM 1044097 |
| SSM 1044100, SSM 1044101, SSM 1044102, SSM 1044103 |
| SSM 1069359, SSM 1069360, SSM 1069361, SSM 1069362 |
| SSM 1069375, SSM 1069376 |
| SSM 1069378, SSM 1069379 |

Schedule B

FORM OF PURCHASER'S ACKNOWLEDGEMENT

Capitalized terms used but not otherwise defined herein have the meanings given to them in that certain Offtake Agreement (the "Offtake Agreement") dated July 13, 2020 between Harte Gold Corp., as seller and ANR Investments B.V., as purchaser.

Pursuant to Section 10.1 of the Offtake Agreement, the undersigned hereby agrees and undertakes in favour of the other Parties to be bound by the terms of the Offtake Agreement and to perform its obligations under the Offtake Agreement, in its capacity as a Purchaser thereunder, as if it were an original party thereto.

[NAME OF TRANSFEREE]

By: _____
Name:
Title:

EXHIBIT “D”

EXHIBIT "D"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits



Financial Statements

For the years ended December 31, 2019 and 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Arte Cold Corporation or Arte Cold is responsible for the integrity and fair presentation of the accompanying financial statements.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and reflect management's best estimates and judgments.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Management has developed and maintains a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized and financial information is reliable. A system of internal control over financial reporting has inherent limitations, including the possibility of circumvention and overriding of controls, and therefore can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Board of Directors oversees management's responsibility for financial reporting and internal control systems. The Board of Directors has reviewed and approved the financial statements.

The financial statements as at and for the year ended December 31, 2011 have been audited by KPM LLP. Their report outlines the scope of their examination and opinion on the financial statements.

Sam Coetzer
[Signature]

Sam Coetzer
resident CEO

Frankam dree
[Signature]

Frankam dree
CEO

Marc [Signature]



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Harte Gold Corp

Opinion

We have audited the financial statements of Harte Gold Corp (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and comprehensive loss for the year then ended
- the statement of changes in shareholders' equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes that the Company's ability to continue as a going concern is contingent on key events and conditions: successful operation of its Sugar Zone Mine, ability to access external funding and on obtaining waivers or debt facility amendments for expected covenant breaches.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that material uncertainties exist that cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 1, 2019.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Lee Hodgkinson.

Toronto, Canada

March 25, 2020

Harte Gold Corp.

Statements of Financial Position as at

| in thousands of Canadian dollars | December 31, 2019 | December 2018 |
|---|----------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$2,096 | 1,000 |
| Receivables (note 10) | 4,281 | 1,000 |
| Inventories (note 10) | 2,775 | - |
| Prepaids | 735 | 1,000 |
| | 9,887 | 3,000 |
| Long term assets | | |
| Restricted cash | - | 1,000 |
| Property, plant and equipment (note 10) | 112,882 | 1,000,000 |
| | \$122,769 | 1,004,000 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 10) | \$25,630 | 1,000,000 |
| Debt (note 10) | \$8,911 | 1,000,000 |
| Current portion of derivative financial instruments (note 10) | 3,947 | - |
| Provision for environmental remediation (note 10) | 920 | 1,000 |
| | 39,408 | 2,001,000 |
| Long term liabilities | | |
| Debt (note 10) | 81,072 | 1,000 |
| Derivative financial instruments (note 10) | 15,366 | - |
| Provision for environmental remediation (note 10) | 5,096 | 1,000 |
| | 101,534 | 2,001,000 |
| Total liabilities | 140,942 | 4,002,000 |
| Shareholders' equity | | |
| Capital stock (note 10) | 155,058 | 1,000,000 |
| Warrants (note 10) | 5,620 | 1,000 |
| Contributed surplus | 18,035 | 1,000,000 |
| Deficit | (196,886) | (1,000,000) |
| | (18,173) | 1,001,000 |
| | \$122,769 | 1,004,000 |

Going concern – note 1

Commitments – note 22

Subsequent events – note 23

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

Statements of Operations and Comprehensive Loss for the years ended

| in thousands of Canadian dollars | December 31, 2019 | December 2018 |
|---|----------------------|---------------|
| Mine operations | | |
| Revenues (note 3) | \$49,755 | - |
| Production costs (note 3) | (46,760) | - |
| Royalties and selling expenses | (1,498) | - |
| Depreciation and depletion | (15,499) | - |
| Mine operating loss | (14,002) | - |
| Other expenses | | |
| General and administrative (note 3) | 10,166 | - |
| Exploration and evaluation | 5,874 | - |
| Operating loss | (30,042) | - |
| Finance expenses (income) & other | | |
| Commodity price premium (note 3) | (1,702) | - |
| Gain on loan modification | - | - |
| Loss on loan termination (note 3) | 10,427 | - |
| Loss on production payment liability (note 3) | 1,110 | - |
| Interest accretion expense | 10,072 | - |
| Foreign exchange gain/loss | (3,931) | - |
| Gain on sale of property | (3,711) | - |
| Change in the fair value of derivative financial instruments (note 3) | 19,313 | - |
| Other income | (39) | - |
| | 31,539 | - |
| Net loss before income taxes | (61,581) | - |
| Income taxes (note 3) | - | - |
| Net loss and comprehensive loss | (\$61,581) | - |
| Net loss per share basic and diluted (note 3) | \$ (0.098) | - |
| Weighted average number of shares outstanding basic and diluted (note 3) | 631,193,264 | - |

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

Statements of Changes in Shareholders' Equity for the years ended December 31,

| in thousands of Canadian dollars | Shares (note 11) | Warrants (note 13) | Contributed surplus | Deficit | Total shareholders' equity |
|---|---------------------|-----------------------|------------------------|------------------|----------------------------------|
| December 31, 2017 | 118,105 | 1,901 | 8,084 | (95,433) | 32,657 |
| Issued as a result of: | | | | | |
| Private placements (note 11) | 100,000 | 0 | 0 | 0 | 100,000 |
| Convertible premium (note 11) | 100,000 | 0 | 0 | 0 | 100,000 |
| Convertible acquisitions | 0 | 0 | 0 | 0 | 0 |
| Share issuance costs | 10,000 | 0 | 0 | 0 | 10,000 |
| Warrants issued on debt (note 11) | 0 | 1,901 | 0 | 0 | 1,901 |
| Stock options exercised (note 11) | 0 | 0 | 10,000 | 0 | 10,000 |
| Warrants exercised (note 11) | 10,000 | 10,000 | 0 | 0 | 20,000 |
| Warrants expired (note 11) | 0 | 10,000 | 0 | 0 | 0 |
| Stock options granted (note 11) | 0 | 0 | 10,000 | 0 | 10,000 |
| Net loss for the year | 0 | 0 | 0 | 100,000 | 100,000 |
| December 31, 2018 | 136,818 | 4,195 | 13,855 | (135,305) | 19,563 |
| Issued as a result of: | | | | | |
| Special shares (note 11) | 100,000 | 0 | 0 | 0 | 100,000 |
| Private placement (net) (notes 11 and 12) | 10,000 | 0 | 0 | 0 | 10,000 |
| Convertible acquisitions | 0 | 0 | 0 | 0 | 0 |
| Share issuance costs (note 11) | 10,000 | 0 | 0 | 0 | 10,000 |
| Share based compensation (note 11) | 0 | 0 | 10,000 | 0 | 10,000 |
| Warrants issued (note 11) | 0 | 1,901 | 0 | 0 | 1,901 |
| Stock options exercised (note 11) | 0 | 0 | 10,000 | 0 | 10,000 |
| Net loss for the year | 0 | 0 | 0 | 100,000 | 100,000 |
| December 31, 2019 | 155,058 | 5,620 | 18,035 | (196,886) | (18,173) |

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

Statements of Cash Flows for the years ended December 31,

in thousands of Canadian dollars

December 31, 2019, December 31, 2018

| | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|
| Operating activities | | |
| Net loss for the year | (\$61,581) | (11,070) |
| Adjusted for: | | |
| Depreciation | 15,679 | 15,679 |
| Share-based payments (note 10) | 4,899 | 4,899 |
| Loss on disposal of shares (note 10) | (1,702) | (1,702) |
| Loss on gain on loan termination/modification (note 10) | 10,427 | 10,427 |
| Loss on production payment (note 10) | 1,110 | 1,110 |
| Loan accretion & accrued interest (note 10) | 8,449 | 8,449 |
| Shares issued for exploration and evaluation expenses | 28 | 28 |
| Unrealized foreign exchange gain/loss | (3,981) | (3,981) |
| Gain on sale of property | (3,711) | (3,711) |
| Change in the fair value of derivative financial instruments (note 10) | 19,313 | 19,313 |
| | (11,070) | (11,070) |
| Net changes in non-cash working capital items: | | |
| Inventory | 407 | 407 |
| Prepays | (115) | (115) |
| Receivables | (1,929) | (1,929) |
| Accounts payable and accrued liabilities | 14,870 | 14,870 |
| Cash flows from (used in) operating activities | 2,163 | (11,070) |
| Investing | | |
| Restricted cash | 500 | 500 |
| Proceeds on sale of property, net of transaction costs | 9,794 | 9,794 |
| Plant and equipment additions (note 10) | (17,519) | (17,519) |
| Additions to exploration and evaluation assets (note 10) | - | - |
| Mine development costs (note 10) | (17,520) | (17,520) |
| Cash flows used in investing activities | (24,745) | (24,745) |
| Financing | | |
| Canadian loan repayment/drawdown (note 10) | (26,835) | (26,835) |
| Short-term loan repayment/drawdown (note 10) | (49,741) | (49,741) |
| Short-term production payment capex (note 10) | (6,250) | (6,250) |
| Production payments and other loan expenses | (166) | (166) |
| Short-term loan drawdown/repayment (note 10) | 89,645 | 89,645 |
| Interest paid (note 10) | (8,616) | (8,616) |
| Payment of lease liabilities and mortgages (notes 10 and 11) | (358) | (358) |
| Proceeds from issuance of shares (note 10) | 19,321 | 19,321 |
| Exercise of options | 517 | 517 |
| Exercise of warrants | - | - |
| Cash flows from financing activities | 17,517 | 17,517 |
| Effects of exchange rate changes on cash | (132) | (132) |
| Net increase/decrease in cash and cash equivalents | (5,197) | (5,197) |
| Cash and cash equivalents, beginning of the period | 7,293 | 12,490 |
| Cash and cash equivalents, end of the period | \$2,096 | \$7,293 |

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Harte Gold Corp. ("the Company" or "Harte Gold") was incorporated in Ontario on January 1, 2009 and is a reporting issuer in the provinces of Ontario, British Columbia, Saskatchewan, Alberta and Ontario. The common shares of the Company trade on the Toronto Stock Exchange under the symbol "HRT" on the Frankfurt Stock Exchange under the symbol "HGO" and on the OTC market under the symbol "HRT". The head office and principal address of the Company is 100 Bay Street, Suite 1000, Toronto, Ontario, M5G 1S8.

The Company is engaged in the acquisition, exploration, evaluation, development and mining of mineral resource properties. Harte Gold's primary focus is on the Spar One Mine, 10 km north of the Rideau, Ontario.

At December 31, 2019, the Company has current liabilities of \$10 million and current assets of \$10 million. It is difficult to discharge such liabilities. The Company has a history of operating losses and incurred operating losses in 2019 and will likely not generate sufficient cash from operations in the next 12 months to fund planned investment activities and debt service obligations. Historically, the Company has financed its activities by accessing debt and/or equity markets from time to time.

The Company's debt facilities are pari passu as they are drawn down at December 31, 2019 and the Company currently does not have access to other debt facilities. On March 1, 2019, the Company completed a placement of 10,000,000 common shares for gross proceeds of \$10 million. (Note 10) In addition, the Company is sufficient liquidity to fund its most important investment activities over the next 12 months. Certain discretionary capital expenditure can be deferred if required.

The Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") as defined in the 2019 term loan and revolving facility, the Debt facilities, has been negatively impacted by delays in mine development, which in turn at risk the Company's ability to meet financial covenants under the Debt facilities. Such covenants come into effect from the 2020 onwards. Current forecasts for 2020 indicate that the Company expects to breach these covenants during the coming 12 months. The Company also expects to breach covenants related to mine production and mill throughput tonnes at Spar One Mine. The Company has entered into discussions with its lender regarding the potential covenant breaches in order to obtain waivers for covenant breaches required and for amendments to the Debt facilities.

The Company's ability to continue as a going concern is dependent on the successful operation of its one mining property, the Spar One Mine, on its ability to access external financing required and on obtaining waivers and/or debt facility amendments for expected covenant breaches required. References generated from future mining activities are not sufficient to cover operating costs, capital costs and the payment of debt obligations. The Company will have to access sources of financing including capital markets. There can be no assurance that the Company will be able to obtain an required financing in the future or at favorable terms. Due to uncertainties surrounding a number of factors such as, but not limited to, the ability to raise additional funds, obtain waivers, loan amendments required to cure covenant breaches, exploration results, mining operating results, the price of underlying commodities and financial market conditions, it is not possible to predict the success of the Company's efforts in this regard. These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

In the light of the actions already taken and the alternatives available to the Company, these financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management has taken into account all available information about the future. It is at least 12 months from December 31, 2019. These financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Board of Directors of the Company approved these financial statements on March 1, 2020.

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

2.2. Basis of measurement

Income for financial instruments that are measured at fair value in the financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset acquired.

2.3 Functional and presentation currency and foreign currency transactions

The financial statements are presented in Canadian dollars. The functional currency of Harte Gold is the Canadian dollar.

Transactions denominated in a foreign currency have been translated into Canadian dollars at exchange rates on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the period end date are translated to Canadian dollars at the rate of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Canadian dollars at the exchange rate on the date the fair value was determined. Income and expense items are translated at the exchange rate in effect on the date of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rate in effect at the transaction date. Conversion differences are recorded as exchange gains or losses in income loss.

2.4. Revenue recognition

Revenue recognition is based on control and consists of the sale of gold taken into account the following factors:

- The Company has a present right to payment for the gold sold.
- Legal title has passed from the Company to the customer.
- The Company has transferred physical possession of the gold to the customer.
- The significant risks and rewards of ownership of the gold have passed to the customer and
- The customer has accepted the gold.

The following principles apply in accounting for revenues:

i) Gold dor

The Company sells gold to customers in the form of gold ounces. After the gold dor bars have been refined, the Company recognizes revenues from these sales when control of the gold has transferred to the customer. This is generally at the point in time when the gold is credited to the metal account of the customer. Once the gold has been credited to the customer's metal account, the customer has legal title to physical possession of and the risks and rewards of ownership of the gold. Therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold. Revenue is measured at the transaction price agreed to under the contract.

ii) Gold concentrates

The Company sells concentrates containing gold to a third-party smelter customer. The Company recognizes revenue from these concentrate sales when control of the concentrate has transferred to the customer. This is the point in time that the concentrate is delivered to the customer. Upon delivery, the customer has legal title to physical possession of and the risks and rewards of ownership of the concentrate. The customer is also committed to accept and pay for the concentrates once delivered. Therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the concentrate.

The final prices for metals contained in the concentrate are determined based on prevailing spot market metal prices on a specific date period upon transfer of control at delivery. The Company measures revenue under these contracts based on prices at the time of delivery and the most recent determination of the quantity of contained metals less smelting and refining charges charged to the customer. This reflects the best estimate of the transaction price expected to be received at final settlement. Revenue is recognized for this amount and subsequently measured at fair value to reflect the variability associated with the embedded derivative or changes

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

in the market metal prices. These changes in the fair value of the receivable are adjusted through revenue at each subsequent financial settlement date.

2.5. Exploration and evaluation

Exploration expenditures relate to the initial search for deposits of economic potential. Exploration expenditures arise from a detailed assessment of deposits or projects that have been identified as having economic potential. When an exploration and evaluation project has obtained the requisite permits and a decision is made that the project has advanced to the development or production stage, all subsequent expenditures associated with that project are capitalized to development costs.

Exploration and evaluation costs are expensed as incurred and comprise costs that are directly attributable to:

- Acquisition of rights to explore
- Research and analytical and estimation exploration data
- Conducting topographical and geological studies, exploration drilling, trenching and sampling
- Determining the volume and grade of resources
- Sampling and testing extraction and treatment methods and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource

2.6. Measurement uncertainty - critical accounting judgments and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. These judgments, estimates and assumptions are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from those estimates. Information about areas of judgment and key sources of uncertainty and estimation is contained in the description of the accounting policies and/or the notes to these financial statements.

Judgments, estimates and underlying assumptions are re-evaluated on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key areas where judgments, estimates and assumptions have been made in the reporting period or may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarized below.

Estimated reserves and resources

Reserves and resources are estimates of the amount of metal that can be extracted from the Company's properties taking into consideration both economic and legal factors. Estimating the quantity and/or grade of reserves and resources requires the analysis of drilling samples and other geological data. Calculating reserve and resource estimates requires decisions on assumptions about geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transportation costs, commodity prices and foreign exchange rates.

Estimates of reserves and resources may change from period to period as the economic assumptions used to estimate reserves and resources change from period to period and as a result of additional geological data generated during the course of operations. Changes in reported reserves and resources may affect future financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows
- Prospective depreciation charges in income loss may change when such charges are determined on the initial production basis or when the useful lives of assets change and
- Provision for reclamation liabilities balances may be affected as the estimated timing of reclamation activities is adjusted for changes in the estimated mine life as determined on the available reserves and resources

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

ii) Transition from the exploration and evaluation stage to the development stage

Judgment is required in determining when an asset transitions from the exploration and evaluation stage to the development stage. In assessing the technical feasibility and commercial viability of an asset or cash generating unit ("CGU") to develop the asset or CGU, the operating results and net cash flow forecasts need to be determined and estimating the expected future revenues and costs, including the future cash costs of production, capital expenditures, site closure and environmental reclamation. The net cash flow forecast includes cash flows expected to be realized from the extraction, processing and sale of proven and probable reserves as well as mineral resources that do not currently qualify for inclusion in proven and probable reserves when there is a high degree of confidence in the economic extraction of such non-reserve material.

iii) Commencement of commercial production

Judgment is required to determine whether a mine is in the condition necessary for it to be capable of operating in the manner intended by management. The achievement of certain milestones including the capacity of the processing plant, the grade of ore processed and the metal produced from the mine is considered in making the determination.

i) Impairment of property, plant and equipment

Judgment is involved in assessing whether there are any indications that an asset or CGU may be impaired. This assessment is made based on an analysis of amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset or CGU and information from internal reporting.

For the purpose of determining the recoverable amount of an asset or CGU, operating results and net cash flow forecasts are determined by estimating the expected future revenues and costs, including the future cash costs of production, capital expenditures, working capital requirements and site closure and environmental reclamation.

The net cash flow forecast includes cash flows expected to be realized from the extraction, processing and sale of proven and probable reserves as well as mineral resources that do not currently qualify for inclusion in proven and probable reserves when there is a high degree of confidence in the economic extraction of such non-reserve material. This determination is usually based on preliminary drilling and sampling of areas of mineralization that are contiguous with existing reserves and resources.

Judgment is also required in estimating the discount rate applied and future commodity prices used for impairment testing. These estimates often differ from current price levels and are updated periodically.

Impairment testing is done at the CGU level. Partly sold effects to the multiple mining areas and management must exercise judgment in determining what constitutes a CGU and the degree of impairment of various assets. These factors impact the impairment analysis performed as the results of the impairment analysis might differ based on the composition of the various CGUs.

ii) Royalty transactions

Judgment was required in assessing the appropriate accounting treatment for the sale of a royalty on mineral property.

Consideration is given to the specific terms of the arrangement to determine whether an interest in the reserves and resources of a mineral property has been disposed of in a royalty transaction. The assessment includes consideration of what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the operation.

iii) Environmental reclamation costs

Environmental reclamation obligations or provisions represent management's best estimate of the present value of the future costs to close and reclaim the mine site. Significant estimates and assumptions are made in determining the amount of future environmental reclamation costs. These estimates and assumptions deal with uncertainties such as requirements of the relevant legal and regulatory framework, the magnitude of possible

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

contamination determination of the appropriate discount rate and the timing of the net and costs of the required mine closure and environmental reclamation activities. These uncertainties may result in more actual expenditures than at different from the amounts currently provided. Management assesses the provision for environmental reclamation on an annual basis or when new information becomes available.

ii) Stock-based compensation and warrants

The fair value of certain stock-based payments and warrants is calculated using an appropriate option pricing model. The main assumptions used in the model include the estimated life of the option, the expected volatility of the Company's common share price, the expected dividends, the expected forfeiture rate and the risk-free rate of interest. The resulting calculated value is not necessarily the value that the holder of the option could receive in an arms length transaction when there is no market for the options and they are not transferable.

iii) Functional currency

Management is required to determine the functional currency of an entity. These determinations are continuous and are based on management's experience and knowledge of the relevant facts and circumstances.

iv) Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events of which their nature will only be resolved when one or more future events not wholly within the control of the Company occur or fail to occur. The assessment of such contingencies is inherent in and involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against Harte Gold or unasserted claims that may result in such proceedings or regulator or government actions that may have a material impact on Harte Gold's business or operations of the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought. When determining the amount to recognize as a provision or on assessing the impact on the carrying value of assets, contingent assets are not recognized in the financial statements.

2.7. Cash and cash equivalents and restricted cash

Cash and cash equivalents consist of cash held with major Canadian financial institutions in the form of cash and deposits in short-term interest notice accounts with investment terms that are less than 90 days at the time of acquisition. Restricted cash consists of deposits held with major Canadian financial institutions that are restricted through an agreement with a third party.

2.8. Inventory

The value of all production inventory includes direct production costs and attributable overhead and depreciation incurred to bring the materials to their current point in the processing cycle. Inventory is valued at the lower of cost and net realizable value. Net realizable value is determined with reference to market prices less estimated future production costs including royalties to convert inventory into saleable form.

i) Stockpiled ore

Stockpiles represent ore that has been mined and is available for further processing. Stockpiles are measured in terms of the number of tonnes mined and the estimated recoverable ounces. Adjusted for the amount of tonnes and recoverable ounces milled and processed. Stockpile ore tonnes are verified on a periodic basis. Costs are allocated to stockpiles based on the mining cost per tonne incurred up to the point of stockpiling the ore including direct overhead and depreciation relating to mining operations to the extent determined recoverable and are removed at the average cost per tonne.

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

ii) In-circuit inventory

The recoverable amount is determined through the processing of ore through the processing plant. Costs are added to inventory based on the minimum cost of the ore placed in circuit. Processing costs including direct overheads are added to the minimum cost of the ore being processed. Costs are removed from inventory as ounces are recovered based on the average cost per recoverable ounce of gold.

iii) Finished goods inventory

Finished goods inventory is saleable gold in the form of dor bars or gold concentrates. Included in the costs are the direct costs of mining and processing operations as well as direct overheads and depreciation of equipment measured on a weighted average basis.

i) Consumables, materials and supplies

Consumables, materials and supplies in inventory consist of materials and supplies used for mining, processing and surface operations and spare parts used for maintaining infrastructure and equipment. Costs consist of the direct processing cost of the consumables, materials and supplies as well as transportation costs incurred to deliver the consumables, materials and supplies to the mine site and are valued on a weighted average basis.

2.9. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment charges.

i) General

Property, plant and equipment costs include the fair value of consideration paid including cash and shares, and on acquisition. The amount of property acquisition costs and their related development expenditures represent historic expenditures incurred and are not intended to reflect present or future fair values upon sale or abandonment of an mineral interest. The cost and related accumulated depreciation are written off and any gains or losses thereon are included in income loss.

ii) Property

Property includes its purchase price and prior to the commencement of commercial production an government fees and taxes and lease fees for original or renewals thereon to maintain the property in good standing.

iii) Plant and equipment

Plant and equipment costs include the purchase price and costs directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated mine closure and environmental reclamation costs associated with dismantling and removing the asset.

i) Mine development costs

Mine development costs incurred prior to achieving commercial production are capitalized and include costs related to accessing the ore body, borrowing costs relating to construction, other costs that can be directly attributed to bringing the assets to the production stages and depreciation of related equipment. This includes costs associated with the commissioning period before the asset is in production and can operate at the level intended by management. Capitalization of development costs ceases when a project is capable of operating as intended by management and a decision is made that a project under development has advanced to the production stage.

Costs related to underground mine development to access medium to long term production areas are capitalized as development costs.

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

ii Construction in process

Construction in process costs include the costs to construct the processing mill in the costs of development and assembly of the costs of surface infrastructure required to support the operation of the processing facility. The present value of the estimated future costs of dismantling and removing the processing facility and restoring the site on which it is located is included in costs incurred for the construction of the processing facility and indirect costs incurred to manage the construction process. Once operational commissioning is complete and commercial production is achieved, construction in process assets are reclassified to property, plant and equipment.

iii Commercial production

Management assesses the development of each project in order to determine commencement of commercial production. The most criteria evaluated are:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed.
- The mine is capable of producing a product in saleable form.
- The completion of a reasonable period of testing of the mine plant and equipment.
- The mine has been transferred to operating personnel from internal development crews or external contractors.
- The mine and/or processing plant has operating a predetermined percentage of design capacity for a predetermined period of time.
- Mineral recoveries are at or near the expected production level and
- The ability to sustain on-plant production of gold concentrate and/or gold doré bars.

Commercial production is declared on the first day of the calendar month following achievement of the criteria. On achievement of commercial production, costs are transferred from construction in process into the appropriate asset classification such as inventory and mineral properties, plant and equipment.

Once in commercial production, gold sales are recognized as revenue and production costs as a component of cost of sales and depreciation of the related property, plant and equipment commences.

iv Depreciation

The carrying amounts of property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset to which it relates. Accumulated development costs are not depreciated prior to the commencement of commercial production.

Estimates of residual values and useful lives and the method of depreciation are reassessed annually. A change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use in the location and condition necessary to be operated in the manner intended by management. Depreciation is calculated as follows:

- Property based on reserves and resources in the mine plan on a unit of production basis.
- Plant and equipment is straight-line over the estimated useful life of the asset or on a unit of production basis based on the usage of the asset.
- Mills is straight-line over the estimated useful life of the asset or on a unit of production basis based on the usage of the asset.
- Mobile equipment is straight-line over two to five years based on the estimated useful life in years or on a unit of production basis based on the usage of the asset and
- Mine development costs are based on reserves and resources in the mine plan on a unit of production basis.

v Impairment

At the end of each reporting period, the Company reviews its property, plant and equipment at the Cash level to determine whether there is an indication of impairment. The Company will perform an impairment test on its property, plant and equipment if an indicator of impairment exists.

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The recoverable amount of an asset or Cash is estimated to be less than its carrying amount if the carrying amount is reduced to its recoverable amount. Impairment is recognized immediately in income loss. If the circumstances leading to the impairment change and an impairment subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but only to the extent that it does not exceed the carrying amount that would have been determined if no impairment had previously been recognized. A subsequent reversal of an impairment loss is recognized in income loss.

The recoverable amount for a property plant and equipment is generally determined based on its fair value less costs of disposal. The LCD value represents the present value of the estimated future cash flows expected to arise from the continued use of the asset, including an expansion projects, and its eventual disposal, in assumptions that an independent market participant would take into account. The Company's estimated average cost of capital is used as a starting point for determining the discount rate to determine the LCD.

2.10. Provisions

i) General

Provisions are recognized when Harte Gold has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where a provision is measured in the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows. The increase in provisions due to the effect of the time value of money is recognized as a finance expense in income loss.

ii) Environmental reclamation

The development, construction, mining, retraction and processing activities of the Company normally give rise to obligations for environmental reclamation. A provision is recognized for environmental reclamation costs which includes the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas in the financial period when the related environmental disturbance occurs based on the estimated future costs. This information is available at the period end date.

At the time of establishing the provision, a corresponding asset is capitalized when it gives rise to a future benefit and depreciated over the production from the operation to which it relates. The provision is discounted to its present value in a risk-free interest rate relevant to the jurisdiction in which the reclamation has to be performed. The unexpired portion of the discount is included in finance expense. Costs arising from unforeseen circumstances such as contamination caused by unplanned discharges are recognized as an expense and liability when the event gives rise to an obligation which is probable and can be reliably estimated.

The provision is reviewed at the end of each reporting period for changes to obligations, legislation or discount rates that impact the estimated cost or timing of the obligation. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

2.11. Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. In such case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, in tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable that relate to periods years.

Harte Gold uses the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and on losses carried forward. Deferred income tax assets and liabilities are measured in the enacted or substantively enacted tax rates in effect at the end of the reporting period that are expected to be in effect when the differences are expected to reverse or losses are expected to be used. The effect of a change in the enacted or substantively enacted tax rate on deferred income tax assets and liabilities is included in income in the period in which the change is enacted or substantively enacted. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on a reliable evidence, it is probable that they will be realized. This evaluation requires management to make judgments as to whether it is probable that a tax asset will be realized in the future.

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Deferred income tax assets and liabilities are offset where there is a legal enforceable right to offset current income tax assets against current income tax liabilities and when they relate to income taxes levied on the same taxation authority where there is an intention to settle the balances on a net basis.

2.12. Share capital

i) Common shares

Harte Gold's common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares net of any tax effects are recognized as a deduction from equity.

ii) Non-voting common shares

From time to time Harte Gold finances a portion of its exploration or development activities through the issuance of non-voting common shares. Canadian income tax legislation permits a company to issue non-voting instruments where the income tax deductions relating to qualified Canadian exploration expenses (CDEs) or Canadian development expenses (CDEs) as defined in the Income Tax Act (Canada) are claimed by the investors rather than by the Company subject to a renouncement process. Renouncement may occur prospectively if the non-voting shares are issued, renouncement occurs and eligible expenditures are incurred subsequently or retrospectively if the non-voting shares are issued, eligible expenditures are incurred and renouncement occurs subsequently.

Shares issued on a non-voting basis typically include a premium related to the tax benefits provided to the investors. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the subscription price over the fair value of the common shares without the non-voting feature at the time of issuance. The premium is recorded as a deferred liability. The Company follows the retrospective approach where the obligation to renounce is fulfilled when the tender offer to renounce is filed. Once the obligation is fulfilled the deferred liability is reduced and the balance is charged to the statement of operations and comprehensive income loss.

Proceeds received from the issuance of non-voting shares must be spent on Canadian resource project exploration or development expenditures within 18 months after subscription or where the Lookback Rule has been utilized prior to the calendar year following the year of issuance. The portion of the proceeds received that not yet expended is detailed in note 10.

The Company may also be subject to a part of the tax on non-voting proceeds renounced under the Lookback Rule in accordance with the government of Canada non-voting regulations when applicable. This tax is accrued as interest expense until paid.

At the time of initial recognition a taxable temporary difference exists and neither accounting profit nor taxable profit is affected therefore the initial recognition exemption for deferred income taxes applies.

2.13. Stock-based compensation

Employees, directors, senior executives and consultants of the Company are eligible at the discretion of the board to receive a portion of their remuneration in the form of stock-based payment arrangements where they render services as consideration for equity instruments (stock-based compensation).

The fair value of a stock-based compensation is recorded as an expense or a component of a project and development cost based on the nature of the services rendered over the vesting period of the award. It is a corresponding increase recorded in contributed surplus. The fair value of the stock-based compensation for employees, directors and senior executives is determined using the Black-Scholes option pricing model. The fair value of a stock-based compensation for a consultant is determined based on the fair value of the goods and services received and requires management to make an estimate of the value of the goods and services received upon exercise of a stock option. Consideration paid on the option holder to get their full amount recorded in contributed surplus is recorded as an increase to share capital.

Under the Company's Deferred Share Unit (DSU) Plan, DSUs may be granted to directors of the Company. Compensation expense for each grant is recorded in the statement of operations and comprehensive income loss.

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It is a corresponding increase in contributed surplus on the statement of financial position. The expense is based on the fair values at the time of the grant and is recognized over the vesting period of the restricted DS's. Shares are issued upon exercise of DS's. The Compensation committee may, upon request and at its discretion, issue cash shares or a combination thereof in isolated circumstances. The Compensation intent is to settle DS's by issuing shares.

Under the Compensation Restricted Share Unit (RSU) Plan, RSUs may be granted to executives, employees and contractors of the Company. Compensation expense for each grant is recorded in the statement of operations and comprehensive income. It is a corresponding increase in contributed surplus on the statement of financial position. The expense is based on the fair values at the time of the grant and is recognized over the vesting period of the restricted RS's. Shares are issued upon exercise of RS's. The Compensation committee may, upon request and at its discretion, issue cash shares or a combination thereof in isolated circumstances. The Compensation intent is to settle RS's by issuing shares.

2.14. Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The allocated value of the share component is credited to common shares and the allocated value of the warrant component is credited to warrants in the statement of changes in shareholders' equity. Upon exercise of warrants, consideration paid on the warrant holder to offset the amount previously recognized in warrants is recorded as an increase to common shares. Upon expiration of warrants, the amount applicable to expired warrants is recorded as an increase to other reserves.

2.15. Earnings (loss) per share

Earnings loss per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the period. Diluted earnings loss per share is calculated using the treasury stock method and the converted method, applicable under the treasury stock method. The dilutive effect of earnings loss per share is recognized on the use of proceeds that could be obtained from the exercise of options, warrants and similar instruments. Dilutive effect assumes that proceeds would be used to purchase common shares at the average market price for the period.

2.16. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company's financial assets include cash and cash equivalents, restricted cash, trade receivables and derivative contracts. Cash and cash equivalents include cash and other highly liquid investments such as term deposits with major financial institutions, which have a term to maturity of three months or less at the time of acquisition and are readily convertible to specified amounts of cash. The Company's financial liabilities include accounts payable and accrued liabilities, derivative contracts and debt including lease liabilities. The Company classifies its financial instruments in the following categories:

Financial assets and liabilities are classified as current receivable or payment is expected within 12 months. Otherwise, they are presented as non-current.

Financial assets at amortized cost

Assets that are held for collection of contractual cash flows include cash and cash equivalents, restricted cash and trade receivables and are measured at amortized cost. The Company's intent is to hold these financial assets until there is a need to utilize the cash and cash equivalents and restricted cash. Cash and cash equivalents, restricted cash and trade receivables are recognized initially at fair value, net of any transaction costs incurred and subsequently measured at amortized cost. Financial assets are re-evaluated at each period end for impairment.

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ii Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost (using the effective interest method) unless they are required to be measured at fair value through profit or loss (FVTPL) or the Company has opted to measure them at FVTPL.

Debt and accounts payable and accrued liabilities are recognized initially at fair value net of any transaction costs incurred and subsequently at amortized cost (using the effective interest method).

iii Financial assets and liabilities at FVTPL

Financial assets and liabilities at FVTPL are assets and liabilities that include derivatives that cannot be classified at amortized cost. Financial assets and liabilities at FVTPL are initially recognized at fair value and can change to fair value recognized in profit or loss.

i Modification of debt

When a debt instrument is restricted or refinanced and the terms have been substantially modified, the transaction is accounted for as an extinguishment of the old debt and a new debt is recognized in profit or loss. When a modification is not substantial, the difference in present value arising as a result of a non-substantial modification is recognized in profit or loss. Fees and transaction costs related to a non-substantial modification are recognized as an adjustment to the carrying amount of the liability.

Management takes into account both quantitative and qualitative factors in assessing whether terms have been substantially modified and often judgment is required in conducting the assessment. Terms are considered to have been substantially modified when the net present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate differs by at least 10 percent from the present value of the remaining cash flows under the original terms. If the difference in the present values of the cash flows is less than 10 percent, then a qualitative assessment is performed to determine whether the terms of the two instruments are substantially different. The purpose of a qualitative assessment is to identify substantial differences in terms that in their nature are not captured by a quantitative assessment.

In determining whether the terms of a debt arrangement have been substantially modified, management considers several factors, including but not limited to, timing of cash flows, interest rate and fees, covenants, restrictions on use of proceeds, lender and borrowing capacity or revolving debt and other changes that are not otherwise considered in the quantitative analysis.

ii Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position only if there is an enforceable legal right to offset the recognized amounts and the intention is to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

iii Derivative instruments and hedged accounting derivative instruments

The Company may enter into derivative instruments to mitigate economic exposures to commodity prices, interest rates and foreign exchange rate fluctuations unless the derivative instruments qualify for hedged accounting and management undertakes appropriate steps to designate them as such. They are designated as FVTPL and measured at fair value and any realized gains or losses arising from changes in the fair value recorded in profit or loss in the period they occur. Fair values for derivative instruments classified as FVTPL are determined using valuation techniques. The valuations use assumptions based on prevailing market conditions on the reporting date.

Embedded derivatives identified in non-derivative instrument contracts are recognized separately unless they are considered to be closely related to the host contract. All derivative instruments, including embedded derivatives that are separated from their host contracts, are recorded on the Statements of Financial Position at fair value and mark-to-market adjustments on these instruments are included in profit or loss.

Derivative instruments are classified as current or non-current assets or liabilities depending on their maturity dates.

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2.17. Borrowing costs

Borrowing costs directly related to financing an acquisition, construction or development of mineral assets are capitalized to the cost of those assets until such time as they are substantially ready for their intended use.

Where funds have been borrowed specifically to finance an asset, the amount capitalized is the actual borrowing cost incurred. Where the funds used to finance an asset form part of general borrowings, the amount capitalized is calculated using a weighted average rate applicable to relevant general borrowings of the Company during the period.

Transaction costs related to the establishment of a loan facility are capitalized and amortized over the life of the loan facility using the effective interest rate method or set off against the fair value of the loan facility. Other borrowing costs are recognized in income loss in the period in which they are incurred.

2.18. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

2.19. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision makers. The chief decision makers have been identified as the Chief Executive Officer who is responsible for allocating resources and assessing the performance of operating segments.

2.20. Reclassification of prior year comparative figures

Exploration and evaluation assets as at December 31, 2018 have been reclassified to Property, Plant and Equipment and is now included in the opening balance for construction in progress. Other minor prior year comparatives have been reclassified for consistency with current year presentation. These reclassifications had no effect on these financial statements.

2.21. Adoption of new and revised international financial reporting standards

IFRS 16 Leases

The Company adopted IFRS 16 Leases. IFRS 16 effective January 1, 2019 introduces new or amended requirements with respect to lease accounting. IFRS 16 introduces significant changes to the lessee accounting, removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement date for all leases, except for short-term leases and leases of low-value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The Company is the lessee in contractual arrangements that contain a lease.

The new definition of a lease mainly relates to the incorporation of the concept of control. IFRS 16 determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reassessed relevant contractual arrangements that existed at January 1, 2019 to determine if they contain a lease. IFRS 16 changes both the Company's accounts for leases previously classified as operating leases under IAS 17 Leases. IFRS 16 requires that lease liabilities are recognized on the balance sheet. On transition, the Company elected to measure all right-of-use assets at an amount equal to the lease liability.

At adoption of the new standard, the Company solely held short-term leases and leases of low-value assets, which are exempt from the standard.

The Company has applied IFRS 16 using the modified retrospective approach under this approach, the Company has not restated prior period comparative information.

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As a result of the adoption of IFRS, the Company adopted the following policies:

Leases

In connection with a contract, the Company assesses whether a contract is or contains a lease based on a combination of other variables. Whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration is a right-to-use asset.

The Company recognizes the right-to-use asset and a lease liability at the lease commencement date. The right-to-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made before or at the commencement date, less any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore it, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-to-use asset or the lease term, using the straight-line method as this most closely reflects the expected pattern of consumption of the underlying economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, then the Company is to use its incremental borrowing rate at the commencement date. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in the lease payments, estimates and assessments of extensions or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-to-use asset or is recorded in profit or loss if the carrying amount of the right-to-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognize right-to-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ii) IFRIC 19 Uncertainty over income tax treatments

As a Canadian company, the Company has also adopted IFRIC 19 Uncertainty over Income Tax Treatments. IFRIC 19 did not have an impact on these financial statements.

The Company has re-evaluated new or revised accounting pronouncements that have been issued and are not yet effective and determined that none of them would be expected to have a material impact on the Company.

3. RECEIVABLES

| | December 31, 2019 | December 2018 |
|------------------------------|----------------------|-----------------|
| ST/ST receivable | \$ 977 | \$ 1,000 |
| Old sales revenue receivable | 3,278 | 1,000 |
| Other | 26 | 1,000 |
| | \$ 4,281 | \$ 3,000 |

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

4. INVENTORIES

| | December 31, 2019 | December 2018 |
|-----------------------------|----------------------|---------------|
| Inventories | \$ 320 | - |
| Old concentrate inventories | 667 | - |
| Old millions inventories | 774 | - |
| Total mineral inventories | 1,761 | - |
| Materials and supplies | 1,014 | - |
| Total inventory | \$ 2,775 | - |

During the year ended December 31, 2019, the Company recognized \$1.0 million of production cost and \$0.7 million of depreciation in the Statements of Operations and Comprehensive Loss including a net realizable value adjustment of \$0.7 million that was recognized against the old concentrate and old millions inventories during the year ended December 31, 2019.

The write-down is included in cost of sales on the Statement of Operations and Comprehensive Loss.

Depreciation is included in production inventories from January 1, 2019, the date the Spar One Mine achieved commercial production or accounting purposes.

5. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Furniture, vehicles & other | Construction in process (1) | Plant & infra- structure | Mine develop- ment | Right-of-use assets | Total |
|---------------------------------|--------------|----------------|-----------------------------------|-----------------------------------|--------------------------------|--------------------------|------------------------|------------------|
| COST | | | | | | | | |
| As at December 31, 2018 | \$903 | \$1,010 | \$767 | \$110,757 | - | - | - | \$113,437 |
| Additions | - | - | - | - | - | - | - | - |
| Sale of property | - | - | - | - | - | - | - | - |
| Transfers and other movements | - | - | - | - | - | - | - | - |
| As at December 31, 2019 | \$903 | \$1,909 | \$1,313 | - | \$101,116 | \$21,278 | \$2,302 | \$128,821 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| As at December 31, 2018 | \$0 | \$128 | \$281 | - | - | - | - | \$409 |
| Additions | - | - | - | - | - | - | - | - |
| As at December 31, 2019 | - | \$317 | \$514 | - | \$5,795 | \$9,215 | \$98 | \$15,939 |
| NET BOOK VALUE | | | | | | | | |
| As at December 31, 2018 | \$903 | \$882 | \$486 | \$110,757 | - | - | - | \$113,028 |
| As at December 31, 2019 | \$903 | \$1,592 | \$799 | - | \$95,321 | \$12,063 | \$2,204 | \$112,882 |

(1) Includes exploration and evaluation assets on December 31, 2019 of \$0 million as transferred to inventories on commencement of commercial production.

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Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

| | Land | Buildings | Furniture, vehicles & other | Construction in process | Total |
|---------------------------------|--------|-----------|-----------------------------------|----------------------------|------------|
| COST | | | | | |
| As at December 31, 2017 | \$ 903 | \$ 866 | \$ 486 | \$ 25,308 | \$ 27,563 |
| Additions | | | | | |
| As at December 31, 2018 | \$ 903 | \$ 1,010 | \$ 767 | \$ 110,757 | \$ 113,437 |
| ACCUMULATED DEPRECIATION | | | | | |
| As at December 31, 2017 | \$ - | \$ 43 | \$ 154 | \$ - | \$ 197 |
| Additions | | | | | |
| As at December 31, 2018 | \$ - | \$ 128 | \$ 281 | \$ - | \$ 409 |
| NET BOOK VALUE | | | | | |
| As at December 31, 2017 | \$ 903 | \$ 823 | \$ 332 | \$ 25,308 | \$ 27,366 |
| As at December 31, 2018 | \$ 903 | \$ 882 | \$ 486 | \$ 110,757 | \$ 113,028 |

During the construction and commissioning phase no depreciation is charged against construction in process assets. The Company declared commercial production at the Spar One Mine on January 1, 2018 and depreciation was charged thereafter.

Certain of the claims and leases associated with the Spar One Project are subject to net smelter royalties ("SR") in favour of the original vendors of the properties. The SR was reduced from \$100 to \$0 on October 1, 2018 for \$100 million in consideration. The Company also sent notices to exercise its option to acquire a further \$100 million and continues its attempts to locate those royalty holders. Additionally, the Company entered into an agreement for a claim in 2018 on which a \$100 SR would be payable if metals are produced from this claim in future.

On December 1, 2018 the Company granted a \$100 SR on the entire Spar One Project in favour of an affiliate of RR Investments ("RR") in exchange for payment of \$100 million. The Company has treated this transaction as a partial disposition of its investment in the Spar One Project. The proportion of the estimated fair value of the Spar One Project disposed of was calculated and the net book value of the Company's plant and equipment was reduced by the proportion. The difference of \$100 million was recorded as a gain on the partial disposition of the Project.

The Company declared commercial production at the Spar One Mine effective January 1, 2018. Since then, mineral properties, plant and equipment are amortized on a unit production basis which is measured as a portion of the mine's economic recoverable and probable ore reserves produced during the period.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | December 31, 2019 | December 31, 2018 |
|---|----------------------|----------------------|
| Accounts payable | \$ 19,270 | \$ 19,270 |
| Accrued liabilities | 6,361 | 6,361 |
| Total accounts payable and accrued liabilities | \$ 25,630 | \$ 25,630 |

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

7. DEBT

| | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|
| Debt facilities (note 7) | \$ 87,399 | - |
| Leases (note 7) | 2,166 | - |
| Mortgages (note 7) | 418 | - |
| Canadian Debt (note 7) | - | - |
| Scott Debt (note 7) | - | - |
| Production payment liability (note 7) | - | - |
| Total debt | \$ 89,983 | - |
| Less current portion | (8,911) | (76,165) |
| Total debt: non-current portion | \$ 81,072 | - |

7.1. BNP Debt Facilities

On June 1, 2018, the Company completed the debt financing for US \$100 million. The Debt Facilities consists of a non-revolving term credit facility of US \$100 million and a revolving term credit facility of US \$100 million. Interest on the Debt Facilities is LIBOR plus 2.00% to 3.00% dependent on credit ratios. The rate is determined in arrears. The Company also has the option to convert from a LIBOR based loan to either a Canadian Alternate Base Rate (the Federal Funds Rate plus 0.50% or the Canadian Prime interest rate in each case plus a margin of 0.50% to 1.00%) dependent on the leverage ratio. To the extent funds are not fully drawn under the revolving credit facility there is a stand-by fee ranging from 0.50% to 1.00% dependent on the leverage ratio. The weighted average borrowing rate during 2019 was 4.50%.

The Debt Facilities are secured by a lien on all the present and future assets, projects and undertakings of the Company as outlined in a general security agreement and a demand debenture granted by the Company in favour of the lender.

Principal repayments under the term loan begin on March 1, 2020. Repayments are quarterly over 48 quarters. The amounts outstanding under the revolving term credit facility are due on June 1, 2020. Financial covenants are measured on a quarterly basis. Failure to meet such covenants does not constitute a default or event of default prior to June 1, 2020. Additionally, the Company covenanted to achieve certain minimum mine and mill production tonnage amounts in each month. The Company did not achieve such minimum production tonnages for the month of September and obtained a waiver from the lender.

The Debt Facilities were amended on August 1, 2019 and November 1, 2019 to clarify the definition of certain defined terms and to amend the minimum mine and mill production tonnage amounts. The Company achieved the amended minimum production tonnages for the remainder of 2019.

In connection with the Company's option to exercise the Canadian Standby Commitment, the lender required the coincident repayment of principal under the Debt Facilities. Accordingly, the Company repaid US \$10 million of the Debt Facilities on December 1, 2019 upon its exercise of the Canadian Standby Commitment and granting of a waiver to the lender.

Movement in the Debt Facilities is summarized as follows:

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Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

| | December 31, 2019 |
|---|----------------------|
| Balance at beginning of year | \$ - |
| Loan drawdown | 97,041 |
| Fees/costs | (2,133) |
| Interest expense | 3,265 |
| Accretion | 287 |
| Exchange gain/loss | (2,755) |
| Interest paid | (3,043) |
| Repayment | (5,263) |
| Balance at end of the year | \$ 87,399 |
| Less current portion | (8,251) |
| Balance end of the year: non-current portion | \$ 79,148 |

Scheduled debt repayments under the Debt Facilities are as follows:

| Year | Non-revolving term credit facility US\$ | Revolving term credit facility US\$ | Total US\$ | Non-revolving term credit facility \$ | Revolving term credit facility \$ | Total \$ |
|--------------|--|--|---------------|--|--|------------------|
| 2019 | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| 2020 | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| 2021 | 10,000 | 10,000 | 20,000 | 10,000 | 10,000 | 20,000 |
| 2022 | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| 2023 | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| 2024 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 48,500 | 20,000 | 68,500 | \$ 62,993 | \$ 25,976 | \$ 88,969 |

7.2. Leases

The Company leases several assets including lithium and lead/silver leeches and office space. The average lease term is 3 years.

| | December 31, 2019 |
|---|----------------------|
| Balance at beginning of year | \$ - |
| Additions | 2,293 |
| Interest expense | 23 |
| Lease payments | (150) |
| Balance at end of the year | 2,166 |
| Less current portion | (451) |
| Balance end of the year: non-current portion | \$ 1,715 |

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Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

Scheduled payment under the Company's lease liabilities are as follows:

| | December 31, 2019 |
|--------------------|----------------------|
| Less than one year | 000 |
| One to three years | 0000 |
| Over three years | 000 |
| | \$ 2,166 |

7.3. Mortgages

a) On January 1, 2019, Harte Gold acquired land and buildings in Site Riverdon and the vendors took back a mortgage secured on the property on a 5-year term at an annual interest rate of 5.00%. Principal and interest payments are due annually on each anniversary of the date of completion.

b) On July 1, 2019, Harte Gold acquired a property in Site Riverdon and the vendors took back a mortgage secured on the property on a 5-year term at an annual interest rate of 5.00%. Interest is payable semi-annually at a rate of 5.00% per annum.

c) On August 1, 2019, Harte Gold acquired land and buildings in Site Riverdon and the vendors took back a mortgage on the property secured on the property on a 5-year term at an annual interest rate of 5.00% per annum. Principal and interest payments are due annually on each anniversary of the date of completion.

The mortgage repayment schedule is as follows:

| Year | Mortgage (a) | Mortgage (b) | Mortgage (c) | Total |
|----------------------------|--------------|---------------|--------------|---------------|
| 2019 | 00 | 000 | 00 | 000 |
| 2020 | 0 | 000 | 0 | 000 |
| 2021 | 0 | 000 | 0 | 000 |
| Total | 70 | 315 | 33 | 418 |
| Current portion | 00 | 000 | 00 | 000 |
| Non-current portion | \$ - | \$ 210 | \$ - | \$ 210 |

7.4. Appian Debt

On March 1, 2019, the Company closed on a short-term debt financing in the amount of \$100 million (the Appian Debt). The term of the debt was until December 31, 2019 at an interest rate of 5.00%. Unless extended, the debt was extendible to January 1, 2020 at the option of the Company. The interest rate could increase to 6.00%. The Company did not exercise its option to extend. On December 31, 2019, the Company and Appian agreed to further extend the maturity of the debt to March 1, 2020 and an increase in the interest rate to 6.00% and subsequently agreed to a further extension until the closing of the 2020 Debt facilities on June 30, 2020. The Appian Debt was secured on all the assets of the Company and subordinate to the Sprott long-term debt financing note.

Principal and accrued interest were payable on maturity and the debt was repayable at any time without penalty. In connection with the Appian Debt financing in March 2019, the Company issued 10,000,000 common share warrants to Appian exercisable at any time until March 31, 2020 at an exercise price of \$10.00 per common share. An amount of \$10 million was allocated to the warrants.

Subsequently, the debt amount net of warrants was accreted at the effective interest rate of 5.00% so that the balance outstanding would equal the principal amount on maturity.

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In connection with the December 2018 agreement to further extend the maturity of the Canadian Debt an additional 1,000,000 common share warrants were issued to Canadian Exerciseable at any time until March 31, 2020 at an exercise price of \$0.01 per common share. An amount of \$10 million was allocated to the additional warrants.

On June 20, 2019 the Company closed the 2019 Debt facilities (note 1) and repaid Canadian the loan principal and accrued interest in full.

Movement in the Canadian Debt facility is summarized as follows:

| | December 31, 2019 | December 31, 2018 |
|---|----------------------|----------------------|
| Balance at beginning of year | \$ 28,217 | - |
| Loan drawdown | - | 10,000 |
| Warrants issued | - | 10,000 |
| Interest expense | 1,445 | - |
| Accretion | 1,086 | - |
| Exchange gain/loss | (518) | - |
| Gain on loan modification | - | - |
| Additional warrants issued | - | - |
| Closing fees | 29 | - |
| Interest paid | (3,424) | - |
| Net loan repayment | (26,835) | - |
| Balance at end of the year | \$ - | 10,000 |
| Less current portion | - | 10,000 |
| Balance end of the year: non-current portion | \$ - | - |

7.5. Spratt Debt

On March 31, 2018 the Company closed a long-term debt financing with Spratt Private Resource Lending (Collector LLC) (Spratt) of the Spratt Debt. Total funding available under the Spratt Debt was \$5 million. An initial amount of \$5 million was drawn on closing. On October 31, 2018 the Company drew down \$5 million and a further \$5 million was drawn on December 31, 2018. An initial payment of \$500,000 was payable at the time of each draw. Calculated on the amount of the draw, interest was payable monthly at an annual rate of 12% plus the 1-month LIBOR rate. At the end of the month, interest payable in cash and the balance accrued until the next draw. Thereafter, all interest was payable monthly on a cash basis. Principal plus accrued interest was payable in equal monthly installments. The Company's repayment of the Spratt Debt could be made at any time subject to a prepayment penalty of 1% if made prior to the second anniversary, 2% prior to the third anniversary and nil thereafter. The Spratt Debt was a first charge and secured all the assets of the Company.

The Company also entered into a production payment agreement with Spratt concurrent with the debt facility agreement. In connection with the third drawdown on December 31, 2018 the production payment was adjusted from a fixed rate of \$500,000 per ounce to be a variable rate calculated at 100% of the average monthly gold price, plus a floor of \$500,000 and a ceiling of \$1,000,000 per ounce for the gold price calculation. The change in the variable rate applicable to production payments was effective from December 31, 2018. The Company had the option to terminate the production payment agreement upon payment of a termination fee equal to the net present value of the remaining production payments discounted at 10%. The initial fair value of the production payment liability was \$1,000,000. The change of the production payment terms from a fixed to a variable rate was determined to be an extinguishment of the initial liability. The net present value of the production payment liability was re-measured using the same discount rate of 10% and the difference of \$1,000,000 was recognized as a loss in the statement of operations and comprehensive loss.

The production payment liability was accreted at the effective interest rate of 10% so that the balance outstanding equals the principal amount on maturity.

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In connection with the debt financing of the Company issued 10,000,000 common share warrants to Scotiabank at an exercise price of \$0.00 per common share. An amount of \$6,635 million was allocated to the warrants. The Company has the option to settle the warrants in cash at the time they are exercised.

The cash settlement amount was calculated as the excess of the market price of the common shares as of the date prior to the exercise date over the exercise price. The Company recorded these warrants in warrants reserve as the intention is not to settle in cash.

Transaction costs related to the Scotiabank facility comprise the issuance amount of warrants, initial production payment liability, legal expenses and other costs. Transaction costs were recognized as deferred charges and transferred to the debt balance in proportion to debt drawdowns.

The debt amount net of fees, issuance costs and production payments was accreted at the effective interest rate of 4.00% at the time of the initial draw and 4.00% at the time of the subsequent draws so that the balance outstanding would equal the principal amount on maturity. Accretion results in additional non-cash interest expense recorded for the duration of the Scotiabank facility.

On June 1, 2019, the Company repaid the Scotiabank facility including the production payment liability.

Movement in the Scotiabank facility is summarized as follows:

| | December 31, 2019 | December 31, 2018 |
|---|----------------------|----------------------|
| Balance at beginning of year | \$ 42,500 | - |
| Loan drawdown | 6,635 | - |
| Warrants issued | - | - |
| Production payment liability | - | - |
| Fees | (520) | - |
| Deferred financing fees | (2,455) | - |
| Accrued interest | 1,343 | - |
| Accretion | 971 | - |
| Exchange gain/loss | (819) | - |
| Loss on loan termination | 8,265 | - |
| Prepayment cancellation fees | 2,085 | - |
| Interest paid | (2,149) | - |
| Loan repayment | (55,856) | - |
| Balance at end of the year | \$ - | - |
| Less current portion | - | - |
| Balance end of the year: non-current portion | \$ - | - |

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Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

Movement in the production payment liability is summarized as follows:

| | December 31, 2019 | December 2018 |
|---|----------------------|---------------|
| Balance at beginning of year | \$ 5,250 | - |
| Initial production payment liability | - | (1,000) |
| Production payments made | (166) | - |
| Recalculation gain/loss | 1,110 | - |
| Exchange gain/loss | (21) | - |
| Loss on loan termination | 77 | - |
| Repayment of production payment liability | (6,250) | - |
| Balance at end of the year | \$ - | (1,000) |
| Less current portion | - | (1,000) |
| Balance end of the year: non-current portion | \$ - | - |

8. DERIVATIVE FINANCIAL INSTRUMENTS

Concurrent with and as required under the 2018 Debt Facilities, the Company entered into a Gold Hedging Program on approximately 100,000 ounces of future production zero cost collar swaps were used for approximately 100,000 ounces spread over the years 2018 to 2020. The balance of the hedges is structured as gold swaps maturing in the first half of 2020. The Company has elected not to designate the cash flow hedges or hedge accounting under IFRS. These derivative financial instruments are recorded at fair value in the external broker/dealer quotations based on their option pricing models that utilize a variety of inputs that are a combination of quoted prices and market corroborated inputs. These valuations are intended to closely match the cost or benefit that would be incurred to unwind the hedge positions. The Company recognizes the mark-to-market adjustments in its statements of operations and comprehensive loss as changes in unrealized derivative instrument gains/losses and on its statements of financial position as derivative instrument assets/liabilities as appropriate. The Company presents the fair value of call and call options on a net basis on the Statements of Financial Position.

| Derivative instruments outstanding | Quantity outstanding | Maturity dates | Strike Price (US\$/oz) | December 31, 2019 | |
|------------------------------------|----------------------|----------------------------------|------------------------|-----------------------------------|---------------------------------|
| | | | | Fair value asset (liability) US\$ | Fair value asset (liability) \$ |
| Gold call options | 100,000 | 01 January 2020 to December 2020 | 1,100 | (1,100) | (1,100) |
| Gold put options | 100,000 | 01 January 2020 to December 2020 | 1,100 | - | - |
| Gold call options | 100,000 | 01 January 2020 to December 2020 | 1,100 | (1,100) | (1,100) |
| Gold put options | 100,000 | 01 January 2020 to December 2020 | 1,100 | - | - |
| Gold call options | 100,000 | 01 January 2020 to December 2020 | 1,100 | (1,100) | (1,100) |
| Gold put options | 100,000 | 01 January 2020 to December 2020 | 1,100 | - | - |
| Gold call options | 100,000 | 01 January 2020 to December 2020 | 1,100 | (1,100) | (1,100) |
| Gold put options | 100,000 | 01 January 2020 to December 2020 | 1,100 | - | - |
| | | | | (13,615) | \$ (17,684) |

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| Derivative instruments outstanding | Quantity outstanding | Maturity dates | Strike Price (US\$/oz) | Fair value asset (liability) US\$ | December 31, 2019 |
|------------------------------------|----------------------|-------------------------------------|------------------------|-----------------------------------|---------------------------------|
| | | | | | Fair value asset (liability) \$ |
| Gold swap | 100,000 | 01 January 2020 to 31 December 2020 | 1,254 | (1,254) | (1,629) |
| | | | | | December 31, 2019 |
| Total net fair value liability | | | | | \$ (1,629) |
| Less current portion | | | | | 0 |
| Non-current portion | | | | | \$ (1,629) |

9. FLOW-THROUGH SHARE PREMIUM

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The rollover is a continuing schedule of the liability portion of the flow-through issuances.

| | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|
| Balance at beginning of year | \$ 1,702 | 0 |
| Settlement of liability through redemption | (1,702) | 0 |
| Liability incurred on flow-through shares issued | 920 | 0 |
| Balance at end of the year | \$ 920 | 0 |

On October 31, 2019, the Company completed a private placement of 100,000 flow-through common shares at a price of \$12.54 per share for gross proceeds of \$1,254 million. Flow-through share premium of \$920 million was recorded on this financing as of December 31, 2019. All success fees had been settled and the liability was settled through redemption in the first three months of 2020.

On October 31, 2018, the Company completed a private placement of 100,000 flow-through common shares at a price of \$17.02 per share for gross proceeds of \$1,702 million. Flow-through share premium of \$1,702 million was recorded on this financing as of December 31, 2018. All success fees had been settled.

10. ENVIRONMENTAL REHABILITATION PROVISION

Pursuant to the Spar One Mine closure plan, the Closure Plan, the Company is obligated to rehabilitate the Spar One site. The cost of site rehabilitation work has increased to \$4.8 million in 2019 on a pro rata increase in the permitted mining rate to 100 tonnes per day in the present value of the estimated future costs discounted at a rate of 10% per annum. The balance is accreted over the life of the mine.

| | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|
| Balance at beginning of year | \$ 4,784 | 0 |
| Rehabilitation liability arising during the period | 162 | 0 |
| Accretion | 150 | 0 |
| Balance at end of the year | \$ 5,096 | 0 |

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The provision is based upon the following estimates and assumptions:
a) Total estimated undiscounted future reclamation cost is \$ million
b) Total inflated future reclamation cost is \$ million using an annual inflation rate of %
c) Reclamation cost expected to be incurred in years

11. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value.

The issued and outstanding common shares are as follows:

| | Capital stock | |
|--|--------------------|-------------------|
| | # | \$ |
| Balance at December 31, 2017 | 549,807,654 | \$ 118,105 |
| Private Placement units and shares | | |
| Private Placement of 100,000 units (note 10) | | |
| 100,000 premium (note 10) | | |
| Probert acquisitions | | |
| Share issuance costs | | |
| Stock options exercised (note 10) | | |
| Warrants exercised (note 10) | | |
| Balance at December 31, 2018 | 599,739,453 | \$ 136,818 |
| Special shares (note 10) | | |
| Private Placements | | |
| 100,000 premium (note 10) | | |
| Probert acquisitions | | |
| Share issuance costs (note 10 and 11) | | |
| Stock options exercised (note 10) | | |
| Balance at December 31, 2019 | 676,957,230 | \$ 155,058 |

On January 2019 Harte Gold completed the final closing of a private placement of common shares at a price of \$ per share for proceeds of \$ million.

On December 2018 Harte Gold completed a private placement of common shares at a price of \$ per share for proceeds of \$ million.

On June 2018 the Company entered into a Subscription Agreement with Sprott for the purchase of \$ million Special Shares. The investment closed on June 2018. The Special Shares were convertible into common shares at \$ per common share two weeks from the later of the date of shareholder approval and the date the Sprott Debt was paid in full and the date the Sprott Debt was paid in full or the date of conversion of the common shares of the Company upon conversion. Shareholder approval was required prior to such conversion. The shareholders of the Company approved the conversion on June 2018 and the Special Shares were converted to common shares on June 2018.

Pursuant to the Subscription Agreement between Sprott and the Company and as consideration for a standstill commitment from Sprott to provide up to an additional \$ million in royalty financing available at the Company's option the Sprott Standstill Commitment and the extension of the date on the outstanding bridge loan facility with Sprott to coincide with the closing of the Debt facilities of the Company also issued to Sprott common share purchase warrants that are exercisable at \$ per Common Share for a period of 12 years from closing. The warrants were valued at \$ million and allocated to share issuance cost.

Under the terms of the Subscription Agreement the parties agreed to a standstill provision pursuant to which Sprott has agreed not to acquire securities of the Company in excess of 10% for a period ending on the earlier of 12 months from

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the date of the Subscription Agreement and if the date on which Canadian Golds less than 10% of the Common Shares on a partial diluted basis. The standstill provision will also cease to apply under certain circumstances set out in the Subscription Agreement including non-compliance with certain provisions of the Subscription Agreement.

On August 1, 2017, the Company announced the entering into of a settlement agreement among the Company, each of the directors of the Company and Canadian Life Settlement Agreement that superseded certain provisions of the Subscription Agreement under the terms of the Settlement Agreement and pursuant to Canadian's participation rights in respect of certain prior option issuances. The Company issued to Canadian 1,000,000 warrants to purchase common shares of the Company at an exercise price of \$0.21 per common share. In addition, on August 1, 2017, the warrants were valued at \$1 million and allocated to stock-based compensation expense.

12. STOCK BASED COMPENSATION

The Company historically has had a stock option plan to provide additional incentives to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. In addition, the Company also established a Deferred Share Unit Plan (DSU) for directors and a Restricted Share Unit Plan (RSU) for officers and employees. The DSU and RSU plans are subject to shareholder approval. No shares shall be issued until the Company receives shareholder approval of the RSU and DSU plans. Shareholders will approve the plans at the Company's annual general meeting in one of the following ways: a resolution of the Company approves the DSUs and RSUs at each period reporting date since the market value of common shares. Once the date of grant under the RSU has been established, the Company will revise the earlier estimate so that the amounts recognized for services received in respect of the grant are based on the grant date fair value of the DSUs and RSUs.

The number of shares reserved for issuance under the Company's stock option, DSU and RSU plans in aggregate is not to exceed 10% of the issued and outstanding common shares from time to time. At December 31, 2019, the Company had 1,000,000 DSUs, 1,000,000 RSUs and 1,000,000 common shares available for granting of stock options, DSUs and RSUs not outstanding in the foregoing in its 2017 subscription agreement with Canadian. The Company agreed to limit the number of new stock based compensation grants in an 18-month period to 10% and in an 18-month period to 10% of the outstanding common shares at the beginning of each period.

Stock Options

The following table provides information regarding stock options outstanding:

| | Number of options # | Weighted average exercise price \$ |
|---|---------------------------|---|
| Balance at December 31, 2017 | 32,850,000 | 0.21 |
| Granted | 1,000,000 | 0.21 |
| Exercised | (1,000,000) | 0.21 |
| Cancelled | (1,000,000) | 0.21 |
| Balance at December 31, 2018 | 45,690,000 | 0.31 |
| Granted | 1,000,000 | 0.21 |
| Exercised | (1,000,000) | 0.21 |
| Cancelled | (1,000,000) | 0.21 |
| Expired | (1,000,000) | 0.21 |
| Balance at December 31, 2019 | 53,774,605 | 0.32 |
| Exercisable at the end of the period | | |
| December 31, 2019 | 1,000,000 | 0.21 |
| December 31, 2018 | 1,000,000 | 0.21 |

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Generally stock options granted to December 31, 2019 vested on the date of grant or were determined by the compensation committee of the Board of Directors.

The weighted average share price on the date of exercise was \$0.35.

The following table provides additional information regarding stock options outstanding at December 31, 2019.

| Exercise price range | Awards outstanding | | | Awards exercisable | | |
|----------------------|---------------------|----------------------------------|------------------------------------|---------------------|----------------------------------|------------------------------------|
| | Number of options # | Remaining contractual life Years | Weighted average exercise price \$ | Number of options # | Remaining contractual life Years | Weighted average exercise price \$ |
| \$0.00 - \$0.05 | 1,000,000 | 1.0 | \$0.05 | 1,000,000 | 1.0 | \$0.05 |
| \$0.05 - \$0.10 | 1,000,000 | 1.0 | \$0.10 | 1,000,000 | 1.0 | \$0.10 |
| \$0.10 - \$0.15 | 1,000,000 | 1.0 | \$0.15 | 1,000,000 | 1.0 | \$0.15 |
| \$0.15 - \$0.20 | 1,000,000 | 1.0 | \$0.20 | 1,000,000 | 1.0 | \$0.20 |
| \$0.20 - \$0.25 | 1,000,000 | 1.0 | \$0.25 | 1,000,000 | 1.0 | \$0.25 |
| | 53,774,605 | 2.93 | 0.33 | 45,282,500 | 2.62 | 0.35 |

The weighted average fair value of the stock options issued during the year ended December 31, 2019 was \$0.35 per option and was estimated using the Black-Scholes valuation model using the following assumptions:

| | December 31, 2019 | December 31, 2018 |
|-------------------------|-------------------|-------------------|
| Expected life | 1 years | 1 years |
| Expected volatility | 20% | 20% |
| Risk-free interest rate | 1% | 1% |
| Expected dividend yield | 0% | 0% |

Certain options were granted to consultants during the year in the absence of a reliable measure of the services received. The services have been measured at the fair value of the options issued to consultants.

On June 1, 2019, the Company entered into a service agreement with Maximus Metals Corp. ("Maximos"). Maximos provided technical data in respect to the Silver Cone project. Upon receiving the technical data, the Company issued 1,000,000 options to Maximos on June 1, 2019. The options have a term of five years and an exercise price of \$0.35 per common share. Such options will vest and become exercisable upon satisfaction of the following conditions:

- 1,000,000 options vest immediately upon the Company receiving the technical data;
- 1,000,000 options will vest upon the discovery of economic mineralization on one or more Maximos targets; and
- 1,000,000 options will vest upon preparation of an elected resource report outlining resources totaling at least 100,000 ounces of equivalent gold.

The Company also granted Maximos a bonus option grant under certain circumstances (see note 10).

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Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

Deferred Share Units

The following table reflects the continuation of DSUs for the year ended December 31, 2019

| | Number of DSUs # | Expense recognized \$ |
|-------------------------------------|------------------------|-----------------------------|
| Balance at December 31, 2018 | - | - |
| Granted | 5,000,000 | 750 |
| Balance at December 31, 2019 | 5,000,000 | 750 |

On December 1, 2019, the directors of the Company were granted 5 million DSUs on December 1, 2019 at \$0.15 per share and vest immediately upon exercise of the Company may at its discretion issue cash shares or a combination thereof. It is the Company's intention to settle in shares and the Company has not settled any DSUs in cash to date. The DSU related expense was included in the statement of operations and comprehensive loss and was calculated as the December 31, 2019 market value of common shares of \$0.15 per DSU. Total expense of \$750.

Restricted Share Units

The following table reflects the continuation of RSUs for the year ended December 31, 2019

| | Number of RSUs # | Expense recognized \$ |
|-------------------------------------|------------------------|-----------------------------|
| Balance at December 31, 2018 | - | - |
| Granted | 3,750,000 | 23 |
| Balance at December 31, 2019 | 3,750,000 | 23 |

Certain officers of the Company were granted 3,750,000 RSUs on December 1, 2019 at an exercise price of \$0.06 per share. The Company may at its discretion issue cash shares or a combination thereof. It is the Company's intention to settle in shares and the Company has not settled any RSUs in cash to date. The RSUs that were granted in 2019 have a 1 year vesting period. The RSUs expense was included as an expense in the statement of operations and comprehensive loss over the vesting period as the December 31, 2019 market value of common shares of \$0.06 per RSU. Total expense of \$23.

13. WARRANTS

As at December 31, 2019 there were 26,581,707 December 31, 2019 warrants to purchase common shares outstanding. Warrants expire as follows:

| | Number of warrants # |
|-------------------------------------|----------------------------|
| Balance at December 31, 2017 | 22,064,853 |
| Issued | 4,000,000 |
| Expired | (1,000,000) |
| Exercised | (400,000) |
| Balance at December 31, 2018 | 16,118,319 |
| Issued | 10,463,388 |
| Balance at December 31, 2019 | 26,581,707 |

The weighted average share price on the date of exercise in 2019 was \$0.15

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In 2018, 1,000,000 warrants were issued as part of the Canadian Debt (see note 10) and 1,000,000 warrants were issued as part of the Sprott Debt (see note 11). The remaining 1,000,000 warrants were issued as part of the Series A on the 10% common share issue that closed on October 31, 2018.

On June 1, 2018, 1,000,000 warrants valued at \$1 million were issued to Canadian as part of the Special Share Subscription Agreement. On August 1, 2018, a further 1,000,000 warrants valued at \$1 million were issued to Canadian as part of the Settlement Agreement.

In connection with the 10% common share issue that closed on October 31, 2018, 1,000,000 warrants valued at \$1 million were issued to the brokers and 1,000,000 warrants valued at \$1 million were issued to Canadian.

The value of warrants issued were determined using the Black-Scholes option pricing method with the following assumptions:

| | December 31, 2019 | December 2018 |
|---|-------------------|---------------|
| Expected life in years | 0.50 years | 0.50 years |
| Volatility based on historical volatility | 0.30 | 0.30 |
| Risk-free interest rate | 0.01 | 0.01 |
| Dividend yield | 0.00 | 0.00 |

The expiry dates of warrants outstanding as of December 31, 2019 are as follows:

| Expiry date | Number of warrants outstanding | Exercise price | Remaining contractual life (years) |
|-------------|--------------------------------|----------------|------------------------------------|
| April 2020 | 1,000,000 | \$0.42 | 0.50 |
| May 2020 | 1,000,000 | \$0.42 | 0.50 |
| April 2021 | 1,000,000 | \$0.42 | 0.75 |
| April 2022 | 1,000,000 | \$0.42 | 1.00 |
| August 2022 | 1,000,000 | \$0.42 | 1.25 |
| May 2023 | 1,000,000 | \$0.42 | 1.50 |
| May 2024 | 1,000,000 | \$0.42 | 1.75 |
| May 2025 | 1,000,000 | \$0.42 | 2.00 |
| June 2025 | 1,000,000 | \$0.42 | 2.25 |
| | 26,581,707 | \$ 0.42 | 3.35 |

14. REVENUES

| | December 31, 2019 | December 2018 |
|-----------------------------------|-------------------|---------------|
| Gold and silver sales | \$ 50,969 | \$ - |
| Less treatment and refining costs | (1,214) | - |
| | \$ 49,755 | \$ - |

The Company is principally engaged in the business of producing and selling gold in form of gold doré and gold concentrate. Revenue from silver sale was immaterial in the year ended December 31, 2019.

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15. PRODUCTION COSTS

| | December 31, 2019 | December 2018 |
|-------------------------|----------------------|---------------|
| Minimum costs | \$ 21,281 | - |
| Millin costs | 10,664 | - |
| Site indirect costs | 13,640 | - |
| Total costs | 45,585 | - |
| Inventoried | 1,175 | - |
| Production costs | \$ 46,760 | - |

16. GENERAL AND ADMINISTRATIVE EXPENSES

| | December 31, 2019 | December 2018 |
|--------------------------------------|----------------------|---------------|
| Share-based payments notes | \$ 4,899 | - |
| Management and consulting fees | 1,463 | - |
| Salaries benefits and directors fees | 1,009 | - |
| Severance pay | 900 | - |
| Legal fees | 794 | - |
| Office and general | 550 | - |
| Shareholders information | 317 | - |
| Travel accommodations | 210 | - |
| Depreciation | 24 | - |
| | \$ 10,166 | - |

17. INCOME TAXES

Provision for income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

| | December 31, 2019 | December 2018 |
|---|----------------------|---------------|
| Income loss before income taxes | \$ (61,581) | - |
| Combined federal and provincial tax rate | 25.00% | - |
| Expected recovery at statutory rates | (15,395) | - |
| Non-deductible amounts | 686 | - |
| Renunciation of tax attributes with respect to shares | 1,196 | - |
| Prior year over under-provision | 4,140 | - |
| Change in tax benefit not recognized | 7,641 | - |
| Other | 1,732 | - |
| Deferred income tax expense (income) | \$ - | - |

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Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

Deferred tax balances

Management believes that it is not probable that sufficient taxable profit will be available in future years to allow the benefit of the rollover in deferred tax assets to be utilized.

| | December 31, 2019 | December 2018 |
|--|-------------------|---------------|
| Resource properties | 19,939 | 10,000 |
| Non-capital loss carryforwards | 13,426 | 10,000 |
| Proportional and exemption | (3,973) | 10,000 |
| Share issue costs and other | 1,307 | 1,000 |
| Other deductible temporary differences | (4,292) | 0 |
| | \$ 26,407 | 31,000 |

Tax loss carry-forwards

The Company has accumulated non-capital losses of \$10 million which may be deducted in the calculation of taxable income in future years. The losses expire as follows:

| Year of expiry | Amount expiring \$ |
|----------------|-----------------------|
| 2019-2020 | 10,000 |
| 2020-2021 | 10,000 |
| 2021 | 10,000 |
| 2022 | 10,000 |
| | 53,703 |

18. LOSS PER SHARE

| | December 31, 2019 | December 2018 |
|---|-------------------|---------------|
| Loss attributable to common shareholders | (\$61,581) | 10,000,000 |
| Weighted average shares outstanding - basic and fully diluted | 631,193,264 | 10,000,000 |
| Loss per share - basic and fully diluted | \$ (0.098) | 10,000,000 |

The Company excluded the effect of the stock options and warrants in the determination of diluted loss per share as their impact would have been anti-dilutive.

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

19. RELATED PARTY TRANSACTIONS

The corporations related to Harte Gold during 2019 and 2018 was Global Atomic Corporation ("GAC") and RR Investments ("RI"). RI is a related party since one or more directors/officers and consultants were associated with the Company in the same capacity. RI is a related party as a result of its 100% ownership interest in Harte Gold's shares at December 31, 2019 and 2018. RI is related to a joint venture directors to the Company's board. The Company has entered into several related party transactions with RI as further described in notes 1 and 2.

| For year ended December 31, 2019 | Amount charged by (to) | Due (to) from |
|---|-------------------------------|----------------------|
| Global Atomic Corporation | \$ 226 | \$ (67) |

For year ended December 31, 2018

| | | |
|---------------------------|---|---|
| Global Atomic Corporation | - | - |
|---------------------------|---|---|

Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. These are settled on a regular basis. Transactions with related parties were in the normal course of operations and were measured at the exchange amount. The transactions relate to certain head office costs such as supplies and rent that are incurred by one entity on behalf of the other.

For the years ended December 31, 2019 and 2018, the Company paid key management personnel (including officers, directors or their related entities) for consulting services and/or management services as follows:

| | December 31, 2019 | December 31, 2018 |
|---|--------------------------|--------------------------|
| Management consulting and director fees | \$ 1,935 | - |
| Consulting fees included in exploration and evaluation expenditures | - | - |
| Stock based compensation | - | - |
| Reimbursed to the Statement of Operations and Comprehensive Loss | 3,211 | - |
| | \$ 5,146 | \$ - |

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

20. FINANCIAL INSTRUMENTS

The Company's financial assets and financial liabilities as at December 31, 2019 and 2018 were classified as follows:

| December 31, 2019 | Level | Amortized cost | FVTPL |
|--|-------|----------------|-------|
| Financial assets | | | |
| Cash and cash equivalents | 1 | 1,000 | 0 |
| Receivables including GST receivable | 1 | 1,000 | 0 |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | 1 | 1,000 | 0 |
| Short-term debt | 1 | 1,000 | 0 |
| Long-term debt | 1 | 1,000 | 0 |
| Derivative financial instruments | 1 | 0 | 1,000 |

| December 31, 2018 | Level | Amortized cost | FVTPL |
|--|-------|----------------|-------|
| Financial assets | | | |
| Cash and cash equivalents | 1 | 1,000 | 0 |
| Restricted cash | 1 | 100 | 0 |
| Receivables including GST receivable | 1 | 100 | 0 |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | 1 | 1,000 | 0 |
| Short-term debt | 1 | 1,000 | 0 |
| Long-term debt | 1 | 1,000 | 0 |
| Production payment liability | 1 | 100 | 0 |

The fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature in the face of uncertainties and are a matter of significant judgment.

The estimated fair value of cash and cash equivalents, receivables including GST receivable, restricted cash and accounts payable and accrued liabilities approximate their carrying values due to the short nature of these financial instruments. The fair values of the Company's short-term and long-term debt also approximate their carrying value due to the fact that the effective interest rate is not significantly different from market rates.

The Company's risk exposure and impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of the Company's financial assets represent the maximum credit risk exposure.

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

The Company is not exposed to an significant credit risk on its financial assets. Cash and cash equivalents are been deposited with strong or high credit quality Canadian chartered banks. Accounts receivable are owed to the Company by a limited number of counterparties. Each of the Company believes to be financially strong. The Company has concluded that there is no material credit losses in respect of these customers.

b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets or alternative forms of financing such as debt is hindered, either or not as a result of a downturn in debt and/or equity market conditions generally or related to matters specific to the Company. The Company has historically generated cash flow primarily from its financing activities.

As at December 31, 2019, the Company had cash and cash equivalents of \$10.0 million. December 31, 2018, \$10.0 million to settle accounts payable and accrued liabilities of \$10.0 million. December 31, 2019, \$10.0 million that are considered short-term and expected to be settled within 12 to 18 months. Additionally, the Company is obligated as of December 31, 2019, to pay interest and principal on the \$10.0 Debt facilities during 2020. Management liquidity risk will be dependent on the success of its mining activities as well as the Company's on-going ability to raise additional funds through debt or equity issues (see note 10).

c) Market risk

(i) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the \$10.0 Debt facilities. The Company bears interest based on the three month US dollar LIBOR rates. As a result, the Company is subject to a medium level of interest rate risk. All other financial assets and liabilities are non-interest bearing or bear interest at fixed rates. An increase/decrease in the LIBOR rate could cause increased/decreased the interest paid of \$10.0 million.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk in respect to monetary items not denominated in Canadian dollars. The Company has exposure to currency risk on its operations as gold prices are denominated in US dollars. While operating expenses are incurred in Canadian dollars, additionally, the Company has debt outstanding that is denominated in US dollars. In respect of its exposure on debt outstanding, a 1% increase or decrease in the Canadian dollar exchange rate could cause a \$10.0 million impact on its outstanding debt balance.

(iii) Commodity price risk:

Gold prices are fluctuated widely in recent years and there is no assurance that a profitable market will exist for gold produced by the Company. In 2019, significant to the \$10.0 Debt facilities, the Company entered into a gold hedge program on approximately 100,000 ounces of future production. Zero cost collars were used for approximately 100,000 ounces spread over the years 2019 through 2022. The balance of the hedge is structured as gold swap maturing in the first half of 2020. The floor price of the gold collars has been set at US \$1,200 per ounce with a cap price of US \$1,400 per ounce. The ceiling price of the collars ran from US \$1,200 per ounce to US \$1,400 per ounce.

21. CAPITAL MANAGEMENT

The Company's objective is to manage its capital to ensure it is able to safeguard the Company's ability to continue operations in order to pursue the development of its mineral properties and provide returns for shareholders and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company considers its levels of debt and shareholders' equity in its management of capital as well as its existing cash position.

The Company defines capital as total equity less debt. Total equity is comprised of share capital, reserves and accumulated deficit. The Company manages the capital structure and makes adjustments to it in light of changes in

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments.

To facilitate the management of its capital requirements, the Company prepares forecasts or expenditure budgets for its activities that are used to monitor performance variances to plan. It will result in adjustments to capital development subject to various factors and industry conditions.

The Company is not subject to an external imposed capital requirements limit or restriction on the use of capital. In order to maximize ongoing development efforts, the Company does not pay out dividends at this time.

The Company's investment policy is to invest its cash in liquid, short-term interest-bearing investments with maturities of less than a year from the original date of acquisition. Selected items related to the expected timing of expenditures from operations.

The Company expects that additional capital will be required to support its operations and the Company is currently evaluating financing alternatives.

| | December 31, December 31, 2019 | 2018 |
|--------|--------------------------------|----------|
| Equity | \$ (18,173) | \$ 1,000 |
| Debt | 89,983 | \$ 1,000 |
| | \$ 71,810 | \$ 1,000 |

22. COMMITMENTS

The Company has a commitment under a site access agreement to pay \$100,000 and per annum subject to a commodity market of \$100 million.

In connection with the issuance of 10,000,000 shares and the related renunciation of exploration and development expenditures, the Company commits to spend \$100 million on eligible exploration and development expenditures (see note 10).

Under the terms of the Matmos agreement (see note 10), Matmos is entitled to a 10% grant of 100 million options priced at market at the time and over a term of 10 years. Such 10% grant is conditional on an economic report on one of the Matmos targets within a 12-month period that has an in situ discounted net smelter return value in excess of \$100 million.

The Company has entered into an Impact Benefits Agreement (IBA) with the local First Nation, the local First Nation in connection with the Company's Sugar Cone Project. The Sugar Cone Project is located within the exclusive traditional territory of the local First Nation. The IBA applies to all mines that may be developed on the Sugar Cone Project and provides the framework within which the local First Nation and the Company will continue to work together during the production phase of the Sugar Cone Mine. Key IBA terms include a 10% Net Profits Interest (NPI) based on the World Gold Council definition of all in-situ, sustainably cost metrics subject to a minimum amount of \$100 million per annum. An implementation payment of \$100 million per annum on April 1 of the year immediately after the Company receives approval of its closure plan and stock options to purchase 10,000,000 common shares of the Company at a price of \$100 per share for a period of 10 years issued.

On March 1, 2019, the Company entered into a service agreement with Redat Canada Ltd to perform underground mine development and tramming at the Sugar Cone Mine. The contract is for a period of 12 months, commencing at December 31, 2019. The Company has a commitment to pay \$100 million to Redat to complete the project. The agreement expires on March 31, 2020.

On April 1, 2019, the Company entered into a service agreement with Coraco Canada Ltd to perform long-hole drilling and blasting services. The Company is contracted to pay \$100 million over the 12-month contract term, commencing at December 31, 2019. The Company has a commitment to pay \$100 million to Coraco to complete the project.

Harte Gold Corp.

Notes to Financial Statements at December 31, 2019 and 2018 (Expressed in thousands of Canadian dollars)

23. SUBSEQUENT EVENTS

Placement of flow-through common shares

On March 1, 2020 and March 2, 2020 the Company completed a raised brokered placement of 10,000,000 and 10,000,000 flow-through common shares respectively at a price of \$0.05 per share for gross proceeds of \$5 million. In connection with this flow-through common share issue the Company has committed to incur a minimum \$1 million Canadian development expenses prior to June 30, 2020.

COVID-19 outbreak:

Due to the global outbreak of the coronavirus disease (COVID-19) the Company's risk profile has increased significantly. Notable to the following is a potential curtailment or total shut down of operations, government potential loss of contractor manpower to site, potential of a Harte Gold employee falling ill and causing a disruption to site, the ability to procure and transport critical supplies and parts to site, cancellation of domestic flights causing mobility issues for site rotations and the ability to continue operating a remote camp while maintaining self-isolation policies. As a result of these events were triggered the result could be a complete shutdown of the Spar One Mine for an undetermined period. To minimize this risk the following actions have been taken: a policy has been instituted restricting employees to work from home where practical, preliminary screenings at site and employees or contractors showing potential signs of COVID-19 will be placed into self-isolation, special arrangements at the camp have been implemented to maximize social distancing and tracking of employee travel is under constant review. The Company is treating the threat of a COVID-19 outbreak as a serious risk. Care and maintenance plan has been prepared and could be executed in the event of an outbreak at site. The Company has entered into a cash reservation mode, all non-critical expenditures have been deferred for the foreseeable future. Mine development critical to the overall growth of the Company will continue.

EXHIBIT “E”

EXHIBIT "E"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julia Galloway

A Commissioner for Taking Affidavits



Financial Statements

For the year ended December 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying audited statements of financial position of Harte Gold Corp. (the "Company") at December 31, 2020 and 2019 and the related statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2020 and 2019 were prepared by management in accordance with International Financial Reporting Standards. The management of the Company is responsible for the preparation and presentation of the audited annual financial statements, including responsibility for significant judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The management of the Company has developed and maintains a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized and financial information is reliable. Any system of internal control over financial reporting has inherent limitations, including the possibility of circumvention and overriding of controls, and therefore, can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Board of Directors oversees management's responsibility for financial reporting and internal control systems with the assistance of its Audit Committee. The Audit Committee is appointed by the Board of Directors and all of its members are directors who are not officers or employees of the Company. The Audit Committee meets periodically to review financial reports and to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee reviews the Company's annual financial statements and recommends their approval to the Board of Directors.

The financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the shareholders. Their report follows.

"Frazer Bourchier"

Frazer Bourchier
President & CEO

"Graham du Preez"

Graham du Preez
EVP & CFO

March 24, 2021



KPMG LLP
Bay Adelaide Centre
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Harte Gold Corp

Opinion

We have audited the financial statements of Harte Gold Corp (the Entity), which comprise:

- the statements of financial position as at December 31, 2020 and December 31, 2019
- the statements of operations and comprehensive loss for the years then ended
- the statements of changes in shareholders' equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company's ability to continue as a going concern is dependent on the successful operation of its one mining property, the Sugar Zone Mine, its ability to manage its working capital deficiency, the closing of the proposed refinancing with BNP, and access to additional external funding, if required.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that material uncertainties exist that cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Material Uncertainty related to Going Concern" section of the auditors' report, we have determined the matters described below to be the key audit matters to be communicated in our auditors' report.

Accounting and valuation of the Appian Debt Facility

Description of the matter

We draw attention to Notes 3.viii, 10.2 and 11.2 in the financial statements. On July 14, 2020, the Entity entered into a financing agreement with an affiliate of a major shareholder, ANR Investments B.V. ("Appian") to provide up to US\$28 million in funding ("the Appian Debt Facility"). The Appian Debt Facility was structured in two tranches. The first tranche was completed on July 14, 2020 through the issuance of 9.5 million Series B special share for gross proceeds of US \$9.5 million. The second tranche of US \$18.5 million was drawn on August 28, 2020, upon closing of the facility. The Entity determined that the Appian Debt Facility is a hybrid financial instrument containing debt, derivative and equity instruments. Judgement is involved in assessing the fair value of the individual components of a hybrid financial instrument. The main assumptions of the derivative include the estimated future common share price and estimated future USD/CAD exchange rate.

Why the matter is a key audit matter

We identified the accounting and valuation of the Appian Debt Facility as a key audit matter. The accounting for the Appian Debt Facility was complex as it required the Entity to assess whether it was a hybrid financial liability instrument. The valuation of the derivative required estimation of the Entity's future share price and the future USD/CAD exchange rate. This indicated a significant risk of a material misstatement and significant auditor judgment was required in evaluating the results of our audit procedures.



How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the Entity's application of the requirements in the relevant accounting standards for accounting of the Appian Debt Facility.

We involved valuations professionals with specialized skills and knowledge, who assisted in:

- Assessing the appropriateness of the methodology used by the Entity to determine the fair value of the derivative by reading the Appian Debt Facility agreement
- Evaluating the appropriateness of the future share price and the future USD/CAD exchange rate by comparing to third-party data.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Lee Hodgkinson.
Toronto, Canada
March 24, 2021



STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

| | Notes | December 31 2020 | December 31 2019 |
|---|-------|---------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 8,248 | \$ 2,096 |
| Receivables | 5 | 4,229 | 4,281 |
| Inventories | 6 | 7,889 | 2,775 |
| Prepays | | 1,064 | 735 |
| | | 21,430 | 9,887 |
| Long term assets | | | |
| Restricted cash | 7 | 1,324 | - |
| Property, plant and equipment | 8 | 130,606 | 112,882 |
| | | \$ 153,360 | \$ 122,769 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 9 | \$ 14,727 | \$ 25,630 |
| Current portion of debt | 10 | 26,427 | 8,911 |
| Current portion of derivative financial instruments | 11 | 15,511 | 3,947 |
| Flow-through share premium | 12 | 6,344 | 920 |
| | | 63,009 | 39,408 |
| Long term liabilities | | | |
| Debt | 10 | 92,144 | 81,072 |
| Derivative financial instruments | 11 | 30,011 | 15,366 |
| Environmental rehabilitation provision | 13 | 5,296 | 5,096 |
| | | 190,460 | 140,942 |
| Shareholders' equity | | | |
| Capital stock | 14 | 174,746 | 155,058 |
| Warrants | 15 | 6,340 | 5,620 |
| Contributed surplus | 16 | 18,879 | 18,035 |
| Deficit | | (237,065) | (196,886) |
| | | (37,100) | (18,173) |
| | | \$ 153,360 | \$ 122,769 |

Going concern – note 1

Commitments – note 25

Subsequent events – note 26

The accompanying notes are an integral part of these financial statements

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands of Canadian dollars except share and per share amounts)

| | | December 31 | | Year ended December 31 |
|--|-------|--------------------|-----------|---------------------------|
| | Notes | 2020 | | 2019 |
| Mine operations | | | | |
| Revenues | 17 | \$ 53,501 | \$ | 49,755 |
| Production costs | | (33,032) | | (46,760) |
| Royalties and selling expenses | | (2,430) | | (1,498) |
| Depreciation and depletion | | (10,993) | | (15,499) |
| Earnings/(loss) from mine operations | | 7,046 | | (14,002) |
| Other expenses | | | | |
| Care and maintenance | 18 | 6,119 | | - |
| General and administrative | 19 | 10,119 | | 10,166 |
| Exploration and evaluation | | 1,170 | | 5,874 |
| Operating loss | | (10,362) | | (30,042) |
| Finance expenses/(income) & other | | | | |
| Flow-through share premium | 12 | (4,448) | | (1,702) |
| Loss on loan modification/termination | 10 | 385 | | 10,427 |
| Loss on production payment liability | 10 | - | | 1,110 |
| Gain on sale of royalty | 8 | (622) | | (3,711) |
| Interest & accretion expense | | 8,991 | | 10,072 |
| Foreign exchange (gain)/loss | | (4,484) | | (3,931) |
| Change in the fair value of derivative financial instruments | 11 | 21,069 | | 19,313 |
| Settlement of gold derivatives | 11 | 8,934 | | - |
| Other expense/(income) | | (8) | | (39) |
| | | 29,817 | | 31,539 |
| Net loss before income taxes | | (40,179) | | (61,581) |
| Income taxes | 20 | - | | - |
| Net loss and comprehensive loss | | \$ (40,179) | \$ | (61,581) |
| Net loss per share - basic and fully diluted | 21 | \$ (0.049) | \$ | (0.098) |
| Weighted average number of shares outstanding | | | | |
| - Basic and diluted | 21 | 821,234,351 | | 631,193,264 |

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars)

| | Notes | Capital Stock | Warrants | Contributed surplus | Deficit | Total shareholders' equity |
|-----------------------------------|-------|-------------------|-----------------|------------------------|---------------------|----------------------------------|
| December 31, 2018 | | \$ 136,818 | \$ 4,195 | \$ 13,855 | \$ (135,305) | \$ 19,563 |
| Issued as a result of: | | | | | | |
| Special shares | 14 | 13,278 | - | - | - | 13,278 |
| Private placement, net | 14 | 5,980 | - | - | - | 5,980 |
| Property acquisitions | | 28 | - | - | - | 28 |
| Share issuance costs | 14 | (1,830) | - | - | - | (1,830) |
| Share based compensation | 16 | - | - | 4,447 | - | 4,447 |
| Warrants issued | 15 | - | 1,425 | - | - | 1,425 |
| Stock options exercised | 16 | 784 | - | (267) | - | 517 |
| Net loss for the year | | - | - | - | (61,581) | (61,581) |
| December 31, 2019 | | 155,058 | 5,620 | 18,035 | (196,886) | (18,173) |
| Issued as a result of: | | | | | | |
| Private placement | 14 | 27,000 | - | - | - | 27,000 |
| Allocated to flow-through premium | 12 | (9,872) | - | - | - | (9,872) |
| Share issuance costs | 14 | (1,474) | - | - | - | (1,474) |
| Shares issued Appian financing | 10 | 1,058 | - | - | - | 1,058 |
| Shares issued for interest | 10 | 1,683 | - | - | - | 1,683 |
| Shares issued for DSUs redemption | 16 | 141 | - | (160) | - | (19) |
| Share based compensation | 16 | - | - | 1,356 | - | 1,356 |
| Warrants issued | 15 | - | 720 | - | - | 720 |
| Stock options exercised | 16 | 1,152 | - | (352) | - | 800 |
| Net loss for the year | | - | - | - | (40,179) | (40,179) |
| December 31, 2020 | | \$ 174,746 | \$ 6,340 | \$ 18,879 | \$ (237,065) | \$ (37,100) |

The accompanying notes are an integral part of these financial statements



STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

| | | Year ended | |
|--|------|---------------------|---------------------|
| | Note | December 31 2020 | December 31 2019 |
| Operating activities | | | |
| Net loss for the period | | \$ (40,179) | \$ (61,581) |
| Adjusted for: | | | |
| Depreciation | | 12,360 | 15,679 |
| Share-based payments | 16 | 1,356 | 4,899 |
| Flow-through share premium | 12 | (4,448) | (1,702) |
| Loss on production payment | 10 | - | 1,110 |
| Loss on loan modification/termination | 10 | 385 | 10,427 |
| Loan accretion & accrued interest | | 8,991 | 8,449 |
| Shares issued for exploration and evaluation expenses | | - | 28 |
| Unrealized foreign exchange (gain)/loss | | (4,421) | (3,981) |
| Gain on sale of royalty | 8 | (622) | (3,711) |
| Change in the fair value of derivative financial instruments | 11 | 22,222 | 19,313 |
| | | (4,356) | (11,070) |
| Net changes in non-cash working capital items: | | | |
| Inventory | | (3,600) | 407 |
| Prepays | | (329) | (115) |
| Receivables | | (367) | (1,929) |
| Accounts payable and accrued liabilities | | (4,983) | 14,870 |
| Cash flows (used in)/from operating activities | | (13,635) | 2,163 |
| Investing | | | |
| Restricted cash | 7 | (1,324) | 500 |
| Proceeds on sale of royalty | 8 | 2,723 | 9,794 |
| Plant and equipment additions | | (4,663) | (17,519) |
| Mine development costs | | (23,902) | (17,520) |
| Cash flows used in investing activities | | (27,166) | (24,745) |
| Financing | | | |
| Appian & Sprott loan repayments, net | 10 | - | (76,576) |
| Production payments and other loan expenses | 10 | - | (6,416) |
| BNP loan drawdown/(repayment), net | 10 | (6,394) | 89,645 |
| Appian loan drawdown/(repayment), net | 10 | 35,541 | - |
| Interest paid | | (5,621) | (8,616) |
| Payment of leases and mortgages | 10 | (2,571) | (358) |
| Proceeds from issuance of shares, net | 14 | 25,526 | 19,321 |
| Exercise of options | 16 | 800 | 517 |
| Cash flows from/(used in) financing activities | | 47,281 | 17,517 |
| Effects of exchange rate changes on cash | | (328) | (132) |
| Net increase/(decrease) in cash and cash equivalents | | 6,152 | (5,197) |
| Cash and cash equivalents, beginning of the period | | 2,096 | 7,293 |
| Cash and cash equivalents, end of the period | | \$ 8,248 | \$ 2,096 |

The accompanying notes are an integral part of these financial statements



NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Harte Gold Corp. (the "Company" or "Harte Gold") was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, New Brunswick, Saskatchewan, Alberta and British Columbia. The common shares of the Company trade on the Toronto Stock Exchange under the symbol "HRT", on the Frankfurt Stock Exchange under the symbol "H4O", and on the OTC market under the symbol "HRTFF". The head office and principal address of the Company is 161 Bay Street, Suite 2400, Toronto, Ontario, M5J 2S1.

The Company is engaged in the acquisition, exploration, evaluation, development and mining of mineral resource properties. Harte Gold's primary focus is on the Sugar Zone Mine, 30 km north of White River, Ontario.

At December 31, 2020, the Company had current liabilities of \$63.0 million and current assets of \$21.4 million with which to discharge such liabilities. The Company has a history of operating losses, may incur operating losses in future and does not expect to generate sufficient cash from operations in the next 12 months to fully fund planned investment activities and debt service obligations.

The Company's debt facilities with BNP Paribas ("BNP") and an affiliate of its major shareholder, ANR investments B.V. ("Appian") were fully drawn at December 31, 2020.

As further described in note 26 Subsequent Events, on March 24, 2021, the Company received \$24.8 million in gross proceeds from a private placement of common shares to New Gold Inc. ("New Gold") (the "Strategic Investment"). The Company concurrently announced the indicative terms of a proposed refinancing of the BNP term loan and revolving facility (the "BNP Debt Facilities") that would reduce principal repayments required on the term loan by US\$10.0 million in 2021 and US\$8.4 million in 2022 and defer repayment of the revolving loan from June 2022 to June 2023, amongst other items (the "Debt Refinancing Proposal"). The Debt Refinancing Proposal also includes amendments to the financial covenants related to the BNP Debt Facilities. The Company expects that the proceeds from the Strategic Investment, combined with the Debt Refinancing Proposal, will provide the Company with sufficient liquidity to fully fund operations, investment activities and debt service obligations for the next 12 months. The Company is reliant on the closing of the proposed refinancing with BNP to be in compliance with all covenants related to the BNP Debt Facilities for the remainder of 2021.

The Debt Refinancing Proposal remains subject to the conclusion of due diligence and final approval from BNP, final documentation and other customary conditions and the amendment of the US\$28.0 million credit agreement with Appian (the "Appian Debt Facility") to extend the maturity date from June 30, 2023 to June 30, 2025. The Company will require approval from its shareholders at the Company's annual general meeting in June 2021 to extend the maturity date of the Appian Debt Facility. The proposed amendment of the BNP Debt Facilities is expected to occur in April 2021, but the terms of the amendment will only become effective on receipt of Shareholder approval to extend the maturity date of the Appian Debt Facility.

The Company's ability to continue as a going concern is dependent on the successful operation of its one mining property, the Sugar Zone Mine, its ability to manage its working capital deficiency, the closing of the proposed refinancing with BNP, and access to additional external funding, if required. There can be no assurance that the Company will close the proposed refinancing with BNP, or that the Company will be able to obtain other required financing or on terms acceptable to the Company. Due to uncertainties surrounding a number of factors such as, but not limited to, the ability to continue operating during the COVID-19 pandemic, completion of the proposed refinancing, the ability to raise additional funds, exploration results, mine operating results, the price of underlying commodities, foreign exchange rates, and financial market conditions, it is not possible to predict the success of the Company's efforts in this regard. These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

In the light of the actions already taken and the alternatives available to the Company, these financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management has taken into account all available information about the future, which is at least, but is not limited to, twelve months from December 31, 2020. These financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The Board of Directors (the “Board”) approved these financial statements on March 24, 2021.

2.2 Basis of measurement

Except for financial instruments that are measured at fair value, the financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset acquired.

2.3 Functional and presentation currency and foreign currency transactions

The financial statements are presented in Canadian dollars. The functional currency of Harte Gold is the Canadian dollar.

Transactions denominated in a foreign currency have been translated into Canadian dollars at exchange rates on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the period end date are translated to Canadian dollars at the rate of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Canadian dollars at the exchange rate on the date the fair value was determined. Income and expense items are translated at the exchange rate in effect on the date of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rate in effect at the transaction date. Any conversion differences are recorded as exchange gains or losses in income (loss).

2.4 Revenue recognition

Revenue is recognized upon the transfer of control over goods to the customer and consists of the sale of gold taking into account the following factors:

- The Company has a present right to payment for the gold sold;
- Legal title has passed from the Company to the customer;
- The Company has transferred physical possession of the gold to the customer;
- The significant risks and rewards of ownership of the gold have passed to the customer; and
- The customer has accepted the gold.

The following principles apply in accounting for revenues:

i) Gold bullion

The Company sells gold bullion to customers in the form of gold ounces, after the gold doré bars have been refined. The Company recognizes revenues from these sales when control of the gold has transferred to the customer. This is generally at the point in time when the gold is credited to the metal account of the customer. Once the gold has been credited to the customer’s metal account, the customer has legal title to, physical possession of, and the risks and rewards of ownership of the gold. Therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold. Revenue is measured at the transaction price agreed to under the contract.

ii) Gold concentrates

The Company sells concentrates containing gold to a third-party smelter customer. The Company recognizes revenue from these concentrate sales when control of the concentrate has transferred to the customer, which is the point in time that the concentrate is delivered to the customer. Upon delivery, the customer has legal title to, physical possession of, and the risks and rewards of ownership of the concentrate. The customer is also committed to accept and pay for the

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

concentrates once delivered. Therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the concentrate.

The final prices for metals contained in the concentrate are determined based on prevailing spot market metal prices on a specific future period. Upon transfer of control at delivery, the Company measures revenue under these contracts based on prices at the time of delivery and the most recent determination of the quantity of contained metals, less smelting and refining charges charged by the customer. This reflects the best estimate of the transaction price expected to be received at final settlement. A receivable is recognized for this amount and subsequently measured at fair value to reflect the variability associated with the embedded derivative for changes in the market metal prices. These changes in the fair value of the receivable are adjusted through revenue at each subsequent financial settlement date.

2.5 Exploration and evaluation

Exploration expenditures relate to the initial search for deposits with economic potential. Evaluation expenditures arise from a detailed assessment of deposits or projects that have been identified as having economic potential. When an exploration and evaluation project has obtained the requisite permits and a decision is made that the project has advanced to the development for production stage, all subsequent expenditures associated with that project are capitalized to development costs.

Exploration and evaluation costs are expensed as incurred and comprise costs that are directly attributable to:

- Acquisition of rights to explore;
- Researching and analyzing existing exploration data;
- Conducting topographical and geological studies, exploration drilling, trenching and sampling;
- Determining the volume and grade of resources;
- Examining and testing extraction and treatment methods; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash held with major Canadian and European financial institutions in the form of cash and deposits in high interest notice accounts with investment terms that are less than 90 days at the time of acquisition.

2.7 Inventory

The value of all production inventory includes direct production costs and attributable overhead and depreciation incurred to bring the materials to their current point in the processing cycle. All inventory is valued at the lower of cost and net realizable value, with net realizable value determined with reference to market prices, less estimated future production costs (including royalties) to convert inventory into saleable form.

i) Stockpiled ore

Stockpiles represent ore that has been mined and is available for further processing. Stockpiles are measured by using the number of tonnes mined and the estimated recoverable ounces, adjusted for the number of tonnes and estimated recoverable ounces milled and processed. Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to stockpiles based on the mining cost per tonne incurred up to the point of stockpiling the ore, including direct overhead and depreciation relating to mining operations, to the extent determined recoverable, and are removed at the average cost per tonne.

ii) Gold-in-circuit inventory

The recovery of gold is achieved through the processing of ore through the processing plant. The cost of in-circuit inventory includes the mining cost of the ore placed in-circuit, and processing costs, including direct overheads. Costs are removed from in-circuit inventory as ounces are recovered, based on the average cost per recoverable ounce of gold.

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

iii) Finished goods inventory

Finished goods inventory is saleable gold in the form of doré bars, gold concentrates, and gold bullion. Included in the costs are the direct costs of mining and processing operations as well as direct overheads and depreciation, which are measured on a weighted average basis.

iv) Consumables, materials and supplies

Consumables, materials and supplies inventories consist of materials and supplies used for mining, processing and surface operations and spare parts used for maintaining infrastructure and equipment. Costs consist of the direct purchasing cost of the consumables, materials and supplies as well as transportation costs incurred to deliver the consumables, materials and supplies to the mine site and are valued on a weighted average basis.

2.8 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment charges, if any.

i) General

Property, plant and equipment costs include the fair value of consideration paid, including cash and shares, if any, on acquisition. The amount of property acquisition costs and their related development expenditures represent historic expenditures incurred and are not intended to reflect present or future fair values. Upon sale or abandonment of any mineral interest, the cost and related accumulated depreciation are written off and any gains or losses thereon are included in income (loss).

ii) Property

Property includes its purchase price and, prior to the commencement of commercial production, any government fees, taxes and usage fees for Aboriginal organizations thereon to maintain the property in good-standing.

iii) Plant and equipment

Plant and equipment costs include the purchase price, any costs directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated mine closure and environmental rehabilitation costs associated with dismantling and removing the asset.

iv) Mine development costs

Mine development costs incurred prior to achieving commercial production are capitalized and include costs related to accessing the ore body, borrowing costs relating to construction, other costs that can be directly attributed to bringing the assets to the production stage, and depreciation of related equipment. This includes costs associated with the commissioning period before the asset is in production and can operate at the level intended by management. Capitalization of development costs ceases when a project is capable of operating as intended by management and a decision is made that a project under development has advanced to the commercial production stage.

Costs related to underground mine development to access medium- to long-term production areas are capitalized as development costs.

v) Construction-in-process

Construction-in-process costs include the costs to construct the processing building, the costs of equipment and assembly, the costs of surface infrastructure required to support the operation of the processing facility, the present value of the estimated future costs of dismantling and removing the processing facility and restoring the site on which it is located, borrowing costs incurred for the construction of the processing facility (if applicable), and indirect costs incurred to manage the construction process. Once operational commissioning is complete and commercial production is achieved, construction-in-process assets are reclassified within property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

vi) Commercial production

Management assesses the development of each project in order to determine commencement of commercial production. Amongst the criteria evaluated are:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- The mine is capable of producing a product in saleable form;
- The completion of a reasonable period of testing of the mine plant and equipment;
- The mine has been transferred to operating personnel from internal development groups or external contractors;
- The mine and/or processing plant has operating a pre-determined percentage of design capacity for a pre-determined period of time;
- Mineral recoveries are at or near the expected production level; and
- The ability to sustain ongoing production of gold concentrate and/or gold doré bars.

Commercial production is declared on the first day of the calendar month following achievement of the criteria. Upon achieving commercial production, costs are transferred from construction-in-process into the appropriate asset classification such as inventory and mineral properties, plant and equipment.

Once in commercial production, gold sales are recognized as revenue and production costs as a component of cost of sales and depreciation of the related property, plant and equipment commences.

vii) Depreciation

The carrying amounts of property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset to which it relates. Accumulated development costs are not depreciated prior to the commencement of commercial production.

Estimates of residual values and useful lives and the method of depreciation are reassessed annually. Any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use in the location and condition necessary to be operated in the manner intended by management. Depreciation is calculated as follows:

- Property – based on reserves and resources in the mine plan on a unit-of-production basis;
- Plant and equipment – straight-line over the estimated useful life of the asset or on a unit-of production basis based on the usage of the asset;
- Buildings – straight-line over the estimated useful life of the asset or on a unit-of-production basis based on the usage of the asset;
- Mobile equipment – straight-line over two to ten years based on the estimated useful life in years or on a unit-of-production basis based on the usage of the asset; and
- Mine development costs – based on reserves and resources in the mine plan on a unit-of production basis.

viii) Impairment

At the end of each reporting period, the Company reviews its property, plant and equipment at the cash generating unit (“CGU”) level to determine whether there is any indication of impairment. The Company will perform an impairment test on its property, plant and equipment if an indicator of impairment exists.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. Impairment is recognized immediately in income (loss). If the circumstances leading to the impairment change and an impairment subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but only to the extent that it does not exceed the carrying value that would have been determined if no impairment had previously been recognized. Any subsequent reversal of an impairment loss is recognized in income (loss).

The recoverable amount for property, plant and equipment is generally determined based on its fair value less costs of disposal (“FVLCD”), which represents the present value of the estimated future cash flows expected to arise from the

NOTES TO FINANCIAL STATEMENTS

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(Expressed in thousands of Canadian dollars except where noted)

continued use of the asset, including any expansion prospects, and its eventual disposal using assumptions that an independent market participant may take into account. The Company's weighted average cost of capital is used as a starting point for determining the discount rate to determine the FVLCD.

2.9 Provisions

i) General

Provisions are recognized when Harte Gold has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows. The increase in provisions due to the effect of the time value of money is recognized as a finance expense in income (loss).

ii) Environmental rehabilitation

The development, construction, mining, extraction and processing activities of the Company normally give rise to obligations for environmental rehabilitation. A provision is recognized for environmental rehabilitation costs, which includes the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas, in the financial period when the related environmental disturbance occurs based on the estimated future costs using information available at the period end date.

At the time of establishing the provision, a corresponding asset is capitalized when it gives rise to a future benefit and depreciated over future production from the operation to which it relates. The provision is discounted, if material, to its present value using the inflation-adjusted risk-free interest rate relevant to the jurisdiction in which the rehabilitation has to be performed. The unwinding of the discount is included in finance expense. Costs arising from unforeseen circumstances, such as contamination caused by unplanned discharges, are recognized as an expense and liability when the event gives rise to an obligation which is probable and can be reliably estimated.

The provision is reviewed at the end of each reporting period for changes to obligations, legislation, or discount rates that impact the estimated cost or timing of the obligation. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

2.10 Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Taxable income is based on accounting income reported on the income statement and adjusted for items that are taxable or deductible in other periods and excludes items that are never taxable or deductible.

Harte Gold uses the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and on losses carried forward. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates in effect at the end of the reporting period that are expected to be in effect when the differences are expected to reverse or losses are expected to be used. The effect of a change in the enacted or substantively enacted tax rate on deferred income tax assets and liabilities is included in income in the period in which the change is enacted or substantively enacted. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized. This evaluation requires management to make judgments as to whether it is probable that a tax asset may be realized in the future. Deferred tax is charged or credited to the income statement (or comprehensive income or loss in specific cases), except when it relates to items charged or credited directly to equity, in which case deferred tax is also recorded within equity.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

2.11 Share capital

(i) Common shares

Harte Gold's common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares, net of any tax effects, are recognized as a deduction from equity.

(ii) Flow-through common shares

From time to time Harte Gold finances a portion of its exploration or development activities through the issuance of flow-through common shares. Canadian income tax legislation permits a company to issue flow-through instruments whereby the income tax deductions relating to qualified Canadian exploration expenses ("CEE") or Canadian development expenses ("CDE") as defined in the Income Tax Act (Canada) are claimed by the investors rather than by the Company, subject to a renunciation process. Renunciation may occur prospectively (the flow-through shares are issued, renunciation occurs and eligible expenditures are incurred subsequently) or retrospectively (the flow-through are issued, eligible expenditures are incurred and renunciation occurs subsequently).

Shares issued on a flow-through basis typically include a premium related to the tax benefits provided to the investors. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the subscription price over the fair value of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability. The Company follows the retrospective approach, where the obligation to renounce is fulfilled when the paperwork to renounce is filed. Once the obligation is fulfilled, the liability is reduced and the balance is charged to the statement of operations and comprehensive income (loss).

Proceeds received from the issuance of flow-through shares must be spent on Canadian resource property exploration or development expenditures within 24 months after subscription or, where the "Look-back" Rule has been utilized, prior to the end of the calendar year following the year of issuance. The Government of Canada has introduced legislation that extends the period to spend the proceeds by twelve months due to the impact of COVID-19. The Company commits to spending CEE renounced under the lookback rule within the allowable time period. The portion of the proceeds received but not yet expended is detailed in note 12.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as interest expense until paid.

At the time of initial recognition, a taxable temporary difference exists and neither accounting profit nor taxable profit is affected, therefore the initial recognition exemption for deferred income taxes applies.

2.12 Stock-based compensation

Employees, directors, senior executives and consultants of the Company are eligible, at the discretion of the Board, to receive a portion of their remuneration in the form of stock-based payment arrangements whereby they render services as consideration for equity instruments ("stock-based compensation").

The fair value of stock-based compensation is recorded as an expense or a component of property, plant and equipment, based on the nature of the services rendered, over the vesting period of the award with a corresponding increase recorded in contributed surplus. The fair value of the stock-based compensation for employees, directors and senior executives is determined using the Black-Scholes option pricing model. The fair value of stock-based compensation for a consultant is determined based on management's estimate of the fair value of the goods and services received. Upon exercise of stock options, consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

Under the Company's Deferred Share Unit ("DSU") plan, DSUs may be granted to directors of the Company. Compensation expense for each grant is recorded in the statement of operations and comprehensive income (loss) with a corresponding increase in contributed surplus on the statement of financial position. The expense is based on the fair values at the time of the grant and is recognized over the vesting period of the respective DSUs. Shares are issued upon



NOTES TO FINANCIAL STATEMENTS

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exercise of DSUs. The Company's compensation committee may, upon request and at its discretion, issue cash, shares or a combination thereof in isolated circumstances. The Company's intent is to settle DSUs by issuing shares.

Under the Company's Restricted Share Unit ("RSU") plan, RSUs may be granted to executives, employees and contractors of the Company. Compensation expense for each grant is recorded in the statement of operations and comprehensive income (loss) with a corresponding increase in contributed surplus on the statement of financial position. The expense is based on the fair values at the time of the grant and is recognized over the vesting period of the respective RSUs. Shares are issued upon exercise of RSUs. The Company's compensation committee may, upon request and at its discretion, issue cash, shares or a combination thereof in isolated circumstances. The Company's intent is to settle RSUs by issuing shares.

2.13 Warrants

Proceeds from warrant placements are credited to warrants in the statement of changes in shareholders' equity. Upon exercise of warrants, consideration paid by the warrant holder, together with the amount previously recognized in warrants, is recorded as an increase to common shares. Upon expiration of warrants, the amount is recorded as an increase to other reserves.

2.14 Earnings (loss) per share

Earnings (loss) per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method and if converted method, if applicable. Under the treasury stock method, the dilutive effect of earnings (loss) per share is recognized on the use of proceeds that could be obtained from the exercise of options, warrants and similar instruments, if dilutive. It assumes that proceeds would be used to purchase common shares at the average market price for the period.

2.15 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company's financial assets include cash and cash equivalents, restricted cash, trade receivables, and derivative contracts. Cash and cash equivalents include cash and other highly liquid investments, such as term deposits with major financial institutions, which have a term to maturity of three months or less at the time of acquisition and are readily convertible to specified amounts of cash. The Company's financial liabilities include accounts payable and accrued liabilities, derivative contracts and debt (excluding lease liabilities). The Company classifies its financial instruments in the following categories:

Financial assets and liabilities are classified as current if receipt or payment is expected within 12 months. Otherwise, they are presented as non-current.

i) Financial assets at amortized cost

Assets that are held for collection of contractual cash flows includes cash and cash equivalents, restricted cash and trade receivables and are measured at amortized cost. The Company's intent is to hold these financial assets until there is a need to utilize the cash and cash equivalents and restricted cash. Cash and cash equivalents, restricted cash and trade receivables are recognized initially at fair value, net of any transaction costs incurred, and subsequently measured at amortized cost. Financial assets are reviewed at each period end for impairment.

ii) Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using the effective interest rate method, unless they are required to be measured at fair value through profit or loss ("FVTPL"), or the Company has opted to measure them at FVTPL.

Debt and accounts payable and accrued liabilities are recognized initially at fair value net of any transaction costs incurred, and subsequently at amortized cost using the effective interest rate method.

NOTES TO FINANCIAL STATEMENTS

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(Expressed in thousands of Canadian dollars except where noted)

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities at FVTPL are assets and liabilities that cannot be classified at amortized cost, including derivatives. Financial assets and liabilities at FVTPL are initially recognized at fair value with changes to fair value recognized in profit (loss).

iv) Modification of debt

When a debt instrument is restructured or refinanced and the terms have been substantially modified, the transaction is accounted for as an extinguishment with a gain or loss recognized in profit or loss. When a modification is not substantial, the difference in present value arising as a result of such a non-substantial modification is recognized in profit or loss. Fees and transaction costs related to a non-substantial modification are recognized as an adjustment to the carrying amount of the liability.

Management takes into account both quantitative and qualitative factors in assessing whether terms have been substantially modified, and often judgment is required in conducting the assessment. Terms are considered to have been substantially modified when the net present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate differs by at least 10 percent from the present value of the remaining cash flows under the original terms. If the difference in the present values of the cash flows is less than 10 percent, then a qualitative assessment is performed to determine whether the terms of the two instruments are substantially different. The purpose of a qualitative assessment is to identify substantial differences in terms that by their nature are not captured by a quantitative assessment.

In determining whether the terms of a debt arrangement have been substantially modified, management considers several factors, including, but not limited to, timing of cash flows, interest rate and fees, covenants, restrictions on use of proceeds, lender and borrowing capacity for revolving debt, and other changes that are not otherwise considered in the quantitative analysis.

v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position only if there is an enforceable legal right to offset the recognized amounts and the intention is to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

vi) Derivative instruments and hedge accounting derivative instruments

The Company may enter into derivative instruments to mitigate economic exposures to commodity price, interest rates and currency exchange rate fluctuations. Unless the derivative instruments qualify for hedge accounting, and management undertakes appropriate steps to designate them as such, they are designated as FVTPL and measured at fair value with realized gains or losses arising from changes in the fair value recorded in profit (loss) in the period they occur. Fair values for derivative instruments classified as FVTPL are determined using valuation techniques. The valuations use assumptions based on prevailing market conditions on the reporting date.

Embedded derivatives identified in non-derivative instrument contracts are recognized separately unless they are considered to be closely related to the host contract. All derivative instruments, including embedded derivatives that are separated from their host contracts, are recorded on the Statements of Financial Position at fair value and mark-to-market adjustments on these instruments are included in profit (loss).

Derivative instruments are classified as current or non-current assets or liabilities, depending on their maturity dates.

2.16 Borrowing costs

Borrowing costs directly related to financing an acquisition, construction or development of qualifying assets are capitalized to the cost of those assets until such time as they are substantially ready for their intended use.

NOTES TO FINANCIAL STATEMENTS

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Where funds have been borrowed specifically to finance an asset, the amount capitalized is the actual borrowing cost incurred. Where the funds used to finance an asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

Transaction costs related to the establishment of a loan facility are capitalized and amortized over the life of the loan facility using the effective interest rate method or set off against the fair value of the loan facility. Other borrowing costs are recognized in income (loss) in the period in which they are incurred.

2.17 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision makers. The chief decision makers have been identified as the Chief Executive Officer, who is responsible for allocating resources and assessing the performance of operating segments. The Company currently only operates in one segment.

2.19 Reclassification of prior year comparative figures

Certain prior year comparatives have been reclassified for consistency with current year presentation. These reclassifications had no effect on these financial statements.

3. Measurement uncertainty - critical accounting judgments and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. These judgments, estimates and assumptions are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from those estimates. Information about areas of judgment and key sources of uncertainty and estimation is contained in the description of the accounting policies and/or the notes to these financial statements.

Judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key areas where judgments, estimates and assumptions have been made in the reporting period or may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarized below.

i) Estimated reserves and resources

Reserves and resources are estimates of the amount of metal that can be extracted from the Company's properties, taking into consideration both economic and legal factors. Estimating the quantity and/or grade of reserves and resources requires the analysis of drilling samples and other geological data. Calculating reserve and resource estimates requires decisions on assumptions about geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transportation costs, commodity prices and foreign exchange rates.

Estimates of reserves and resources may change from period to period as the economic assumptions used to estimate reserves and resources change from period to period, and as a result of additional geological data generated during the course of operations. Changes in reported reserves and resources may affect the Company's financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows;
- Prospective depreciation charges in income (loss) may change when such charges are determined by the unit-of-production basis, or when the useful lives of assets change; and

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- Provision for reclamation liabilities balances may be affected as the estimated timing of reclamation activities is adjusted for changes in the estimated mine life as determined by the available reserves and resources.

ii) Impairment of property, plant and equipment

Judgment is involved in assessing whether there are any indications that an asset or CGU may be impaired. This assessment is made based on an analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset or CGU and information from internal reporting.

For the purpose of determining the recoverable amount of an asset or CGU, operating results and net cash flow forecasts are determined by estimating the expected future revenues and costs, including the future cash costs of production, capital expenditures, working capital requirements, and site closure and environmental rehabilitation.

The net cash flow forecast includes cash flows expected to be realized from the extraction, processing and sale of proven and probable reserves, as well as mineral resources that do not currently qualify for inclusion in proven and probable reserves when there is a high degree of confidence in the economic extraction of such non-reserve material.

Judgment is also required in estimating the discount rate applied and future commodity prices used for impairment testing. These estimates often differ from current price levels and are updated periodically.

iii) Royalty transactions

Judgment is required in assessing the appropriate accounting treatment for the sale of a royalty on mineral property.

Consideration is given to the specific terms of the arrangement to determine whether an interest in the reserves and resources of a mineral property has been disposed of in a royalty transaction. The assessment includes consideration of what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the operation.

iv) Environmental rehabilitation costs

Environmental rehabilitation obligation provisions represent management's best estimate of the present value of the future costs to close and rehabilitate the mine site. Significant estimates and assumptions are made in determining the amount of future environmental rehabilitation costs. These estimates and assumptions deal with uncertainties such as: requirements of the relevant legal and regulatory framework; the magnitude of possible contamination; determination of the appropriate inflation-adjusted discount rate (if applicable); and, the timing, extent and costs of required mine closure and environmental rehabilitation activities. These uncertainties may result in future actual expenditures that differ from the amounts currently provided. Management assesses the provision for environmental rehabilitation on an annual basis or when new information becomes available.

v) Stock-based compensation and warrants

The fair value of certain stock-based payments and warrants is calculated using an appropriate option pricing model. The main assumptions used in the model include the estimated life of the option, the expected volatility of the Company's common share price, the expected dividends, the expected forfeiture rate and the risk-free rate of interest. The resulting calculated value is not necessarily the value that the holder of the option could receive in an arm's length transaction given that there is no market for the options and they are not transferrable.

vi) Functional currency

Judgment is required to determine the functional currency of an entity. These judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances.

vii) Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the control of the Company occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome

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of future events. In assessing loss contingencies related to legal proceedings that are pending against Harte Gold or unasserted claims that may result in such proceedings, or regulatory or government actions that may negatively impact Harte Gold’s business or operations, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims or actions as well as the perceived merits of the nature and amount of relief sought, or expected to be sought, when determining the amount, if any, to recognize as a provision or on assessing the impact on the carrying value of assets. Contingent assets are not recognized in the financial statements.

viii) Financial Instruments – hybrid instruments

The Company may issue hybrid financial liability instruments which may contain debt, derivative and equity instruments. The Company shall determine and recognize the fair values of each component of the hybrid financial liability instrument. The main assumptions of the hybrid financial instrument include estimated life of the option, the expected volatility of the Company’s common share price, the estimated future common share price, the expected volatility of the US/CAD dollar exchange rate, estimated future USD/CAD exchange rate, the expected dividends and the risk-free rate of interest in Canada and the United States. Subsequent to the initial measurement, the Company shall apply its accounting policies to each component of the hybrid instrument as if it were a separate instrument. Judgement is involved in assessing the fair value of the individual components of a hybrid financial instrument.

4. Standards and amendments issued but not yet effective or adopted

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The amendment is not currently applicable to the Company.

IAS 1, Presentation of Financial Statements

The IASB issued an amendment to IAS 1, Presentation of Financial Statements to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes: (i) specifying that an entity’s right to defer settlement must exist at the end of the reporting period; (ii) clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement; (iii) clarifying how lending conditions affect classification; and (iv) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. An assessment will be performed prior to the effective date of January 1, 2023 to determine the impact to the Company’s financial statements.

5. RECEIVABLES

| | December 31 | December 31 |
|-------------------------------|--------------------|-----------------|
| | 2020 | 2019 |
| Gold sales revenue receivable | \$ 3,437 | \$ 3,278 |
| GST/HST receivable | 792 | 977 |
| Other | - | 26 |
| | \$ 4,229 | \$ 4,281 |

NOTES TO FINANCIAL STATEMENTS

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(Expressed in thousands of Canadian dollars except where noted)

6. INVENTORIES

| | December 31 2020 | December 31 2019 |
|--------------------------|---------------------|---------------------|
| In-circuit inventory | \$ 612 | \$ 320 |
| Finished goods inventory | 4,482 | 1,441 |
| Total mineral inventory | 5,094 | 1,761 |
| Materials and supplies | 2,795 | 1,014 |
| Total inventory | \$ 7,889 | \$ 2,775 |

During the year ended December 31, 2020, \$nil (2019 - \$0.8 million) net realizable value adjustment was recognized against finished goods inventory.

Effective July 9, 2020, the Company entered into an agreement (the "Close-Out Agreement") with Redpath Canada Limited ("Redpath") for the transition to owner-operated mining operations at the Sugar Zone Mine. The transition to owner-operated mining included transferring certain contractor-based employees, acquiring on-site mining equipment, supplies inventory and resolution of outstanding contractual disputes. The Company acquired materials and supplies inventory of \$0.9 million from Redpath in connection with the Close-Out Agreement.

During the year ended December 31, 2020, the Company recognized \$33.0 million (2019 - \$46.8 million) as production costs; and, \$11.0 million (2019 - \$15.5 million) as depreciation expense in the Statements of Operations and Comprehensive Loss.

7. RESTRICTED CASH

At December 31, 2020 the Company had an outstanding surety bond in the amount of \$5.3 million in favour of the Ministry of Energy, Northern Development and Mines for the Province of Ontario and in relation to its reclamation obligation of the Sugar Zone property. On June 29, 2020, the Company made a cash deposit of \$1.3 million to the surety bond issuer as collateral towards the obligation.

8. PROPERTY, PLANT AND EQUIPMENT

| COST | Land | Buildings | Furniture, vehicles & other | Plant & infra- structure | Mine develop- ment | Right-of-use assets | Total |
|---------------------------------|---------------|--------------|-----------------------------------|--------------------------------|--------------------------|------------------------|----------------|
| As at January 1, 2020 | \$ 903 | 1,909 | 1,313 | 101,116 | 21,278 | 2,302 | 128,821 |
| Additions | - | 36 | 630 | 4,186 | 17,975 | 10,916 | 33,743 |
| Disposals | - | - | (44) | - | (2,101) | - | (2,145) |
| As at December 31, 2020 | \$ 903 | 1,945 | 1,899 | 105,302 | 37,152 | 13,218 | 160,419 |
| | - | - | - | - | - | - | - |
| ACCUMULATED DEPRECIATION | | | | | | | |
| As at January 1, 2020 | \$ - | 317 | 514 | 5,795 | 9,215 | 98 | 15,939 |
| Additions | - | 190 | 303 | 5,379 | 7,106 | 1,185 | 14,163 |
| Disposals | - | - | (28) | - | (261) | - | (289) |
| As at December 31, 2020 | \$ - | 507 | 789 | 11,174 | 16,060 | 1,283 | 29,813 |
| | - | - | - | - | - | - | - |
| NET BOOK VALUE | | | | | | | |
| As at January 1, 2020 | \$ 903 | 1,592 | 799 | 95,321 | 12,063 | 2,204 | 112,882 |
| As at December 31, 2020 | \$ 903 | 1,438 | 1,110 | 94,128 | 21,092 | 11,935 | 130,606 |



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(Expressed in thousands of Canadian dollars except where noted)

| COST | | Land | Buildings | Furniture, | Plant & | Mine | Right-of-use | Total |
|---------------------------------|----|------|-----------|------------|-----------|----------|--------------|---------|
| | | | | vehicles | infra- | develop- | | |
| | | | | & other | structure | ment | | |
| As at January 1, 2019 | \$ | 903 | 1,859 | 1,021 | 97,567 | 8,906 | - | 110,256 |
| Additions | | - | 50 | 292 | 3,549 | 18,455 | 2,302 | 24,648 |
| Disposals | | - | - | - | - | (6,083) | - | (6,083) |
| As at December 31, 2019 | \$ | 903 | 1,909 | 1,313 | 101,116 | 21,278 | 2,302 | 128,821 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| As at January 1, 2019 | \$ | - | 128 | 281 | - | - | - | 409 |
| Additions | | - | 189 | 233 | 5,795 | 9,215 | 98 | 15,530 |
| As at December 31, 2019 | \$ | - | 317 | 514 | 5,795 | 9,215 | 98 | 15,939 |
| NET BOOK VALUE | | | | | | | | |
| As at January 1, 2019 | \$ | 903 | 1,731 | 740 | 97,567 | 8,906 | - | 109,847 |
| As at December 31, 2019 | \$ | 903 | 1,592 | 799 | 95,321 | 12,063 | 2,204 | 112,882 |

The Company declared commercial production at the Sugar Zone Mine on January 1, 2019 and depreciation was charged thereafter. Subsequently, mineral properties are amortized on a unit of production basis; and plant and equipment is amortized on a unit of production basis with certain equipment being amortized on a straight line basis. The unit of production is measured by the portion of the mine's economically recoverable and probable ore reserves produced during the period.

Certain of the claims and leases associated with the Sugar Zone property are subject to net smelter royalties ("NSR") of 2.0% in favour of the original vendors of the properties. The NSR was reduced from 3.5% to 2.5% on October 31, 2018 for \$1.0 million in consideration. The Company also sent notices to exercise its option to acquire a further 0.5% for \$0.5 million and continues its attempts to locate those royalty holders.

On December 18, 2019, the Company granted a 1.5% NSR on the entire Sugar Zone Property in favour of an affiliate of Appian in exchange for payment by Appian of US\$7.5 million. The Company has treated this transaction as a partial disposition of its investment in the Sugar Zone Property. The proportion of the estimated fair value of the Sugar Zone Property disposed of was calculated and the net book value of the Company's plant and equipment was reduced by such proportion. The difference of \$3.7 million was recorded as a gain on the partial disposition of its property.

On July 17, 2020, the Company granted a further 0.5% NSR on the entire Sugar Zone Property in favour of an affiliate of Appian in exchange for a payment by Appian of US\$2.0 million as part of the Appian Financing. The Company has treated this transaction as a partial disposition of its investment in the Sugar Zone Property. The proportion of the estimated fair value of the Sugar Zone Property disposed of was calculated and the net book value of the Company's plant and equipment was reduced by such proportion. The difference of \$0.6 million was recorded as a gain on the partial disposition of its property during the year ended December 31, 2020. The July 2020 royalty grant has increased the royalty payable to an affiliate of Appian from 1.5% to 2.0%.

Effective July 17, 2020, the Company acquired certain mining equipment and critical spare parts inventory from Redpath as part of the Close-Out Agreement for \$0.8 million and \$0.8 million respectively.



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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Accounts payable | \$ 11,079 | \$ 19,270 |
| Accrued liabilities | 3,648 | 6,360 |
| Total accounts payable and accrued liabilities | \$ 14,727 | \$ 25,630 |

10. DEBT

| | Note | December 31 2020 | December 31 2019 |
|--|------|---------------------|---------------------|
| BNP Debt Facilities | 10.1 | \$ 80,405 | \$ 87,399 |
| Appian Debt Facility | 10.2 | 27,237 | - |
| Leases | 10.3 | 10,719 | 2,166 |
| Mortgages | 10.4 | 210 | 418 |
| Total debt | | \$ 118,571 | \$ 89,983 |
| Less: current portion | | (26,427) | (8,911) |
| Total debt: non-current portion | | \$ 92,144 | \$ 81,072 |

10.1 BNP Debt Facilities

On June 14, 2019, the Company completed the BNP debt financing for US\$72.5 million ("BNP Debt Facilities"). The BNP Debt Facilities consists of a non-revolving term credit facility of US\$52.5 million and a revolving term credit facility of US\$20.0 million. Up to the effective date of the third amending agreement (see description below), interest on the BNP Debt Facilities was LIBOR plus 2.875% to 3.875% dependent on credit ratios, payable every 3 months in arrears. The Company also has the option to convert from a LIBOR based loan to either: (i) an Alternate Base Rate, being the Federal Funds Rate plus 5/8% or (ii) Canadian prime interest rate, in each case plus a margin of 1.875% to 2.875%, dependent on the leverage ratio. To the extent funds are not fully drawn under the revolving credit facility, there is a standby fee ranging from 1.006% to 1.356% dependent on the leverage ratio. The weighted average borrowing rate during year ended December 31, 2020 was 5.44% (2019 - 6.16%).

The BNP Debt Facilities are secured by a lien on all the present and future assets, property and undertaking of Harte Gold as governed by a general security agreement and a demand debenture granted by Harte Gold in favour of BNP.

In connection with the granting of a 1.5% NSR on the Sugar Zone Property in December 2019, (refer to note 8) BNP required the coincident repayment of principal under the BNP Debt Facilities. Accordingly, the Company repaid US\$4.0 million of the BNP Debt Facilities on December 24, 2019 upon its exercise of the Appian Standby Commitment and granting of a 1.5% NSR to Appian.

Principal repayments under the term loan began on March 31, 2020, repayable quarterly over 22 quarters through June 30, 2025. Amounts outstanding under the revolving term credit facility are due on June 30, 2022. Various financial covenants were measured on a quarterly basis but failure to meet such covenants did not constitute a default or event of default prior to June 30, 2020. Additionally, the Company covenanted to achieve certain minimum mine and mill production tonnage amounts in each month. The Company did not achieve such minimum production tonnages for the month of September 2019 and in 2020 up to the date of the third amendment (see below) and obtained waivers from BNP for these breaches.

The BNP Debt Facilities were amended on August 28, 2019 and November 19, 2019 to clarify the definition of certain defined terms and to amend the minimum mine and mill production tonnage amounts. The Company achieved the amended minimum production tonnages for the remainder of 2019.



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On May 15, 2020, the Company and BNP entered into a third amending agreement that provided for the following:

- Waiver of any breaches of the minimum mine and mill production covenant during 2020, to the effective date of the third amendment;
- Removal of the minimum mine and mill production covenant from the credit agreement from the effective date of the third amendment;
- Postponement of the date on which financial covenants must be complied with, to April 1, 2021 for one of the covenants and June 30, 2021 for the remaining financial covenants (other than a reserve tail ratio covenant);
- The rescheduling of the principal repayments under the non-revolving term credit facility due June 30, 2020 and September 30, 2020 over the remaining term of the credit agreement, starting on March 31, 2021;
- Deferral of certain payments due under the Company’s gold hedge program with BNP;
- An increase in the interest rates payable of 50 basis points under the credit agreement to the following (dependent on leverage ratios):
 - LIBOR plus a margin of 3.375% to 4.375%
 - Alternate Base Rate plus a margin of 2.375% to 3.375%
 - Standby fee ranging from 1.506% to 1.856%;
- Mandatory prepayment of the non-revolving term loan from excess cash flow as defined in the third amending agreement until an aggregate total of US\$16.7 million has been repaid; and
- Cash management arrangements, including depositing all payments and receivables in an account maintained with BNP.

The Company determined that the third amending agreement represented a non-substantial modification of the existing BNP Debt Facilities and the amendment was treated as a loan modification under IFRS 9 Financial Instruments (“IFRS 9”). As a result, a \$0.4 million loan modification loss was recognized in the statement of operations and comprehensive loss on May 15, 2020.

On August 28, 2020, in connection with the Appian Financing, the BNP Debt Facilities were further amended to permit the Appian Financing. The Company made a US\$1 million prepayment on the BNP Debt facilities pursuant to this amendment, in part due to the granting of the additional 0.5% royalty to an affiliate of Appian.

Movement in the BNP Debt Facilities is summarized as follows:

| | December 31 | December 31 |
|---|--------------------|------------------|
| | 2020 | 2019 |
| Balance at beginning of the period | \$ 87,399 | \$ - |
| Loan drawdown | - | 97,041 |
| Repayment | (5,609) | (5,263) |
| Fees, costs | (785) | (2,133) |
| Interest expense | 4,772 | 3,265 |
| Accretion | 675 | 287 |
| Interest paid | (4,980) | (3,043) |
| Loss on modification | 385 | - |
| Exchange loss/(gain) | (1,452) | (2,755) |
| Balance at end of the period | \$ 80,405 | \$ 87,399 |
| Less: current portion | (16,904) | (8,251) |
| Balance end of the period: non-current portion | \$ 63,501 | \$ 79,148 |



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At December 31, 2020, the remaining scheduled debt repayments under the BNP Debt Facilities were as follows:

| Year | Non-revolving term credit facility US\$ | Revolving term credit facility US\$ | Total US\$ | Non-revolving term credit facility \$ | Revolving term credit facility \$ | Total \$ |
|--------------|--|--|------------------|--|--|------------------|
| 2021 | 13,268 | - | 13,268 | 16,893 | - | 16,893 |
| 2022 | 18,688 | 20,000 | 38,688 | 23,793 | 25,464 | 49,257 |
| 2023 | 9,259 | - | 9,259 | 11,788 | - | 11,788 |
| 2024 | 3,109 | - | 3,109 | 3,958 | - | 3,958 |
| 2025 | - | - | - | - | - | - |
| Total | \$ 44,324 | \$ 20,000 | \$ 64,324 | \$ 56,432 | \$ 25,464 | \$ 81,896 |

10.2 Appian Debt Facility

On July 14, 2020, the Company entered into a financing agreement with an affiliate of Appian to provide up to US\$28.0 million in funding (the "Appian Debt Facility") of which US\$9.5 million was drawn immediately to facilitate a restart of the Sugar Zone Mine. Concurrently with entering into the Appian Debt Facility, the Company also agreed to the sale of a 0.5% royalty for US\$2.0 million in proceeds from an affiliate of Appian (together with the Appian Debt facility, the "Appian Financing").

On August 28, 2020, the Company closed the Appian Debt Facility and the second tranche of US\$18.5 million was drawn after receipt of consent to the Appian Financing from BNP, the perfection of the 2nd lien security agreement over the Company's assets and the execution of an intercreditor agreement between Appian and BNP as well as other customary conditions. The Company also received US\$2.0 million from the 0.5% royalty sale on August 28, 2020 (refer to note 8).

The facility has a 14% nominal interest rate and a maturity date of June 30, 2023. The Appian Debt Facility is secured by second priority ranking security over the Company's assets, subordinated to BNP.

The first tranche of the Appian Debt Facility was completed on July 14, 2020 through the issuance of 9.5 million Series B special shares ("Special Shares") at US\$1.00 per Special Share for gross proceeds of US\$9.5 million. Dividends on the Special Shares were paid monthly and settled in common shares of the Company at a nominal rate of 14% per annum. The number of common shares issued for the settlement of the monthly dividend payment was determined by using the lower of i) the 5-day volume-weighted average price of the Company's common shares translated into United States dollars at the 5-day average exchange rate; and, ii) US\$0.086 per share (refer to note 11.2).

The second tranche of US\$18.5 million was drawn on August 28, 2020, upon closing of the facility. The Special Shares converted into US\$9.5 million principal under the Appian Debt Facility with closing of the second tranche, increasing the principal amount of the Appian Debt Facility to US\$28 million on August 28, 2020.

Interest on the Appian Debt Facility is payable monthly and is settled through the issuance of common shares. The number of common shares to be issued for each monthly interest payment is determined by the 5-day volume-weighted average price ("VWAP") of the common shares translated into United States dollars by using the 5-day average exchange rate. Upon maturity, the Company will pay a fee to an affiliate of Appian (the "Equity Structuring Fee"), determined primarily by the difference in the VWAP of the common shares over the life of the loan, translated into United States dollars using the average exchange rate over the life of the loan, compared to US\$0.086 per share. The Equity Structuring Fee is payable in cash or in common shares at the Company's election.

An arrangement fee was payable on the US\$30.0 million Appian Financing, which was settled through the issuance of 6,970,844 common shares and the Company issued 7.5 million share purchase warrants pursuant to the Appian Financing (collectively, the "Upfront Securities"). The Company also agreed to increase the percentage of gold sold to Appian under its existing offtake agreement from 11.5% of bullion produced to 30%. The fair value of the Upfront Securities on July 14, 2020 was \$1.1 million for the common shares issued (refer to note 14) and \$0.7 million for the share purchase warrants issued (refer to note 15) and has been included in equity.



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Although the Appian Debt Facility was structured in two tranches consisting of equity and debt instruments, the Company determined that the Appian Debt Facility was in substance a single instrument which should be accounted for as a financial liability. The dividends paid on the first tranche of the facility were accordingly recognized as interest.

The Company determined that the Appian Debt Facility is a hybrid financial instrument containing debt, derivative and equity instruments and, accordingly, has determined and recognized the initial fair value of each contained component financial instrument (refer to notes 11.2, 14 and 15). Subsequently, the debt instrument is measured at amortized cost using the effective interest rate method and the derivatives are measured at fair value through profit or loss.

The Company has the option to prepay the Appian Debt Facility prior to maturity by incurring a prepayment penalty of between 10% to 20% of the outstanding principal balance, dependent on when the prepayment is made (the "Prepayment Option"). In the event of a change of control of the Company or when a default occurs pursuant to the Appian Debt Facility, the lender has the option to convert the debt into common shares of the Company with a conversion premium between 10% and 15%, respectively, of the outstanding principal balance (the "Conversion Option"). The number of common shares issued would be determined based on the 5-day VWAP at the time of the conversion translated into United States dollars at the 5-day average exchange rate. The Company may incur additional interest expense of between 4% and 8% if it fails to achieve or correct certain operational requirements and an additional 5% while an event of default is continuing. The applicable interest rate cannot exceed 22%, even if an event of default and breach of operational requirement occurs at the same time. Two breaches of operational requirements occurred in 2020, leading to an increase in the interest rate to 18% between January 1 and January 28, 2021, after which the interest rate reverted to 14%.

Both the Prepayment Option and the Conversion Option are derivative instruments. At July 14, 2020, August 28, 2020 and December 31, 2020, the fair value of the both the Prepayment Option and Conversion Option were determined to be \$nil.

The Appian Debt Facility is secured by second priority ranking security over the Company's assets, subordinated to BNP.

The Appian Debt Facility and the intercreditor agreement between Appian and BNP, provide the Company with an uncommitted up to US\$20.0 million accordion option, which may be provided by Appian (or an affiliate) or a third party on similar terms to the Appian Debt Facility. Amounts disbursed under the Accordion Facility may be used by the Company solely for the purpose of prepaying outstanding amounts or to otherwise meet debt services requirements under the BNP Debt Facilities.

The amount of the Equity Structuring Fee will be determined primarily by the percentage increase in the VWAP of the Company's common shares over the life of the loan, translated into United States dollars using the average exchange rate over the life of the loan, as compared to US\$0.086 per share. As the ultimate settlement of the Equity Structuring Fee is based on the future price of the Company's common shares and the US/CAD exchange rate, the Company has determined this fee to be a derivative instrument (refer to note 11.2). The fair value of the Equity Structuring Fee on July 14, 2020 was estimated to be \$4.3 million (US\$3.2 million) and has been presented as a derivative financial instrument.

The number of common shares issued for settlement of the monthly dividend payment between July 14, 2020 and August 28, 2020, was determined by using the lower of the 5-day volume-weighted average price of the Company's common shares translated into United States dollars at the 5-day average exchange rate and US\$0.086 per share (refer to note 11.2). As the fair value of the dividends was based on the future price of the Company's common shares and the US/CAD exchange rate, the Company determined that the dividend contained a derivative instrument (refer to note 11.2), to be valued over the full term of the Appian Debt Facility. The fair value of this feature at July 14, 2020 was estimated to be \$2.5 million (US\$1.8 million) and has been presented as a derivative financial instrument.

The fair value of the debt instrument on initial recognition was \$28.6 million (US\$21.7 million). The Company incurred \$1.6 million (US\$1.2 million) of legal and other costs related to the Appian Financing. These costs have been included as transaction costs of the loan.



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The following table summarizes the movement in the Appian Debt Facility:

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Balance at beginning of the year | \$ - | \$ - |
| Fair value of debt instrument | 28,592 | - |
| Fees, costs | (1,624) | - |
| Interest expense | 2,102 | - |
| Accretion | 754 | - |
| Interest paid | (1,679) | - |
| Exchange loss (gain) | (908) | - |
| Balance at end of the period | \$ 27,237 | \$ - |
| Less: current portion | (423) | - |
| Balance end of the period: non-current portion | \$ 26,814 | \$ - |

At December 31, 2020, the scheduled debt repayment under the Appian Financing was as follows:

| Year | US\$ | \$ |
|--------------|------------------|------------------|
| 2021 | \$ - | \$ - |
| 2022 | - | - |
| 2023 | 28,000 | 35,650 |
| 2024 | - | - |
| 2025 | - | - |
| Total | \$ 28,000 | \$ 35,650 |

10.3 Leases

The Company leases several assets including surface and underground vehicles and office space.

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Balance at beginning of the period | \$ 2,166 | \$ - |
| Additions | 10,908 | 2,293 |
| Lease payments | (2,355) | (127) |
| Balance at end of the period | 10,719 | 2,166 |
| Less: current portion | (8,995) | (451) |
| Balance end of the period: non-current portion | \$ 1,724 | \$ 1,715 |



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(Expressed in thousands of Canadian dollars except where noted)

Scheduled payment under the Company's lease liabilities are as follows:

| | December 31 |
|--------------------|--------------------|
| | 2020 |
| Less than one year | \$ 8,995 |
| One to three years | 1,384 |
| Over three years | 340 |
| | \$ 10,719 |

10.4 Mortgages

a) On January 31, 2017, Harte Gold acquired land and buildings in White River, on which the vendors took back a mortgage secured by the property, of \$190,000, repayable annually over 3 years, at an annual interest rate of 3.0%. Principal and interest payments were due annually, on each of February 1, 2018 through 2020. At December 31, 2020, no outstanding amounts remained on the secured mortgage.

b) On July 19, 2017, Harte Gold acquired a property in White River, on which the vendors took back a mortgage of \$525,000 secured by the property, repayable in 5 equal principal payments on each anniversary. Interest is payable semi-annually at a rate of 4.0% per annum.

c) On August 9, 2017, Harte Gold acquired land and buildings in White River, on which the vendors took back a mortgage of \$100,000 secured by the property, repayable annually over 3 years at an annual interest rate of 3.0% per annum. Principal and interest payments were due annually, on each of August 10, 2018 through 2020. At December 31, 2020, no outstanding amounts remained on the secured mortgage.

The mortgage repayment schedule is as follows:

| Year | Mortgage (b) | Total |
|----------------------------|---------------------|---------------|
| 2021 | \$ 105 | \$ 105 |
| 2022 | 105 | 105 |
| Total | 210 | 210 |
| Current portion | (105) | (105) |
| Non-current portion | \$ 105 | \$ 105 |



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10.5 Appian Debt

On May 3, 2018, the Company closed on a short-term debt financing with Appian in the amount of US\$20.0 million (the "Appian Debt"). The debt originally matured on November 10, 2018 and it was extended from time to time, until it was extinguished in June 14, 2019, coincident with the receipt of the proceeds from the BNP Debt Facilities. The original interest rate was 9.5%, which increased to 12.0% as the term of the facility was extended. The Appian Debt was secured by all the assets of the Company, but subordinate to the Sprott long-term debt financing (refer to note 10.6).

Principal and accrued interest were payable on maturity and the debt was repayable at any time without penalty. On June 14, 2019, the Company closed the BNP Debt Facilities (refer to note 10.1) and repaid Appian the loan principal and accrued interest in full.

10.6 Sprott Debt

On May 31, 2018, the Company closed a long-term debt financing with Sprott Private Resource Lending (Collector) LP ("Sprott") (the "Sprott Debt"). Total funding available under the Sprott Debt was US\$50.0 million. Interest was payable monthly at an annual rate of 7.5% plus the 3-month LIBOR rate. Principal plus accrued interest was payable in 42 equal monthly installments, beginning January 31, 2020. Prepayment of the Sprott Debt could be made at any time, subject to a prepayment penalty of 3% if made prior to the second anniversary, 2% prior to the third anniversary and nil thereafter. The Sprott Debt was a first charge and secured by all the assets of the Company.

The Company also entered into a production payment agreement with Sprott concurrently with the debt facility agreement. In connection with the third drawdown on February 11, 2019, the production payment was adjusted from a fixed rate per ounce to be a variable rate based on the average monthly gold price, with a floor and a ceiling per ounce for the gold price calculation. The Company had the option to terminate the production payment agreement upon payment of a termination fee equal to the net present value of the remaining production payments discounted at 3.5%. The change of the production payment terms from a fixed to a variable rate was determined to be an extinguishment of the initial liability. The net present value of the production payment liability was remeasured using the same discount rate of 3.5% and the difference of \$1.1 million was recognized as a loss in the statement of operations and comprehensive loss.

In connection with the debt financing, the Company issued 10,000,000 common share warrants to Sprott, exercisable at any time until May 31, 2023 at an exercise price of \$0.49 per common share. An amount of \$2.6 million was allocated to the warrants. The Company has the option to settle the warrants in cash at the time they are exercised.

On June 14, 2019, the Company repaid the Sprott Debt and production payment liability in full. A loss of \$8.3 million was recognized on the termination of the loan in addition to the \$2.1 million in prepayment and cancellation fees, for a total loss of \$10.4 million.



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(Expressed in thousands of Canadian dollars except where noted)

11. DERIVATIVE FINANCIAL INSTRUMENTS

| Derivative liabilities | Note | December 31 2020 | December 31 2019 |
|----------------------------------|------|---------------------|---------------------|
| Gold Hedge | 11.1 | \$ 41,575 | \$ 19,313 |
| Appian Debt Facility Derivatives | 11.2 | 3,947 | - |
| | | \$ 45,522 | \$ 19,313 |
| Less: current portion | | (15,511) | (3,947) |
| Non-current | | \$ 30,011 | \$ 15,366 |

11.1 Gold Hedge

Concurrent with and as required under the BNP Debt Facilities, the Company entered into a gold hedge program on 79,090 ounces of future production. Zero cost collar swaps were used for 73,956 ounces, spread over the years 2020 through 2023. The balance of the hedges is structured as gold swaps, maturing in the first half of 2024. The Company has elected not to designate the cash flow hedges for hedge accounting under IFRS 9. These derivative financial instruments are recorded at fair value using external broker-dealer quotations, based on their option pricing models that utilize a variety of inputs that are a combination of quoted prices and market corroborated inputs. These valuations are intended to closely match the cost or benefit that would be incurred to unwind the hedge positions. The Company recognizes the mark-to-market adjustments in its statements of operations and comprehensive loss as change in the fair value of derivative financial instruments and Settlement of gold derivatives, and on its statements of financial position as a derivative financial instrument. The Company presents the fair value of put and call options on a net basis on the Statements of Financial Position.

| Derivative instruments outstanding | Quantity outstanding | Maturity dates | Strike Price (US\$/oz) | December 31, 2020 | |
|------------------------------------|----------------------|------------------------------|---------------------------|--------------------------------------|------------------------------------|
| | | | | Fair value asset (liability) US\$ | Fair value asset (liability) \$ |
| Settlement | | December 31, 2020 | | \$ (878) | \$ (1,118) |
| Gold call options | 3,661 oz | January 2021 - March 2021 | 1,393 | (1,825) | (2,325) |
| Gold call options | 19,080 oz | January 2021 - December 2021 | 1,399 | (9,515) | (12,115) |
| Gold Put options | 22,741 oz | January 2021 - December 2021 | 1,300 | 37 | 47 |
| Gold call options | 23,520 oz | January 2022 - December 2022 | 1,393 | (12,482) | (15,893) |
| Gold Put options | 23,520 oz | January 2022 - December 2022 | 1,310 | 386 | 491 |
| Gold call options | 11,040 oz | January 2023 - December 2023 | 1,393 | (6,109) | (7,779) |
| Gold Put options | 11,040 oz | January 2023 - December 2023 | 1,310 | 430 | 547 |
| | | | | \$ (29,956) | \$ (38,145) |

| Derivative instruments outstanding | Quantity outstanding | Maturity dates | Strike Price (US\$/oz) | December 31, 2020 | |
|------------------------------------|----------------------|--------------------------|---------------------------|--------------------------------------|------------------------------------|
| | | | | Fair value asset (liability) US\$ | Fair value asset (liability) \$ |
| Gold swap | 5,134 oz | January 2024 - June 2024 | \$1,355 | \$ (2,693) | \$ (3,430) |
| | | | | \$ (2,693) | \$ (3,430) |



NOTES TO FINANCIAL STATEMENTS

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(Expressed in thousands of Canadian dollars except where noted)

The movement in the gold derivative liability were as follows:

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Balance at beginning of the period | \$ 19,313 | \$ - |
| Derivative financial instrument recognized | - | 10,571 |
| Change in fair value | 32,425 | 8,742 |
| Exchange (gain)/loss | (2,382) | - |
| Cash settlements | (7,781) | - |
| Balance at end of the period | \$ 41,575 | \$ 19,313 |
| Less: current portion | (15,511) | (3,947) |
| Balance end of the period: non-current portion | \$ 26,063 | \$ 15,366 |

At December 31, 2020, a total of 62,435.5 ounces of the originally issued hedges remain outstanding (2019 – 79,090). During the year ended December 31, 2020, 16,654.70 gold call options were exercised by BNP (2019 - nil) and the Company paid BNP \$7.8 million (2019 - \$nil), with a further \$1.1 million payable in early January 2021 (2019 - \$nil).

In connection with the third amendment to the BNP Facilities, the Company and BNP agreed to delay delivery of 1,831.3 ounces of gold scheduled to be delivered in April 2020 and 1,830.0 ounces schedule to be delivered in May 2020 to the first three months of 2021. The delay in delivery reduced the settlements due to BNP in May and June 2020.

11.2 Appian Debt Facility Derivatives

The Company determined that the Appian Debt Facility is a hybrid financial instrument containing debt, derivative and equity instruments and, accordingly, has determined and recognized the initial fair value of each contained component financial instrument (refer to notes 10.2, 14 and 15).

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Balance at beginning of the period | \$ - | \$ - |
| Derivative financial instrument recognized | 6,795 | - |
| Change in fair value | (2,422) | - |
| Exchange (gain)/loss | (426) | - |
| Balance at end of the period | \$ 3,947 | \$ - |
| Less: current portion | - | - |
| Balance end of the period: non-current portion | \$ 3,947 | \$ - |

Dividend payments

The first tranche of the Appian Debt Facility was completed on July 14, 2020, through the issuance of 9.5 million Special Shares. Dividends on the Special Shares were paid monthly with settlement in common shares of the Company at a nominal rate of 14% per annum. The number of common shares to be issued for the settlement of the monthly dividend payment was determined by using the lower of the 5-day volume-weighted average price of the Company's common stock translated into United States dollars at the 5-day average exchange rate and US\$0.086 per share. The future value of the dividend payment was dependent on the future price of the common shares and the future exchange rate as compared to the established base value and was determined to be a derivative instrument requiring separation from the debt instrument.

The fair value of this derivative instrument at July 14, 2020 was \$2.5 million (US\$1.8 million). On August 28, 2020, the Special Shares converted to debt and the monthly dividend payment and related derivative instrument were terminated.



NOTES TO FINANCIAL STATEMENTS

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Equity structuring fee

Upon maturity of the Appian Debt Facility, the Company will pay an Equity Structuring Fee to an affiliate of Appian, determined primarily by the difference in the VWAP of the common shares over the life of the loan, translated into United States dollars using the average exchange rate over the life of the loan, compared to US\$0.086 per share. The Equity Structuring Fee is payable in cash or in common shares at the Company's election.

The Company determined that the Equity Structuring Fee was a derivative requiring separation from the debt instrument. The future value the equity structuring fee is dependent on the future price of the Company's common shares and the future exchange rate as compared to the established base of US\$0.086.

The fair value of the Equity Structuring Fee at December 31, 2020 was \$3.9 million (US\$3.1 million) (2019 - \$nil).

The Company used a simulation model to determine the fair value of the derivative instruments. The main assumptions used in a multivariable simulation option model include the estimated life of the option, the expected volatility of the Company's common share price, the expected volatility of the US/CAD dollar exchange rate, the expected dividends and the risk-free rate of interest in Canada and the United States and are set out below:

| | July 14 2020 | December 31 2020 |
|--------------------------------------|-----------------|---------------------|
| Expected life | 2.96 years | 2.50 years |
| Expected volatility of share price | 80% | 85% |
| Expected volatility of exchange rate | 7% | 7% |
| Risk-free Canadian interest rate | 0.61% | 0.56% |
| Risk-free US interest rate | 0.23% | 0.22% |
| Expected dividend yield | 0% | 0% |

12. FLOW-THROUGH SHARE PREMIUM

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issuances.

| | December 31 2020 | December 31 2019 |
|--|---------------------|---------------------|
| Balance at beginning of the period | \$ 920 | \$ 1,702 |
| Settlement of liability through renouncement | (4,448) | (1,702) |
| Liability incurred on flow-through shares issued | 9,872 | 920 |
| Balance at end of the period | \$ 6,344 | \$ 920 |

On October 2, 2019, the Company completed a private placement of 23,000,000 flow-through common shares at a price of \$0.30 per share for gross proceeds of \$6.9 million. A flow-through share premium of \$0.9 million was recorded on this financing. The liability was settled through renouncement in the first three months of 2020.

On March 11, 2020 and March, 19 2020, the Company completed a phased brokered private placement of 168,750,000 flow-through common shares collectively at a price of \$0.16 per share for gross proceeds of \$27.0 million. A flow-through share premium of \$9.9 million was recorded on this financing. The liability was partially settled through the renouncement of \$9.6 million of expenditures.

13. ENVIRONMENTAL REHABILITATION PROVISION

Pursuant to the Sugar Zone Mine closure plan (the "Closure Plan"), the Company provides for the estimated future cost of rehabilitating the Sugar Zone Mine and related production facilities on a discounted basis, if the impact of discounting is material, as such activity that creates the rehabilitation obligation occurs. The rehabilitation provision represents the



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At and for the year ended December 31, 2020

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present value of estimated future rehabilitation costs. These provisions are based on the Company's estimates, with consideration of the Closure Plan and rehabilitation requirements established by relevant regulatory bodies.

The Company has determined that the impact of discounting the future cost to rehabilitate the Sugar Zone Mine at December 31, 2020 is immaterial and as such, no discount rate has been applied in determining the rehabilitation provision of \$5.3 million at December 31, 2020. The majority of the reclamation expenditures are expected to occur between 2027 and 2030. As the life of the Sugar Zone Mine may be extended, the timing of certain expenditures may be deferred.

All estimates and assumptions are reviewed on an annual basis to take into account any material changes to underlying assumptions and inputs. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the Sugar Zone mine ceases to produce at economically viable rates. This, in turn, will depend upon future gold prices and costs of production, which are inherently uncertain.

| | December 31 2020 | December 31, 2019 |
|--|-----------------------------|----------------------|
| Balance at beginning of the year | \$ 5,096 | \$ 4,784 |
| Rehabilitation liability arising during the period | 160 | 162 |
| Accretion | 40 | 150 |
| Balance at end of the period | \$ 5,296 | \$ 5,096 |

14. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares are as follows:

| | Note | December 31 2020 | December 31 2019 |
|--|-------------|-----------------------------|---------------------|
| Balance beginning of period | | 676,957,229 | 599,739,452 |
| Private placement of units and shares | | | |
| Private placement of flow-through shares | | 168,750,000 | 23,000,000 |
| Appian Financing Up-Front Securities | | 6,970,844 | - |
| Appian Financing Interest | | 12,862,816 | - |
| Special share issuance for Appian | | - | 49,177,777 |
| Shares for property acquisition | | - | 100,000 |
| Deferred stock units redemption | 16 | 1,100,556 | - |
| Options exercised | 15 | 8,000,000 | 4,940,000 |
| Balance end of period | | 874,641,445 | 676,957,229 |

On June 6, 2019, the Company entered into a Subscription Agreement with Appian for the purchase of US\$10.0 million Special Shares, which closed on June 11, 2019. The investment of US\$10.0 million was a condition of closing the BNP Debt Facilities (refer to note 10.1). The Special Shares were convertible into common shares at \$0.27 per common share two weeks from the later of (i) the date of shareholder approval, (ii) the date the Appian Debt was paid in full and (iii) the date the Sprott Debt was paid in full. As Appian would own in excess of 20% of the common shares of the Company upon conversion, shareholder approval was required prior to such conversion. The shareholders of the Company approved the conversion on July 4, 2019 and the Special Shares were converted to 49,177,777 common shares on July 18, 2019.

Pursuant to the Subscription Agreement between Appian and the Company, and as consideration for a standby commitment from Appian to provide up to an additional US\$7.5 million in royalty financing available at the Company's option (the "Appian Standby Commitment"), and the extension of the due date on the outstanding bridge loan facility with Appian to coincide with the closing of the BNP Debt Facilities, the Company also issued to Appian 5,000,000 common share purchase warrants that are exercisable at \$0.27 per Common Share for a period of five years from closing. The warrants were valued at \$0.9 million and allocated to share issuance cost.



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On August 28, 2019, the Company announced the entering into of a settlement agreement among the Company, each of the directors of the Company, and Appian (the "Settlement Agreement") that superseded certain provisions of the Subscription Agreement. Under the terms of the Settlement Agreement and pursuant to Appian's participation rights in respect of certain prior option issuances, the Company issued to Appian 3,950,000 warrants to purchase common shares of the Company at an exercise price of \$0.35 per common share, expiring on August 28, 2022. The warrants were valued at \$0.5 million and allocated to stock-based compensation expense.

On March 19, 2020, the Company completed a brokered private placement of flow-through common shares of the Company. The flow-through common shares were issued in two tranches, the first tranche consisting of 120,937,495 flow-through common shares and the final tranche consisting of 47,812,505, at an issue price of \$0.16 per flow-through common shares, respectively. The total proceeds raised were \$27.0 million. Net expenses associated with the offering were \$1.5 million.

On July 14, 2020, the Company issued 6,970,844 common shares at an issue price of \$0.1518 per share to Appian in connection with the Appian Financing (refer to note 10.2).

The Company issued 12,862,816 common shares to an affiliate of Appian for the payment of interest during the year ended December 31, 2020 (2019 - nil). The Company recorded \$1.7 million (2019 - \$nil) of interest expense related to the issuance of these common shares.

During the year ended December 31, 2020, the Company issued 8,000,000 common shares (2019 – 4,940,000) on the exercise of common stock purchase options and 1,100,556 common shares on the exercise of DSUs (2019 – nil) (refer to note 16).

15. WARRANTS

At December 31, 2020 there were 33,963,388 (2019: 26,581,707) warrants to purchase common shares outstanding.

| | Number of warrants |
|-------------------------------------|-------------------------------|
| Balance at December 31, 2018 | 16,118,319 |
| Issued | 10,463,388 |
| Balance at December 31, 2019 | 26,581,707 |
| Issued | 7,500,000 |
| Expired | (118,319) |
| Balance at December 31, 2020 | 33,963,388 |

On June 8, 2019, 5,000,000 warrants, valued at \$0.9 million, were issued to Appian as part of the Special Share Subscription Agreement. On August 28, 2019, a further 3,950,000 warrants, valued at \$0.5 million, were issued to Appian as part of the Settlement Agreement.

In connection with the flow-through share issuance that closed on October 2, 2019, 1,130,334 warrants, valued at \$0.1 million were issued to the brokers and 383,054 warrants, valued at \$0.02 million, were issued to Appian.



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On July 14, 2020, in connection with the Appian Financing, the Company granted 7.5 million warrants to purchase common stock to an affiliate of Appian with an exercise price of \$0.1349 per share and expiring on July 14, 2025. The assumptions used to fair value the warrants issued using a Black-Scholes option pricing model are outlined in the table below and resulted in a fair value of \$0.7 million.

| | December 31 2020 | December 31 2019 |
|------------------------------------|---------------------|---------------------|
| Expected life | 5.0 years | 1.5 - 5.0 years |
| Expected volatility of share price | 88% | 52.8% - 83.1% |
| Risk-free interest rate | 0.30% | 1.35% - 1.5% |
| Expected dividend yield | 0% | 0% |

The expiry dates of warrants outstanding as of December 31, 2020 are as follows:

| Expiry date | Number of warrants outstanding | Exercise price | Remaining contractual life (years) |
|-----------------|--------------------------------------|-------------------|--|
| April 2, 2021 | 1,130,334 | \$ 0.30 | 0.25 |
| April 2, 2021 | 383,054 | \$ 0.35 | 0.25 |
| August 28, 2022 | 3,950,000 | \$ 0.35 | 1.66 |
| May 11, 2023 | 4,000,000 | \$ 0.51 | 2.36 |
| May 11, 2023 | 2,000,000 | \$ 0.50 | 2.36 |
| May 31, 2023 | 10,000,000 | \$ 0.49 | 2.41 |
| June 8, 2024 | 5,000,000 | \$ 0.27 | 3.69 |
| July 14, 2025 | 7,500,000 | \$ 0.13 | 4.54 |
| | 33,963,388 | \$ 0.36 | 2.88 |

16. STOCK BASED COMPENSATION

The Company historically has had a stock option plan to provide additional incentives to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The Company also established a Deferred Share Unit plan (DSU) for directors and a Restricted Share Unit plan (RSU) for officers and employees. The DSU and RSU plans were approved by shareholders on June 24, 2020. The RSUs and DSUs are valued based on the fair market value of the Company's common shares at the date of grant. The fair value of the awards is expensed over their vesting periods.

The number of shares reserved for issuance under the Company's stock option, DSU and RSU plans in aggregate is not to exceed 10% of the issued and outstanding common shares from time-to-time. At December 31, 2020, the Company had 26,342,915 (2019: 5,171,118) common shares available for future grants of stock based compensation. Notwithstanding the foregoing, in its 2016 subscription agreement with Appian, the Company agreed to limit the number of new stock-based compensation grants in any 1 year period to 3% and in any 3 year period to 6% of the outstanding common shares at the beginning of such periods.



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16.1 Stock Options

The following table provides information regarding stock options outstanding.

| | Number of options # | Weighted average exercise price \$ |
|---|---------------------------|---|
| Balance at December 31, 2018 | 45,690,000 | 0.31 |
| Granted | 19,284,605 | 0.31 |
| Exercised | (4,940,000) | 0.10 |
| Cancelled | (6,005,000) | 0.40 |
| Expired | (255,000) | 0.10 |
| Balance at December 31, 2019 | 53,774,605 | 0.32 |
| Granted | 6,467,815 | 0.15 |
| Exercised | (8,000,000) | 0.10 |
| Cancelled | (9,198,513) | 0.25 |
| Expired | (250,000) | 0.10 |
| Balance at December 31, 2020 | 42,793,907 | 0.36 |
| Exercisable at the end of the period | | |
| December 31, 2019 | 45,782,500 | 0.35 |
| December 31, 2020 | 36,284,869 | 0.39 |

Generally stock options granted prior to November 2019 fully vested on the date of grant, except when otherwise determined by the compensation committee of the Company's board of directors. Stock options granted subsequent to November 1, 2019 generally have vesting periods of 3 years where 1/3 of the total granted vest upon each anniversary date of the grant.

The Company amortizes the fair value of the stock option grants over the vesting period. If the stock options are cancelled or forfeited prior to vesting the Company derecognizes the previously amortized fair value related to the unvested options cancelled or forfeited.

The weighted average share price on the date of exercise for stock options exercised during the year ended December 31, 2020 was \$0.17 (2019 - \$0.27).

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The following table provides additional information regarding stock options outstanding at December 31, 2020.

| Exercise price range | Awards outstanding | | | Awards exercisable | | |
|----------------------|--------------------|----------------------------|---------------------------------|--------------------|----------------------------|---------------------------------|
| | Number of options | Remaining contractual life | Weighted average exercise price | Number of options | Remaining contractual life | Weighted average exercise price |
| | # | Years | \$ | # | Years | \$ |
| \$0.100 - \$0.175 | 8,453,907 | 3.93 | 0.15 | 2,944,869 | 2.64 | 0.14 |
| \$0.270 - \$0.350 | 10,400,000 | 1.20 | 0.34 | 9,400,000 | 0.95 | 0.35 |
| \$0.400 - \$0.440 | 10,950,000 | 3.00 | 0.40 | 10,950,000 | 3.00 | 0.40 |
| \$0.450 - \$0.450 | 12,090,000 | 2.24 | 0.45 | 12,090,000 | 2.24 | 0.45 |
| \$0.700 - \$0.710 | 900,000 | 1.34 | 0.70 | 900,000 | 1.34 | 0.70 |
| | 42,793,907 | 2.50 | 0.36 | 36,284,869 | 2.15 | 0.39 |

The Company granted 6,467,815 stock options to certain executive officers during the year ended December 31, 2020. These stock options vest annually over the next three years. The weighted average fair value per stock option of \$0.097 was estimated using the Black-Scholes valuation model using the following assumptions:

| | December 31 2020 | December 31 2019 |
|-------------------------|----------------------|---------------------|
| Expected life | 5 years | 5 years |
| Expected volatility | 85.8% - 88.4% | 85.9% - 92.1% |
| Risk-free interest rate | 0.30% - 0.32% | 1.94% - 2.16% |
| Expected dividend yield | 0% | 0% |

Certain options were granted to consultants during the year ended December 31, 2019. In the absence of a reliable measure of the services received, the services have been measured at the fair value of the options issued to consultants.

On June 6, 2019, the Company entered into a service agreement with Maximos Metals Corp. ("Maximos") by which Maximos provided technical data in respect to the Sugar Zone property. Upon receiving the technical data, the Company issued 1,000,000 options to Maximos on July 4, 2019. The options have a term of five years and an exercise price of \$0.27 per common shares. Such options will vest and become exercisable upon satisfaction of the following conditions:

- 1) 50,000 options vested immediately upon the Company receiving the technical data;
- 2) 250,000 options will vest upon the discovery of economic mineralization on one or more Maximos targets; and
- 3) 700,000 options will vest upon preparation of an executed resource report, outlining resources totaling at least 500,000 Au equivalent ounces.

16.2 Deferred Share Units

The Company established a DSU plan in November 2019, which was approved by shareholders on June 24, 2020. Upon exercise, the Company may, at its discretion, issue cash, shares or a combination thereof. It is the Company's intention to settle in shares and the Company has not settled any DSUs in cash to date. The DSU related expense was included in the statement of operations and comprehensive loss and calculated by using the fair value of the Company's common shares at the date of grant.



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The following table reflects the movement in DSUs outstanding:

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Balance at beginning of the period | 5,000,000 | - |
| Granted | 6,314,743 | 5,000,000 |
| Redeemed | (1,233,333) | - |
| Balance at end of the period | 10,081,410 | 5,000,000 |

On November 18, 2019, non-executive directors of the Company were granted 5 million DSUs at \$0.15 per share, vesting immediately subject to shareholder approval of the plan. Prior to approval of the plan on June 24, 2020, the Company was required to fair value the DSUs based on the common share price at each balance sheet date with changes in the fair value being included in the determination of stock-based compensation.

During the year ended December 31, 2020, the Company granted 6,314,743 DSUs to non-executive directors at prices between \$0.118 and \$0.148 per share, vesting immediately. The Company recorded total net expense of \$0.7 million as DSU related stock-based compensation for the year ended December 31, 2020, including a recovery of \$0.1 million relating to the 2019 grant (2019 - \$0.8 million).

During the year ended December 31, 2020, 1,233,333 DSUs were redeemed. The weighted average share price on the date of redemption for DSUs during the year ended December 31, 2020 was \$0.14 per share (2019 - \$nil).

16.3 Restricted Share Units

The Company established an RSU plan in November 2019, which was approved by shareholders on June 24, 2020. Upon exercise, the Company may, at its discretion, issue cash, shares or a combination thereof. It is the Company's intention to settle in shares and the Company has not settled any RSUs in cash to date. The RSU expense is included as an expense in the statement of operations and comprehensive loss over the vesting period using the fair value of the Company's common shares at the date of grant.

The following table reflects the movement in RSUs outstanding:

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Balance at beginning of the period | 3,750,000 | - |
| Granted | 7,604,020 | 3,750,000 |
| Cancelled | (3,108,108) | - |
| Balance at end of the period | 8,245,912 | 3,750,000 |

On November 18, 2019, certain officers of the Company were granted 3,750,000 RSUs at \$0.15 per share, vesting over three years from grant date, subject to shareholder approval, where 1/3 of the total RSU's granted vest upon each anniversary date of the grant. Prior to the approval of the plan of June 24, 2020, the Company was required to fair value the RSUs based on the common share price at each balance sheet date with changes in the fair value being included in the statement of operations and comprehensive loss.

On July 16, 2020 and September 22, 2020, certain officers of the Company were granted 6,060,810 and 1,543,210 RSUs, respectively, at \$0.148 per share and \$0.162 per share, respectively, vesting over three years from grant date, where 1/3 of the total RSU's granted vest upon each anniversary date of the grant. The Company recorded total net expense of \$0.4 million as RSU related stock-based compensation for the year ended December 31, 2020 (2019 - \$23). There was no material impact of the revaluation of the RSUs granted in 2019.

During the year ended December 31, 2020, 3,108,108 RSUs were cancelled due to forfeiture.



NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

17. REVENUES

| | December 31 | December 31 |
|-----------------------------------|--------------------|-------------|
| | 2020 | 2019 |
| Gold and silver sales | \$ 54,183 | \$ 50,969 |
| Less treatment and refining costs | (682) | (1,214) |
| | \$ 53,501 | \$ 49,755 |

The Company is principally engaged in the business of producing and selling gold in the form of gold doré and gold concentrate. Revenue from silver sales is immaterial.

18. CARE AND MAINTENANCE EXPENSES

On March 30, 2020, the Company temporarily suspended operations at the Sugar Zone Mine to preserve the health and safety of the Company's workforce and the surrounding communities during the COVID-19 pandemic. During suspension of operations, the Company prepared a restart plan, incorporating enhanced health and safety procedures in response to COVID-19. Operations resumed on July 17, 2020 after arranging sufficient funding to address the Company's anticipated working capital requirements during the restart of operations.

Care and maintenance expenses reflect expenditures incurred during the temporary suspension of operations due to COVID-19 restrictions, to keep the Sugar Zone Mine in compliance with health, safety and environmental regulations, and to ensure that operations could be restarted seamlessly.

| | December 31 | December 31 |
|------------------------------|--------------------|-------------|
| | 2020 | 2019 |
| Depreciation | \$ 1,120 | \$ - |
| Underground mine maintenance | 1,167 | - |
| Site general administration | 869 | - |
| Site surface maintenance | 872 | - |
| Mill general maintenance | 822 | - |
| Effluent treatment plant | 541 | - |
| Hydo power, electricity | 297 | - |
| Environmental Services | 231 | - |
| Equipment rentals | 200 | - |
| | \$ 6,119 | \$ - |

The global COVID-19 crisis continues to evolve, including continued restrictions on the movement of people and goods, social distancing measures, restrictions on group gatherings, quarantine requirements and contact tracing. The Company continues to closely monitor the situation to manage the impact of COVID-19 on its operations, including taking steps to protect the health and safety of its employees, contractors and local communities.



NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

19. GENERAL AND ADMINISTRATIVE EXPENSES

| | December 31 2020 | December 31 2019 |
|---------------------------------------|---------------------|---------------------|
| Salaries, benefits and directors fees | \$ 3,105 | \$ 1,009 |
| Office and general | 2,022 | 900 |
| Share-based payments | 1,356 | 794 |
| Management and consulting fees | 994 | 550 |
| Severance pay | 887 | 1,463 |
| Legal fees | 882 | 317 |
| Shareholders' information | 430 | 4,899 |
| Travel & accommodation | 196 | 210 |
| Depreciation | 247 | 24 |
| | \$ 10,119 | \$ 10,166 |

20. INCOME TAXES

Provision for income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

| | December 31 2020 | December 31 2019 |
|--|---------------------|---------------------|
| Net loss before income taxes | \$ (40,179) | \$ (61,581) |
| Combined Federal and Provincial tax rate | 25.00% | 25.00% |
| Expected recovery at statutory rates | \$ (10,045) | \$ (15,395) |
| Non-deductible/(Non-taxable) amounts | (1,288) | 686 |
| Renunciation of tax attributes - flow through shares | 2,794 | 1,196 |
| Change in tax benefit not recognized | 8,537 | 17,087 |
| Other | 2 | (3,573) |
| Deferred income tax expense (income) | \$ - | \$ - |

Income and Mining tax effect of temporary difference – recognized

The tax effects of temporary difference that give rise to deferred tax assets and deferred tax liabilities at December 31, 2020 and 2019 are as follows:

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Non-capital loss carry forwards | \$ 2,619 | \$ 3,229 |
| Property, plant and equipment | (2,833) | (4,504) |
| Exploration & Development - mining tax | 1,366 | 1,866 |
| Other | (1,151) | (591) |
| Deferred income & mining tax assets (liabilities) | \$ - | \$ - |



NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

Income and mining tax temporary differences – not recognized

Management believes that it is not probable that sufficient taxable profit will be available in future years to allow the benefit of the following deductible temporary differences:

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Resource properties | \$ 67,851 | \$ 74,662 |
| Non-capital loss carry forwards | 65,799 | 41,743 |
| Share issue costs | 3,536 | 3,553 |
| Derivatives and other | 42,804 | 24,409 |
| Deferred income tax assets not recognized | \$ 179,990 | \$ 144,367 |

Tax loss carry-forwards

The Company has accumulated non-capital losses of \$76.3 million which may be deducted in the calculation of taxable income for income tax in future years. The losses expire as follows:

| Year of expiry | Amount Expiring |
|----------------|--------------------|
| 2025 - 2033 | \$ 6,107 |
| 2034 - 2037 | 12,854 |
| 2038 | 22,818 |
| 2039 | 12,879 |
| 2040 | 21,616 |
| | \$ 76,274 |

21. LOSS PER SHARE

| | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Loss attributable to common shareholders | (40,179) | (61,581) |
| Weighted average shares outstanding - basic and fully diluted | 821,234,351 | 631,193,264 |
| Loss per share - basic and fully diluted | \$ (0.049) | \$ (0.098) |

The Company excluded the effect of the stock options and warrants in the determination of diluted loss per share as their impact would have been anti-dilutive.

22. RELATED PARTY TRANSACTIONS

Appian is a related party to the Company. Appian is a related party as a result of its 23.0% ownership interest in Harte Gold's shares as at December 31, 2020 and Appian's right to appoint two directors to the Company's board. Affiliates of Appian own an additional 2.3% of the Company's shares at December 31, 2020. The Company has entered into several funding transactions with Appian (refer to note 10).

Transactions, other than the funding transactions, with the related party were in the normal course of operations and were measured at the exchange amount. The transactions include gold sales, royalty payments, and services provided by Appian or its affiliates to support the Company's corporate development function and project management function. Amounts due to related parties pursuant to these transactions are unsecured, non-interest bearing and due on demand. These are settled on a regular basis. For the year ended December 31, 2020, the Company included \$0.3 million (2019

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

- \$nil) of costs for these transactions in General and Administrative Expenses. At December 31, 2020, the Company owed the related party \$0.3 million (2019 - \$nil) and has included this amount in accounts payable and accrued liabilities.

For the year ended December 31, 2020 and 2019, the Company paid key management personnel, including officers, directors or their related entities for consulting services and/or management services, as follows:

| | December 31 2020 | December 31 2019 |
|--|---------------------|---------------------|
| Management, consulting and director fees | \$ 3,395 | \$ 1,935 |
| Stock based compensation | | |
| - expensed to the Statement of Operations and Comprehensive Loss | 1,252 | 3,211 |
| | \$ 4,647 | \$ 5,146 |

23. FINANCIAL INSTRUMENTS

The Company's financial assets and financial liabilities were classified as follows:

| December 31, 2020 | Level | Amortized cost | FVTPL |
|--|-------|----------------|--------|
| Financial assets | | | |
| Cash and cash equivalents | 1 | \$ 8,248 | \$ - |
| Restricted cash | 1 | 1,324 | - |
| Receivables (excluding HST receivable) | 1 | 3,437 | - |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | 1 | 14,727 | - |
| Short-term debt | 2 | 26,427 | - |
| Long-term debt | 2 | 92,144 | - |
| Derivative financial instruments | 2 | - | 45,522 |

| December 31, 2019 | Level | Amortized cost | FVTPL |
|--|-------|----------------|--------|
| Financial assets | | | |
| Cash and cash equivalents | 1 | \$ 2,096 | \$ - |
| Receivables (excluding HST receivable) | 1 | 3,304 | - |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | 1 | 25,630 | - |
| Short-term debt | 2 | 8,911 | - |
| Long-term debt | 2 | 81,072 | - |
| Derivative financial instruments | 2 | - | 19,313 |

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – Inputs for the asset or liability that are not based on observable market data

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

The estimated fair value of cash and cash equivalents, receivables (excluding HST receivable), restricted cash and accounts payable and accrued liabilities approximate their carrying values due the short nature of these financial instruments. The fair values of the Company's short-term and long-term debts also approximates their carrying value due to the fact that the effective interest rate is not significantly different from market rates.

The Company's risk exposure and impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of the Company's financial assets represent the maximum credit risk exposure.

The Company is not exposed to any significant credit risk on its financial assets. Cash and cash equivalents have been deposited with strong or high-credit quality Canadian and European chartered banks. Accounts receivable are owed to the Company by a limited number of counterparties, each of whom the Company believes to be financially strong. The Company has concluded that there are no material credit losses in respect of these customers.

b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets or alternative forms of financing, such as debt, is hindered, whether or not as a result of a downturn in debt and/or equity market conditions generally or related to matters specific to the Company. The Company has historically generated cash flow primarily from its financing activities.

At December 31, 2020, the Company had cash and cash equivalents of \$8.2 million (2019: \$2.1 million) to settle accounts payable and accrued liabilities of \$15.1 million (2019: \$25.6 million) that are considered short-term and expected to be settled within 30 to 90 days. Additionally, the Company is obligated, as of December 31, 2020, to pay interest and principal on the BNP Debt Facilities. Managing liquidity risk will be dependent on the success of its mining activities, as well as the Company's on-going ability to raise additional funds through debt or equity issues (refer to note 1).

c) Market risk

(i) *Interest rate risk*

The Company's exposure to the risk of changes in market interest rates relates primarily to the BNP Debt Facilities, which bears interest based on the three-month U.S. dollar LIBOR rates. As a result, the Company is subject to a medium level of interest rate risk. All other financial assets and liabilities are non-interest bearing or bear interest at fixed rates. A 1.0% increase/decrease in the LIBOR rate would have increased/decreased the interest paid by \$0.9 million for the year ended December 31, 2020.

(ii) *Foreign currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk with respect to monetary items not denominated in Canadian dollars. The Company has exposure to currency risk on its operations, as gold prices are denominated in US dollars, while operating expenses are incurred in Canadian dollars.

Additionally, the Company has debt instruments outstanding which are denominated in US dollars. In respect of its exposure on debts outstanding, a \$0.01 increase or decrease in the Canadian dollar exchange rate would have a +/- \$0.8 million impact on its outstanding debt balance.

(iii) *Commodity price risk:*

Gold prices have fluctuated widely in recent years and there is no assurance that a profitable market will exist for gold produced by the Company. In 2019, pursuant to the BNP Debt Facilities, the Company entered into a gold hedge program on approximately 79,000 ounces of future production. Zero cost collars were used for approximately 74,000 ounces, spread over the years 2020 through 2023. The balance of the hedges was



NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

structured as gold swaps, maturing in the first half of 2024. The floor price of the gold collars has been set at US\$1,300 per ounce with varying ceiling prices of the collars ranging from US\$1,391 per ounce to US\$1,399 per ounce.

A US\$10 per ounce change in the average price of gold in 2020 would have affected revenues by approximately \$0.3 million.

24. CAPITAL MANAGEMENT

The Company’s objectives when managing capital, defined as total equity plus debt, are (1) to safeguard the Company’s ability to continue operations in order to pursue the development of its mineral properties and provide returns for shareholders, and (2) to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company considers its levels of debt and shareholders’ equity in its management of capital, as well as its existing cash position.

Total equity is comprised of share capital, reserves and accumulated deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments.

To facilitate the management of its capital requirements, the Company prepares forecasts or expenditure budgets for its activities that are used to monitor performance. Variances to plan will result in adjustments to capital deployment subject to various factors and industry conditions.

The Company is not subject to any externally imposed capital requirements limiting or restricting the use of capital. In order to maximize ongoing development efforts, the Company does not pay out dividends at this time.

The Company’s investment policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of less than a year from the original date of acquisition, selected with regard to the expected timing of expenditures from operations.

| | December 31 2020 | December 31 2019 |
|--------|-----------------------------|---------------------|
| Equity | \$ (37,100) | \$ (18,173) |
| Debt | 118,571 | 89,983 |
| | \$ 81,471 | \$ 71,810 |

25. COMMITMENTS

The Company has a commitment under a site access agreement to pay \$0.1 million per annum, subject to a cumulative maximum of \$0.5 million. Payments of \$0.1 million has been made up to December 31, 2020.

In connection with the issuance of flow-through shares and the related renouncement of exploration and development expenditures, the Company commits to spend such funds on eligible exploration and development expenditures (refer to note 12).

Under the terms of an agreement with Maximos Metals Corp. (“Maximos”), Maximos is entitled to a bonus grant of 10 million options, conditional on certain economic thresholds being met on one of the exploration targets identified by Maximos within a 10 year period.

The Company has entered into an Impact Benefits Agreement (“IBA”) with Pic Mobert First Nation (“Pic Mobert” or “PMFN”), the proximal First Nation, in connection with the Company’s Sugar Zone property. The Sugar Zone property is located within the exclusive traditional territory of Pic Mobert. The IBA applies to all mines that may be developed on the Sugar Zone property and provides the framework within which Harte Gold and PMFN will continue to work together during the production phase of the Sugar Zone Mine. Key IBA terms include a 4% Net Profits Interest (“NPI”), based on the World Gold Council definition of “all in sustaining cost” metrics, subject to a minimum amount of \$0.5 million per annum,



NOTES TO FINANCIAL STATEMENTS

At and for the year ended December 31, 2020

(Expressed in thousands of Canadian dollars except where noted)

an implementation payment of \$0.1 million per annum on April 1 of the year immediately after the Company receives approval of its closure plan, and stock options to purchase 500,000 common shares of the Company at a price of \$0.41 for a period of five years (issued).

26. SUBSEQUENT EVENTS

New Gold Strategic Investment

On March 24, 2021, Harte Gold completed a private placement offering of 154,940,153 common shares to New Gold at a price of \$0.16 per common share for gross proceeds of \$24.8 million.

Following completion of the Strategic Investment, New Gold beneficially owned approximately 14.9% of the issued and outstanding common shares of Harte Gold.

Pursuant to the terms of an investor rights agreement entered into in conjunction with the Strategic Investment, as long as New Gold holds not less than 10% of the Company's issued and outstanding common shares:

- Commencing at Harte Gold's 2022 annual meeting of shareholders, New Gold will have the right to nominate one director to the Company's board of directors (the "Board"). In the event the Board increases in size to nine or more directors, New Gold will have the right to nominate an additional director;
- New Gold's nominee will be provided an observer right to the Board's Health, Safety, Environmental and Technical Committee; and
- New Gold will have the right to participate in future equity financings to maintain its 14.9% interest.

In exchange for waiving the (i) right to receive up to 35% of the net proceeds of the Strategic Investment for debt repayment under the Appian Debt Facility; and (ii) participation right under the November 23, 2016 Subscription Agreement, the Company granted to Appian a deferred participation warrant that will allow it to acquire up to 55,802,812 common shares at \$0.18 per share for a period of 15 months following the closing of the Strategic Investment (the "Appian Deferred Participation Warrant"). The Appian Deferred Participation Warrant is not exercisable by Appian, subject to certain exceptions, for a period of 12 months following the closing of the Strategic Investment. New Gold was also granted a warrant (the "New Gold Warrant") which provides New Gold with the right, subject to Appian exercising the Appian Deferred Participation Warrant, to acquire up to 8,314,619 additional Common Shares at \$0.18 per Common Share in order to maintain its pro rata interest in the Company.

The Strategic Investment was announced on March 18, 2021 and closed on March 24, 2021 after receipt of all required regulatory and other approvals, including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

EXHIBIT “F”

EXHIBIT "F"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits



**Condensed Interim Financial Statements
(Unaudited)**

For the three and nine months ended September 30, 2021

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Harte Gold Corp. (the "Company" or "Harte Gold") for the three and nine months ended September 30, 2021 and 2020 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited condensed interim financial statements have not been reviewed by an auditor.

"Frazer Bourchier"

"Graham du Preez"

Frazer Bourchier
President & CEO

Graham du Preez
EVP & CFO

November 1, 2021



STATEMENTS OF FINANCIAL POSITION

(unaudited)

(in thousands of Canadian dollars)

| | Note | September 30 2021 | December 31 2020 |
|---|------|----------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 11,402 | \$ 8,248 |
| Receivables | 3 | 4,753 | 4,229 |
| Inventories | 4 | 6,419 | 7,889 |
| Prepays | | 1,002 | 1,064 |
| | | 23,576 | 21,430 |
| Long term assets | | | |
| Restricted cash | | 1,324 | 1,324 |
| Property, plant and equipment | 5 | 138,952 | 130,606 |
| | | \$ 163,852 | \$ 153,360 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 6 | \$ 15,124 | \$ 14,727 |
| Current portion of debt | 7 | 116,182 | 26,427 |
| Current portion of derivative financial instruments | 8 | 24,877 | 15,511 |
| Flow-through share premium | 9 | 2,178 | 6,344 |
| | | 158,361 | 63,009 |
| Long term liabilities | | | |
| Debt | 7 | 2,450 | 92,144 |
| Derivative financial instruments | 8 | - | 30,011 |
| Environmental rehabilitation provision | | 5,296 | 5,296 |
| Total liabilities | | 166,107 | 190,460 |
| Shareholders' equity | | | |
| Capital stock | 10 | 202,635 | 174,746 |
| Warrants | 11 | 9,979 | 6,340 |
| Contributed surplus | 12 | 20,345 | 18,879 |
| Deficit | | (235,214) | (237,065) |
| | | (2,255) | (37,100) |
| | | \$ 163,852 | \$ 153,360 |

Going concern – note 1

Commitments – note 19

The accompanying notes are an integral part of these financial statements

STATEMENTS OF OPERATIONS AND COMPREHENSIVE EARNINGS / (LOSS) (unaudited)

(in thousands of Canadian dollars except share and per share amounts)

| | Note | Three months ended September 30 | | Nine months ended September 30 | |
|--|------|------------------------------------|--------------------|-----------------------------------|--------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Mine operations | | | | | |
| Revenues | 13 | \$ 32,207 | \$ 12,215 | \$ 85,629 | \$ 31,551 |
| Production costs | | (17,100) | (6,973) | (49,634) | (20,735) |
| Royalties and selling expenses | | (1,406) | (552) | (3,799) | (1,456) |
| Depreciation and depletion | | (6,525) | (2,634) | (18,950) | (6,849) |
| Earnings / (loss) from mine operations | | 7,176 | 2,056 | 13,246 | 2,511 |
| Other expenses | | | | | |
| Care and maintenance | | - | 916 | - | 6,119 |
| General and administrative | 14 | 5,607 | 2,260 | 11,753 | 6,431 |
| Exploration and evaluation | | 665 | 135 | 2,630 | 754 |
| Operating earnings / (loss) | | 904 | (1,255) | (1,137) | (10,793) |
| Finance expenses/(income) & other | | | | | |
| Flow-through share premium | 9 | (1,472) | - | (4,166) | (920) |
| Loss on loan modification/termination | | - | - | - | 385 |
| Gain on sale of royalty | 5 | - | (622) | - | (622) |
| Appian Deferred Participant Warrants | 11 | - | - | 3,104 | - |
| Interest & accretion expense | | 4,446 | 2,231 | 11,632 | 5,392 |
| Foreign exchange loss / (gain) | | 3,319 | (2,561) | (161) | 2,487 |
| Change in the fair value of derivative financial instruments | 8 | (4,671) | 7,999 | (22,524) | 27,699 |
| Settlement of gold derivatives | 8 | 2,344 | 3,409 | 9,127 | 5,369 |
| Other expense / (income) | | - | 39 | - | 158 |
| | | 3,966 | 10,495 | (2,988) | 39,948 |
| Net earnings / (loss) before income taxes | | (3,062) | (11,750) | 1,851 | (50,741) |
| Income taxes | | - | - | - | - |
| Net earnings / (loss) and comprehensive earnings / (loss) | | \$ (3,062) | \$ (11,750) | \$ 1,851 | \$ (50,741) |
| Net earnings / (loss) per share - basic and fully diluted | 15 | \$ (0.003) | \$ (0.014) | \$ 0.002 | \$ (0.063) |
| Weighted average number of shares outstanding | | | | | |
| - Basic | 10 | 1,066,354,627 | 854,971,856 | 1,003,332,067 | 803,983,126 |
| - Diluted | 15 | 1,066,354,627 | 854,971,856 | 1,003,465,101 | 803,983,126 |

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited)

(in thousands of Canadian dollars)

| | Note | Capital Stock | Warrants | Contributed surplus | Deficit | Total shareholders' equity |
|---|------|------------------|----------|------------------------|--------------|----------------------------------|
| December 31, 2019 | | \$ 155,058 | \$ 5,620 | \$ 18,035 | \$ (196,886) | \$ (18,173) |
| Issued as a result of: | | | | | | |
| Private placement | 10 | 27,000 | - | - | - | 27,000 |
| Allocated to flow-through premium | 9 | (9,872) | - | - | - | (9,872) |
| Share issuance costs | 10 | (1,474) | - | - | - | (1,474) |
| Shares issued Appian financing | 7 | 1,058 | - | - | - | 1,058 |
| Shares issued for interest | 7 | 339 | - | - | - | 339 |
| Shares issued for DSUs redemption | 12 | 108 | - | (108) | - | - |
| Share based compensation | 12 | - | - | 552 | - | 552 |
| Warrants Issued | 11 | - | 720 | - | - | 720 |
| Stock options exercised | 12 | 1,079 | - | (329) | - | 750 |
| Net loss for the period | | - | - | - | (50,741) | (50,741) |
| September 30, 2020 | | \$ 173,296 | \$ 6,340 | \$ 18,150 | \$ (247,627) | \$ (49,841) |
| Issued as a result of: | | | | | | |
| Share issuance costs | 10 | - | - | - | - | - |
| Shares issued Appian financing | 7 | - | - | - | - | - |
| Shares issued for interest | 7 | 1,344 | - | - | - | 1,344 |
| Shares issued for DSUs redemption | 12 | 33 | - | (52) | - | (19) |
| Share based compensation | 12 | - | - | 804 | - | 804 |
| Warrants issued | 11 | - | - | - | - | - |
| Stock options exercised | 12 | 73 | - | (23) | - | 50 |
| Net loss for the period | | - | - | - | 10,562 | 10,562 |
| December 31, 2020 | | \$ 174,746 | \$ 6,340 | \$ 18,879 | \$ (237,065) | \$ (37,100) |
| Issued as a result of: | | | | | | |
| Private placement | 10 | 24,255 | 535 | - | - | 24,790 |
| Share issuance costs | 10 | (1,122) | - | - | - | (1,122) |
| Shares issued for interest | 7 | 4,316 | - | - | - | 4,316 |
| Shares issued for settlement of liability | 10 | 396 | - | - | - | 396 |
| Shares issued for DSUs redemption | 12 | 44 | - | (56) | - | (12) |
| Share based compensation | 12 | - | - | 1,522 | - | 1,522 |
| Appian Deferred Participant Warrants | 11 | - | 3,104 | - | - | 3,104 |
| Net earnings for the period | | - | - | - | 1,851 | 1,851 |
| September 30, 2021 | | \$ 202,635 | \$ 9,979 | \$ 20,345 | \$ (235,214) | \$ (2,255) |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

(unaudited)

(in thousands of Canadian dollars)

| | Note | Three months ended September 30 | | Nine months ended September 30 | |
|--|------|------------------------------------|------------------|-----------------------------------|------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Operating activities | | | | | |
| Net earnings / (loss) for the period | | \$ (3,062) | \$ (11,750) | \$ 1,851 | \$ (50,741) |
| Adjusted for: | | | | | |
| Depreciation | | 6,622 | 2,899 | 19,202 | 8,144 |
| Share-based payments | 12 | 586 | 425 | 1,522 | 552 |
| Flow-through share premium | 9 | (1,472) | - | (4,166) | (920) |
| Loss on loan modification/termination | | - | - | - | 385 |
| Loan accretion & accrued interest | | 4,446 | 2,293 | 11,632 | 5,271 |
| Unrealized foreign exchange loss / (gain) | | 3,333 | (2,354) | (147) | 2,664 |
| Gain on sale of royalty | | - | (622) | - | (622) |
| Appian Deferred Participant Warrants | 11 | - | - | 3,104 | - |
| Change in the fair value of derivative financial instruments | 8 | (2,327) | 8,317 | (20,438) | 28,865 |
| | | 8,126 | (792) | 12,560 | (6,402) |
| Net changes in non-cash working capital items: | | | | | |
| Inventory | | 26 | (3,038) | 808 | (1,506) |
| Prepays | | 441 | (801) | 62 | (823) |
| Receivables | | (200) | (2,770) | (462) | 1,274 |
| Accounts payable and accrued liabilities | | 1,274 | (4,889) | 478 | (10,922) |
| Cash flows from / (used in) operating activities | | 9,667 | (12,290) | 13,446 | (18,379) |
| Investing | | | | | |
| Restricted cash | | - | - | - | (1,324) |
| Proceeds on sale of royalty | | - | 2,723 | - | 2,723 |
| Plant and equipment additions | | (3,197) | (2,584) | (7,465) | (3,617) |
| Mine development costs | | (4,902) | (4,401) | (16,407) | (12,762) |
| Cash flows used in investing activities | | (8,099) | (4,262) | (23,872) | (14,980) |
| Financing | | | | | |
| BNP loan repayment | 7 | - | (1,720) | (4,171) | (4,348) |
| Appian loan drawdown/(repayment), net | | - | 35,792 | - | 35,792 |
| Interest paid | | (44) | (1,055) | (1,178) | (3,965) |
| CAT Financing Arrangement | 7 | - | - | 869 | - |
| Payment of leases and mortgages | 7 | (2,195) | (376) | (5,599) | (874) |
| Proceeds from issuance of shares, net | 10 | - | - | 23,668 | 25,526 |
| Exercise of options | 12 | - | 700 | - | 750 |
| Cash flows from / (used in) financing activities | | (2,239) | 33,341 | 13,589 | 52,881 |
| Effects of exchange rate changes on cash | | 203 | (278) | (9) | (185) |
| Net increase / (decrease) in cash and cash equivalents | | (468) | 16,511 | 3,154 | 19,337 |
| Cash and cash equivalents, beginning of the period | | 11,870 | 4,922 | 8,248 | 2,096 |
| Cash and cash equivalents, end of the period | | \$ 11,402 | \$ 21,433 | \$ 11,402 | \$ 21,433 |

The accompanying notes are an integral part of these financial statements



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Harte Gold Corp. (the "Company" or "Harte Gold") was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, New Brunswick, Saskatchewan, Alberta and British Columbia. The common shares of the Company trade on the Toronto Stock Exchange under the symbol "HRT", on the Frankfurt Stock Exchange under the symbol "H4O", and on the OTC market under the symbol "HRTFF". The head office and principal address of the Company is 161 Bay Street, Suite 2400, Toronto, Ontario, M5J 2S1.

The Company is engaged in the acquisition, exploration, evaluation, development and mining of mineral resource properties. Harte Gold's primary focus is on the Sugar Zone Mine, 30 km north of White River, Ontario.

At September 30, 2021, the Company had current liabilities of \$158.4 million and current assets of \$23.6 million with which to discharge such liabilities. The Company has a history of operating losses and may incur operating losses in future.

The Company's debt facilities with BNP Paribas ("BNP") and an affiliate of its major shareholder, ANR investments B.V. ("Appian") were fully drawn at September 30, 2021.

On March 24, 2021, the Company received \$24.8 million in gross proceeds from a private placement of common shares to New Gold Inc. ("New Gold") (the "Strategic Investment"). The Company concurrently announced the indicative terms of a proposed refinancing of the BNP term loan and revolving facility (the "BNP Debt Facilities") that provided for the deferral of certain principal debt payments, amongst other items (the "BNP Refinancing Proposal"). The BNP Refinancing Proposal also included amendments to the financial covenants related to the BNP Debt Facilities.

The BNP Refinancing Proposal was subject to certain conditions including: (i) obtaining final internal BNP approvals; (ii) the extension of the maturity of the US\$28.0 million credit agreement with Appian (the "Appian Debt Facility") from June 2023 to June 2025; (iii) negotiation of definitive documentation with BNP and Appian; and (iv) shareholder approval being obtained for the extension of the maturity of the Appian Debt Facility.

In light of updated production guidance for 2021 issued in May 2021, the Company deferred its plan to seek shareholder approval of the extension of the maturity of the Appian Debt Facility at the Company's annual general meeting in June 2021. The Company instead initiated a strategic review process (the "Strategic Review Process") to explore, review and evaluate a broad range of alternatives (which included the potential restructuring of its long-term debt and reviewing other potential strategic alternatives, including a full or partial sale of the Sugar Zone Mine) focused on ensuring financial liquidity and to fund accelerated life-of-mine capital.

The Company did not expect to be in compliance with certain financial covenants of the BNP Debt Facilities on June 30, 2021, which would have constituted an event of default under the BNP Debt Facilities. In addition, there was a scheduled US\$3.3 million principal repayment on the BNP term loan due June 30, 2021. On June 30, 2021, the Company obtained a 30-day waiver of its financial covenant requirements pursuant to the BNP Debt Facilities. In addition, BNP deferred the due date of (i) the principal and interest payments under the BNP Debt Facilities originally scheduled for June 30, 2021, and (ii) the settlement payment under the gold hedge program originally scheduled for July 2, 2021 to July 30, 2021 (the "Deferred Payments").

On July 30, 2021, the Company entered into a forbearance agreement with BNP (the "Forbearance Agreement") pursuant to which BNP agreed, subject to certain terms and conditions, to refrain from enforcing its rights and remedies under the BNP Debt Facilities (including principal, interest and gold hedge payments) until September 30, 2021. BNP also agreed, subject to the terms of the Forbearance Agreement, to forbear from exercising its rights and remedies under the BNP Debt Facilities in respect of or arising out of or relating to certain defaults or events of default under the BNP Debt Facilities, including financial covenant breaches, which were anticipated to occur prior to September 30, 2021, until the earlier of (i) September 30, 2021, and (ii) the occurrence or existence of any terminating event, which includes bankruptcy events, defaults not covered by the Forbearance Agreement and other customary terms. The Forbearance Agreement was amended on September 30, 2021, October 15, 2021 and October 29, 2021, to extend the forbearance period to October 15, 2021, October 29, 2021 and November 30, 2021, respectively.

The Company's non-compliance with financial covenants and failure to make the Deferred Payments on July 30, 2021, constituted events of default and after expiry of the forbearance period, unless the forbearance is further extended or the BNP Debt Facilities are otherwise amended, BNP will be able to exercise its rights and remedies under the BNP Debt



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

Facilities, including demanding immediate repayment of all amounts outstanding under the facilities and initiating steps to enforce its rights. All amounts owing to BNP under the BNP Debt Facilities and related gold hedge agreement have accordingly been classified as current liabilities.

On August 3, 2021, the Company received notice from Appian that events of default have occurred under the Appian Debt Facility and related financing agreements. Among other alleged events of default, Appian cite the Company's default under the BNP Debt Facilities which triggers a cross-default under the Appian financing agreements. Pursuant to the terms of the Intercreditor Agreement dated August 28, 2020 between Harte Gold, Appian and BNP, Appian is prohibited, without the prior written consent of BNP, from taking any Enforcement Action (as defined in the Intercreditor Agreement) until a minimum of 135 days has passed from the date on which Appian delivers a notice to BNP. The terms of the Appian Debt Facility provide for default interest at a rate per annum equal to 19.0% from the date of default. Due to Appian's ability to take Enforcement Action after expiry of the 135-day period referenced above, all amounts owing to Appian under the Appian Debt Facility and the related Equity Structuring Fee have been classified as current liabilities.

The Forbearance Agreement, which includes BNP forbearing on the Company's default in making scheduled payments through to November 30, 2021, provides for the continuation of a sale and investment solicitation process ("SISP"), among other things, as part of its Strategic Review Process. The Strategic Review Process has not yet resulted in any binding offers being received by the Company. Discussions are, however, ongoing with a number of parties with respect to a potential transaction. While the Forbearance Agreement allows for such discussions to continue, there can be no assurance that such discussions will result in a transaction, what the value of any transaction might be, or what the terms or timing of such a transaction might be. There can also not be any assurance that BNP will continue to forbear from exercising its rights and remedies on expiry of the Forbearance Agreement or what the terms or timing of such continued forbearance might be, or that the Company will be able to continue as a going concern.

At the time of issuing these financial statements, the Company does not expect that the Strategic Review Process will result in a transaction which would provide any value for holders of Harte Gold's equity securities (including securities convertible into or exercisable for equity securities). As a result of the foregoing, holders of Harte Gold's equity securities (including securities convertible into or exercisable for equity securities) are cautioned that trading in such securities is highly speculative, and that the trading prices for such securities may bear little or no relationship to the actual realization of value, if any, by holders thereof at the ultimate outcome of the Strategic Review Process. Also, there can be no assurance that the Company's common shares will continue to trade on the TSX or on any other trading platform.

In order to preserve liquidity to support the Strategic Review Process, the Company has continued to defer the implementation of various mitigation measures that were aimed at addressing the production variance from plan experienced to date in 2021. The Company has also reduced certain sustaining and expansion capital expenditures. However, based on the Company's current cash flow forecast, the Company will require additional financing prior to the end of 2021 in order to continue operations and conclude the Strategic Review Process. However, there can be no assurance that the Company will obtain the required financing or what the terms of such financing might be.

The Company's ability to continue as a going concern is dependent on access to additional external funding, the successful operation of its one mining property, the Sugar Zone Mine, its ability to manage its working capital deficiency, the outcome of the Strategic Review Process, and, if needed, further extensions of the forbearance period granted by BNP or, alternatively obtaining waivers of covenant breaches from BNP. There can be no assurance on the outcome of the Strategic Review Process, or that the Company will be able to obtain required financing, or what the terms of such financing might be. Due to uncertainties surrounding a number of factors such as, but not limited to, the outcome of the Strategic Review Process, the ability to raise additional funds, exploration results, mine operating results, the ability to continue operating during the COVID-19 pandemic, the price of underlying commodities, foreign exchange rates, and financial market conditions, it is not possible to predict the success of the Company's efforts in this regard. These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

In the light of the actions already taken and the alternatives available to the Company, these financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management has taken into account all available information about the future, which is at least, but is not limited to, twelve months from September 30, 2021. These financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and follow the same accounting policies and methods as described in note 2 to the Company’s audited financial statements for the year ended December 31, 2020. These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2020.

The Board of Directors (the “Board”) approved these financial statements on November 1, 2021.

2.2 Basis of measurement

Except for financial instruments that are measured at fair value, the financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset acquired.

2.3 Measurement uncertainty - critical accounting judgments and estimation uncertainties

The preparation of condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. These judgments, estimates and assumptions are based on management’s experience and knowledge of the relevant facts and circumstances. Actual results may differ from those estimates.

The significant judgments, estimates and assumptions made by management in applying the Company’s accounting policies were the same as those that applied to the audited financial statements as at and for the year ended December 31, 2020.

2.4 New accounting standards and amendments effective in the period

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The Company currently recognizes all sales proceeds in profit or loss and does not expect the adoption of this amendment to have a material impact on its results.

3. RECEIVABLES

| | September 30 2021 | December 31 2020 |
|-------------------------------|----------------------|---------------------|
| Gold sales revenue receivable | \$ 4,072 | \$ 3,437 |
| GST/HST receivable | 681 | 792 |
| | \$ 4,753 | \$ 4,229 |



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

4. INVENTORIES

| | September 30 2021 | December 31 2020 |
|--------------------------|----------------------|---------------------|
| In-Circuit inventory | \$ 563 | \$ 612 |
| Finished goods inventory | 2,629 | 4,482 |
| Ore stockpile inventory | 76 | - |
| Total mineral inventory | 3,268 | 5,094 |
| Material and Supplies | 3,151 | 2,795 |
| Total inventory | \$ 6,419 | \$ 7,889 |

During the three and nine months ended September 30, 2021 and September 30, 2020, \$nil net realizable value adjustment was recognized against the gold concentrate and gold bullion inventory.

During the three and nine months ended September 30, 2021, the Company recognized \$17.1 million and \$49.6 million (three and nine months ended September 30, 2020 – \$7.0 million and \$20.7 million) as production costs; and, \$6.5 million and \$19.0 million (three and nine months ended September 30, 2020 – \$2.6 million and \$6.8 million) as depreciation expense in the Statements of Operations and Comprehensive Loss.

5. PROPERTY, PLANT AND EQUIPMENT

| COST | Land | | Buildings | | Furniture, vehicles & other | Plant & infra- structure | Mine develop- ment | Right-of-use assets | Construction in Progress | Total |
|-------------------------------|-------------------------------------|-----------------|-----------------|-------------------|-----------------------------------|--------------------------------|--------------------------|------------------------|--------------------------------|-------|
| | Balance, beginning of period | \$ 903 | \$ 1,945 | \$ 1,899 | \$ 105,302 | \$ 37,152 | \$ 13,218 | \$ - | \$ 160,419 | |
| Additions | - | - | 125 | 2,082 | 18,321 | 3,230 | 5,040 | \$ 28,798 | | |
| Transfers | - | 1,546 | - | 4,726 | - | (4,474) | (1,798) | \$ - | | |
| Balance, end of period | \$ 903 | \$ 3,491 | \$ 2,024 | \$ 112,110 | \$ 55,473 | \$ 11,974 | \$ 3,242 | \$ 189,217 | | |

ACCUMULATED DEPRECIATION

| | | | | | | | | |
|-------------------------------------|----------|------------|--------------|---------------|---------------|--------------|----------|---------------|
| Balance, beginning of period | \$ - | \$ 507 | \$ 789 | \$ 11,174 | \$ 16,060 | \$ 1,283 | \$ - | \$ 29,813 |
| Additions | - | 146 | 273 | 8,515 | 9,853 | 1,665 | - | 20,452 |
| Transfers | - | - | - | 255 | - | (255) | - | - |
| Balance, end of period | - | 653 | 1,062 | 19,944 | 25,913 | 2,693 | - | 50,265 |

NET BOOK VALUE

| | | | | | | | | |
|---------------------------------|---------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|-------------------|
| As at December 31, 2020 | \$ 903 | \$ 1,438 | \$ 1,110 | \$ 94,128 | \$ 21,092 | \$ 11,935 | \$ - | \$ 130,606 |
| As at September 30, 2021 | \$ 903 | \$ 2,838 | \$ 962 | \$ 92,166 | \$ 29,560 | \$ 9,281 | \$ 3,242 | \$ 138,952 |

NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

| COST | Land | Buildings | Furniture, | Plant & | Mine | Right-of-use | Construction | Total |
|------------------------------|--------|-----------|---------------------|---------------------|------------------|--------------|----------------|------------|
| | | | vehicles & other | infra- structure | develop- ment | | in Progress | |
| Balance, beginning of period | \$ 903 | \$ 1,909 | \$ 1,313 | \$ 101,116 | \$ 21,278 | \$ 2,302 | \$ - | \$ 128,821 |
| Additions | - | 36 | 630 | 4,186 | 17,975 | 10,916 | - | \$ 33,743 |
| Transfers | - | - | (44) | - | (2,101) | - | - | (2,145) |
| Balance, end of period | \$ 903 | \$ 1,945 | \$ 1,899 | \$ 105,302 | \$ 37,152 | \$ 13,218 | \$ - | \$ 160,419 |

ACCUMULATED DEPRECIATION

| | | | | | | | | |
|------------------------------|------|--------|--------|-----------|-----------|----------|------|-----------|
| Balance, beginning of period | \$ - | \$ 317 | \$ 514 | \$ 5,795 | \$ 9,215 | \$ 98 | \$ - | \$ 15,939 |
| Additions | - | 190 | 303 | 5,379 | 7,106 | 1,185 | - | \$ 14,163 |
| Transfers | - | - | (28) | - | (261) | - | - | (289) |
| Balance, end of period | \$ - | \$ 507 | \$ 789 | \$ 11,174 | \$ 16,060 | \$ 1,283 | \$ - | \$ 29,813 |

NET BOOK VALUE

| | | | | | | | | |
|-------------------------|--------|----------|----------|-----------|-----------|-----------|------|------------|
| As at December 31, 2019 | \$ 903 | \$ 1,592 | \$ 799 | \$ 95,321 | \$ 12,063 | \$ 2,204 | \$ - | \$ 112,882 |
| As at December 31, 2020 | \$ 903 | \$ 1,438 | \$ 1,110 | \$ 94,128 | \$ 21,092 | \$ 11,935 | \$ - | \$ 130,606 |

Certain of the claims and leases associated with the Sugar Zone property are subject to net smelter royalties ("NSR") of 2.0% in favour of the original vendors of the properties.

On December 18, 2019, the Company granted a 1.5% NSR on the entire Sugar Zone Property in favour of an affiliate of Appian in exchange for payment by Appian of US\$7.5 million.

On July 17, 2020, the Company granted a further 0.5% NSR on the entire Sugar Zone Property in favour of an affiliate of Appian in exchange for a payment by Appian of US\$2.0 million as part of the Appian Financing. The Company treated this transaction as a partial disposition of its investment in the Sugar Zone Property. The proportion of the estimated fair value of the Sugar Zone Property disposed of was calculated and the net book value of the Company's plant and equipment was reduced by such proportion. The difference of \$0.6 million was recorded as a gain on the partial disposition of its property during the year ended December 31, 2020. The July 2020 royalty grant has increased the royalty payable to an affiliate of Appian from 1.5% to 2.0%.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Accounts payable | \$ 10,450 | \$ 11,079 |
| Accrued liabilities | 4,674 | 3,648 |
| Total accounts payable and accrued liabilities | \$ 15,124 | \$ 14,727 |

7. DEBT

| | Note | September 30 2021 | December 31 2020 |
|--|------|----------------------|---------------------|
| BNP Debt Facilities | 7.1 | \$ 79,397 | \$ 80,405 |
| Appian Debt Facility | 7.2 | 29,427 | 27,237 |
| Leases | 7.3 | 6,308 | 10,719 |
| CAT Financing Arrangement | 7.4 | 3,395 | - |
| Mortgages | 7.5 | 105 | 210 |
| Total debt | | \$ 118,632 | \$ 118,571 |
| Less: current portion | | (116,182) | (26,427) |
| Total debt: non-current portion | | \$ 2,450 | \$ 92,144 |



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

7.1 BNP Debt Facilities

The Company entered into a credit agreement with BNP on June 14, 2019, which provided for both revolving and non-revolving term credit facilities (the "BNP Debt Facilities"). The credit agreement was amended and restated on August 28, 2020 (the fourth amending agreement) and the BNP Debt Facilities now consist of a non-revolving term credit facility of US\$46.9 million and a revolving term credit facility of US\$20.0 million. The BNP Debt Facilities were fully drawn on September 30, 2021. Up to June 30, 2021, interest on the BNP Debt Facilities accrued at LIBOR plus 3.375% to 4.375% and from July 1, 2021 interest accrued at the US Prime Rate plus 2.375% to 3.375%, dependent on credit ratios. Interest is payable every 3 months in arrears. The weighted average borrowing rate during the nine months ended September 30, 2021 was 5.75% (nine months ended September 30, 2020 – 5.31%).

The BNP Debt Facilities are secured by a lien on all the present and future assets, property and undertaking of Harte Gold as governed by a general security agreement and a demand debenture granted by Harte Gold in favour of BNP.

Principal repayments under the non-revolving term loan are due quarterly through December 31, 2024. Amounts outstanding under the revolving term credit facility are due on June 30, 2022. The BNP Debt Facilities provide for a mandatory prepayment of the non-revolving term loan from excess cash flow until an aggregate total of US\$16.7 million has been repaid.

The Company determined that the amendment which took place in May 2020 (the third amending agreement), which included rescheduling of the repayments of the non-revolving term loan and an increase in the interest rate payable and mandatory repayment terms, represented a non-substantial modification of the existing BNP Debt Facilities and the amendment was treated as a loan modification under IFRS 9 Financial Instruments ("IFRS 9"). As a result, a \$0.4 million loan modification loss was recognized in the statement of operations and comprehensive loss on May 15, 2020.

On August 28, 2020, in connection with the Appian Financing and the fourth amending agreement of the BNP Debt Facilities, the Company made a US\$1.0 million prepayment on the BNP Debt facilities, in part due to the granting of the additional 0.5% royalty to an affiliate of Appian.

Various financial covenants are measured on a quarterly basis but failure to meet such covenants did not constitute a default or event of default prior to June 30, 2021, except for a minimum liquidity covenant, which was effective from April 1, 2021. Prior to the third amendment of the BNP Debt Facilities on May 15, 2020, the Company also covenanted to achieve certain minimum mine and mill production tonnage amounts in each month. The Company did not achieve such minimum production tonnages from September 2019 to May 15, 2020 and obtained waivers from BNP for these breaches.

The Company did not expect to be in compliance with certain financial covenants of the BNP Debt Facilities on June 30, 2021, which would have constituted an event of default under the BNP Debt Facilities. In addition, there was a scheduled US\$3.3 million principal repayment on the BNP term loan due June 30, 2021. On June 30, 2021, the Company announced that it had obtained a 30-day waiver of its financial covenant requirements pursuant to the BNP Debt Facilities. In addition, the Company announced that BNP had deferred the due date of (i) the principal and interest payments under the BNP Debt Facilities originally scheduled for June 30, 2021, and (ii) the settlement payment under the gold hedge program originally scheduled for July 2, 2021 to July 30, 2021.

On July 30, 2021, the Company entered into a forbearance agreement with BNP pursuant to which BNP agreed, subject to certain terms and conditions, to refrain from enforcing its rights and remedies under the BNP Debt Facilities (including principal, interest and gold hedge payments) until September 30, 2021. BNP also agreed, subject to the terms of the Forbearance Agreement, to forbear from exercising its rights and remedies under the BNP Debt Facilities in respect of or arising out of or relating to certain defaults or events of default under the BNP Debt Facilities, including financial covenant breaches, which are anticipated to occur prior to September 30, 2021, until the earlier of (i) September 30, 2021, and (ii) the occurrence or existence of any terminating event, which includes bankruptcy events, defaults not covered by the Forbearance Agreement and other customary terms. The Forbearance Agreement was amended on September 30, 2021, October 15, 2021 and October 29, 2021, to extend the forbearance period to October 15, 2021, October 29, 2021 and November 30, 2021, respectively. Between June 30, 2021 and September 30, 2021, the Company has failed to make scheduled principal and interest payments of US\$6.6 million and US\$2.0 million, respectively.

The Company's non-compliance with financial covenants and failure to make the Deferred Payments on July 30, 2021, constituted events of default and after expiry of the forbearance period, unless the forbearance is extended or the BNP Debt Facilities are otherwise amended, BNP will be able to exercise its rights and remedies under the BNP Debt Facilities,



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

including demanding immediate repayment of all amounts outstanding under the facilities and initiating steps to enforce its rights. (refer to note 1 Nature of Operations and Going Concern).

Movement in the BNP Debt Facilities is summarized as follows:

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | \$ 80,405 | \$ 87,399 |
| Repayment | (4,171) | (5,609) |
| Fees, costs | - | (785) |
| Interest expense | 3,390 | 4,772 |
| Accretion | 665 | 675 |
| Interest paid | (948) | (4,980) |
| Loss on modification | - | 385 |
| Exchange loss / (gain) | 56 | (1,452) |
| Balance at end of the period | \$ 79,397 | \$ 80,405 |
| Less: current portion | (79,397) | (16,904) |
| Balance end of the period: non-current portion | \$ - | \$ 63,501 |

At September 30, 2021, the remaining principal repayments under the BNP Debt Facilities were classified as current liabilities due to BNP's ability to demand full repayment of the BNP Debt Facilities after expiry of the Forbearance Agreement on November 30, 2021, unless the Forbearance Agreement is extended of the BNP Debt Facilities are otherwise amended.

7.2 Appian Debt Facility

On July 14, 2020, the Company entered into a financing agreement with an affiliate of Appian to provide up to US\$28.0 million in funding (the "Appian Debt Facility"). The Company closed the Appian Debt Facility on August 28, 2020. Concurrently with entering into the Appian Debt Facility, the Company also agreed to the sale of a 0.5% royalty for US\$2.0 million in proceeds from an affiliate of Appian (together with the Appian Debt facility, the "Appian Financing").

The Appian Debt Facility has a 14% nominal interest rate and a maturity date of June 30, 2023. The Appian Debt Facility is secured by second priority ranking security over the Company's assets, subordinated to BNP. The Appian Debt Facility was fully drawn at September 30, 2021.

Interest on the Appian Debt Facility is payable monthly and is settled through the issuance of common shares of the Company. Upon maturity, the Company will pay a fee to an affiliate of Appian (the "Equity Structuring Fee"), determined primarily by the difference in the VWAP of the common shares over the life of the loan, translated into United States dollars using the average exchange rate over the life of the loan, compared to US\$0.086 per share. The Equity Structuring Fee is payable in cash or in common shares at the Company's election. As the ultimate settlement of the Equity Structuring Fee is based on the future price of the Company's common shares and the future US/CAD exchange rate, the Company has determined this fee to be a derivative instrument (refer to note 8.2).

An arrangement fee was payable on the US\$30.0 million Appian Financing, which was settled through the issuance of 6,970,844 common shares and the Company issued 7.5 million share purchase warrants pursuant to the Appian Financing (collectively, the "Upfront Securities"). The Company also agreed to increase the percentage of gold sold to Appian under its existing offtake agreement from 11.5% of bullion produced to 30%. The fair value of the Upfront Securities on July 14, 2020 was \$1.1 million for the common shares issued (refer to note 10) and \$0.7 million for the share purchase warrants issued (refer to note 11) and has been included in equity.

The Company determined that the Appian Debt Facility is a hybrid financial instrument containing debt, derivative and equity instruments and, accordingly, has determined and recognized the initial fair value of each contained component financial instrument (refer to notes 8.2, 10 and 11). Subsequently, the debt instrument is measured at amortized cost using the effective interest rate method and the derivatives are measured at fair value through profit or loss.

The Company may incur additional interest expense of between 4% and 8% if it fails to achieve or correct certain operational requirements and an additional 5% while an event of default is continuing. The applicable interest rate cannot exceed 22%, even if an event of default and breach of operational requirement occurs at the same time. Several breaches



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of operational requirements have occurred to date, leading to an increase in the interest rate to 18% between January 1 and January 28, 2021, between April 1, 2021 and June 6, 2021 and from July 1, 2021 up to July 30, 2021, after which the default interest rate applied (see below).

On August 3, 2021, the Company received notice from Appian that events of default have occurred under the Appian Debt Facility and related financing agreements. Among other alleged events of default, Appian cite the Company's default under the BNP Debt Facilities which triggers a cross-default under the Appian financing agreements. Pursuant to the terms of the Intercreditor Agreement dated August 28, 2020 between Harte Gold, Appian and BNP, Appian is prohibited, without the prior written consent of BNP, from taking any Enforcement Action (as defined in the Intercreditor Agreement) until a minimum of 135 days has passed from the date on which Appian delivers a notice to BNP. The terms of the Appian Debt Facility provide for default interest at a rate per annum equal to 19.0% from the date of default, which the Company deemed to have occurred on July 31, 2021.

The following table summarizes the movement in the Appian Debt Facility:

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | \$ 27,237 | \$ - |
| Fair value of debt instrument | - | 28,592 |
| Fees, costs | - | (1,624) |
| Interest expense | 4,445 | 2,102 |
| Accretion | 2,004 | 754 |
| Interest paid | (4,316) | (1,679) |
| Exchange loss / (gain) | 57 | (908) |
| Balance at end of the period | \$ 29,427 | \$ 27,237 |
| Less: current portion | (29,427) | (423) |
| Balance end of the period: non-current portion | \$ - | \$ 26,814 |

At September 30, 2021, the Appian Debt Facility was classified as a current liability due to Appian's ability to take Enforcement Action (as defined in the Intercreditor Agreement) after a minimum of 135 days has passed from the date on which Appian delivers a notice to BNP (refer to note 1 Nature of Operations and Going Concern).

7.3 Leases

The Company leases several assets including surface and underground vehicles and office space.

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | \$ 10,719 | \$ 2,166 |
| Additions | 2,711 | 10,908 |
| Transfers (CAT Financing Arrangement) | (3,523) | - |
| Interest expense | 716 | 641 |
| Lease payments | (4,315) | (2,996) |
| Balance at end of the period | \$ 6,308 | \$ 10,719 |
| Less: current portion | (3,858) | (8,995) |
| Balance end of the period: non-current portion | \$ 2,450 | \$ 1,724 |

Scheduled payments under the Company's lease liabilities are as follows:

| | September 30 2021 |
|--------------------|----------------------|
| Less than one year | \$ 3,858 |
| One to three years | 1,789 |
| Over three years | 661 |
| | \$ 6,308 |



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Due to the events of default under the BNP Debt Facilities the Company identified lease agreements under which the Company do not currently have the contractual right to defer certain lease payments to September 30, 2022 or later, and reclassified all remaining payments under such lease agreements to current liabilities.

7.4 CAT Financing Arrangement

During the three months ended March 31, 2021, the Company entered into an equipment financing arrangement with Caterpillar Financial Services Limited ("CAT Financial") according to the terms of a Master Lease Agreement with CAT Financial, whereby the Company may acquire Caterpillar equipment for use in its mining operations.

The following table summarizes the movement in the CAT Financial Arrangement:

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | \$ - | \$ - |
| Additions | 4,392 | - |
| Interest expense | 182 | - |
| Lease payments | (1,179) | - |
| Balance at end of the period | 3,395 | - |
| Less: current portion | (3,395) | - |
| Balance end of the period: non-current portion | \$ - | \$ - |

During the during the first quarter of 2021, the Company purchased equipment and then sold it to and leased it back from CAT Financial under the Master Lease Agreement. The Company has determined that this transaction did not constitute a sale according to IFRS 15 and therefore has accounted for the transaction as a separate financing arrangement. The Company expects that future transactions under the Master Lease Agreement will be accounted for as leases.

Scheduled payments of the CAT Financing Arrangement Facilities were classified as current liabilities as September 30, 2021 as the Company may not currently have the contractual right to defer certain lease payments to September 30, 2022 or later.

7.5 Mortgages

On July 19, 2017, Harte Gold acquired a property in White River, on which the vendors took back a mortgage of \$525,000 secured by the property, repayable in 5 equal principal payments on each anniversary. Interest is payable semi-annually at a rate of 4.0% per annum.

The mortgage repayment schedule is as follows:

| Year | September 30 2021 |
|-------------|----------------------|
| 2022 | \$ 105 |

8. DERIVATIVE FINANCIAL INSTRUMENTS

| | Note | September 30 2021 | December 31 2020 |
|----------------------------------|------|----------------------|---------------------|
| Gold Hedge | 8.1 | \$ 24,520 | \$ 41,575 |
| Appian Debt Facility Derivatives | 8.2 | 357 | 3,947 |
| | | \$ 24,877 | \$ 45,522 |
| Less: current portion | | (24,877) | (15,511) |
| Non-current | | \$ - | \$ 30,011 |

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8.1 Gold Hedge

Concurrent with, and as required under the BNP Debt Facilities, the Company entered into a gold hedge program on 79,090 ounces of future production. Zero cost collar swaps were used for 73,956 ounces, spread over the years 2020 through 2023. The balance of the hedges are structured as gold swaps, maturing in the first half of 2024. The Company has elected not to designate the cash flow hedges for hedge accounting under IFRS 9. These derivative financial instruments are recorded at fair value using external broker-dealer quotations, based on their option pricing models that utilize a variety of inputs that are a combination of quoted prices and market corroborated inputs. These valuations are intended to closely match the cost or benefit that would be incurred to unwind the hedge positions. The Company recognizes the mark-to-market adjustments as change in the fair value of derivative financial instruments and settlement of gold derivatives on the Statements of Operations and Comprehensive Earnings / (Loss), and as a derivative financial instrument on the Statements of Financial Position. The Company presents the fair value of put and call options on a net basis on the Statements of Financial Position.

| Derivative instruments outstanding | Quantity outstanding | Maturity dates | Strike Price (US\$/oz) | September 30 2021 | |
|------------------------------------|----------------------|------------------------------|---------------------------|------------------------------|------------------------------|
| | | | | Fair value asset (liability) | Fair value asset (liability) |
| | | | | US\$ | \$ |
| Settlement | | September 30, 2021 | | \$ (2,553) | \$ (3,252) |
| Gold call options | 4,770 oz | October 2021 - December 2021 | | (1,706) | (2,174) |
| Gold put options | 4,770 oz | October 2021 - December 2021 | | - | - |
| Gold call options | 23,520 oz | January 2022 - December 2022 | | (8,799) | (11,210) |
| Gold put options | 23,520 oz | January 2022 - December 2022 | | 107 | 136 |
| Gold call options | 11,040 oz | January 2023 - December 2023 | | (4,407) | (5,615) |
| Gold put options | 11,040 oz | January 2023 - December 2023 | | 223 | 284 |
| | | | | \$ (17,135) | \$ (21,831) |

| Derivative instruments outstanding | Quantity outstanding | Maturity dates | Strike Price (US\$/oz) | September 30 2021 | |
|------------------------------------|----------------------|--------------------------|---------------------------|------------------------------|------------------------------|
| | | | | Fair value asset (liability) | Fair value asset (liability) |
| | | | | US\$ | \$ |
| Gold swap | 5,134 oz | January 2024 - June 2024 | | \$ (2,110) | \$ (2,689) |
| | | | | \$ (2,110) | \$ (2,689) |

The movement in the gold derivative liability was as follows:

| | September 30 2021 | December 31 2020 |
|---|-------------------|------------------|
| Balance at beginning of the period | \$ 41,575 | \$ 19,313 |
| Change in fair value | (9,955) | 32,425 |
| Exchange (gain)/loss | (59) | (2,382) |
| Cash settlements | (7,041) | (7,781) |
| Balance at end of the period | \$ 24,520 | \$ 41,575 |
| Less: current portion | (24,520) | (15,511) |
| Balance end of the period: non-current portion | \$ - | \$ 26,063 |

Although the maturity dates of certain of the zero collar swaps and the gold swaps are after September 30, 2022, the full balance of the gold derivative liability was classified as a current liability at September 30, 2021, due to BNP's ability to



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unilaterally terminate the zero cost collar swaps and the gold swaps pursuant to their rights under the Forbearance Agreement.

At September 30, 2021, a total of 44,464.2 ounces of the originally issued hedges remained outstanding (September 30, 2020 – 68,075.8 ounces). During the three and nine months ended September 30, 2021, 4,770.0 and 17,971.0 gold call options were exercised by BNP (three and nine months ended September 30, 2020 – 4,949.3 and 11,014.4 gold call options).

Under the terms of the Forbearance Agreement (see note 7.1), BNP has agreed, subject to certain terms and conditions, to refrain from enforcing its rights and remedies including payment obligations related to the settlement of the call options dated June 30, 2021 to October 31, 2021 until November 30, 2021.

The Company paid BNP \$7.0 million in 2021 up to June 30, 2021, after which all payments were suspended pursuant to the waiver and consent received on June 30, 2021 and the Forbearance Agreement (three and nine months ended September 30, 2020 – \$3.1 million and \$4.2 million). Between July 1, 2021 and September 30, 2021, the Company have failed to make hedge settlement payments of US\$2.6 million to BNP.

In connection with the third amendment to the BNP Facilities, the Company and BNP agreed to delay the maturity dates of 1,831.3 options scheduled to mature in April 2020 and 1,830.0 options scheduled to mature in May 2020 to the first three months of 2021. The delay in delivery reduced the settlements due to BNP in May and June 2020.

8.2 Appian Debt Facility Derivatives

Upon maturity of the Appian Debt Facility, the Company will pay an Equity Structuring Fee to an affiliate of Appian, determined primarily by the difference in the VWAP of the common shares over the life of the loan, translated into United States dollars using the average exchange rate over the life of the loan, compared to US\$0.086 per share. The Equity Structuring Fee is payable in cash or in common shares at the Company's election.

The Company determined that the Equity Structuring Fee was a derivative requiring separation from the debt instrument. The future value the equity structuring fee is dependent on the future price of the Company's common shares and the future exchange rate as compared to the established base of US\$0.086.

The movement in the valuation of the Equity Structuring Fee was as follows:

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | \$ 3,947 | \$ - |
| Derivative financial instrument recognized | - | 6,795 |
| Change in fair value | (3,442) | (2,422) |
| Exchange (gain)/loss | (148) | (426) |
| Balance at end of the period | \$ 357 | \$ 3,947 |
| Less: current portion | (357) | - |
| Balance end of the period: non-current portion | \$ - | \$ 3,947 |

At September 30, 2021, the Appian Debt Facility Derivatives were classified as a current liability due to Appian's ability to take Enforcement Action (as defined in the Intercreditor Agreement) pursuant to the Appian Debt Facility after a minimum of 135 days has passed from the date on which Appian delivers a notice to BNP.

The Company used a simulation model to determine the fair value of the derivative instruments. The main assumptions used in a multivariable simulation option model include the estimated life of the option, the expected volatility of the Company's common share price, the expected volatility of the US/CAD dollar exchange rate, the expected dividends, and the risk-free rate of interest in Canada and the United States and are set out below:

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| | July 14 2020 | September 30 2021 |
|--------------------------------------|-----------------|----------------------|
| Expected life | 2.96 years | 2.0 Years |
| Expected volatility of share price | 80% | 95% |
| Expected volatility of exchange rate | 7.0% | 6.5% |
| Risk-free Canadian interest rate | 0.61% | 0.83% |
| Risk-free US interest rate | 0.23% | 0.33% |
| Expected dividend yield | 0% | 0% |

9. FLOW-THROUGH SHARE PREMIUM

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issuances.

| | September 30 2021 | December 31 2020 |
|--|----------------------|---------------------|
| Balance at beginning of the period | \$ 6,344 | \$ 920 |
| Settlement of liability through renouncement | (4,166) | (4,448) |
| Liability incurred on flow-through shares issued | - | 9,872 |
| Balance at end of the period | \$ 2,178 | \$ 6,344 |

On October 2, 2019, the Company completed a private placement of 23,000,000 flow-through common shares at a price of \$0.30 per share for gross proceeds of \$6.9 million. A flow-through share premium of \$0.9 million was recorded on this financing. The liability was settled through renouncement in the first three months of 2020.

On March 11, 2020 and March, 19 2020, the Company completed a phased brokered private placement of 168,750,000 flow-through common shares collectively at a price of \$0.16 per share for gross proceeds of \$27.0 million. A flow-through share premium of \$9.9 million was recorded on this financing. The liability was partially settled through the renouncement of \$9.6 million of expenditures in 2020 and \$11.4 million of expenditures in 2021.

10. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares are as follows:

| | Note | September 30 2021 | December 31 2020 |
|--|------|----------------------|---------------------|
| Balance beginning of period | | 874,641,445 | 676,957,229 |
| Private placement - New Gold Strategic Investment | | 154,940,153 | - |
| Settlement of liability | | 6,084,616 | - |
| Private placement of flow-through shares | | - | 168,750,000 |
| Appian Financing Up-Front Securities | | - | 6,970,844 |
| Appian Financing Interest | | 40,639,350 | 12,862,816 |
| Deferred stock units redemption | 12 | 337,912 | 1,100,556 |
| Options exercised | 12 | - | 8,000,000 |
| Balance end of period | | 1,076,643,476 | 874,641,445 |
| Weighted average number of shares outstanding | | 1,003,332,067 | 821,234,351 |

On March 19, 2020, the Company completed a brokered private placement of 168,750,000 flow-through common shares of the Company (refer to note 9). The total proceeds raised were \$27.0 million. Net expenses associated with the offering were \$1.5 million.



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On July 14, 2020, the Company issued 6,970,844 common shares at an issue price of \$0.1518 per share to Appian in connection with the Appian Financing (refer to note 7.2).

On March 24, 2021, Harte Gold completed a private placement offering of 154,940,153 common shares to New Gold at a price of \$0.16 per common share for gross proceeds of \$24.8 million. Following completion of the Strategic Investment, New Gold beneficially owned approximately 14.9% of the issued and outstanding common shares of Harte Gold. At this time, New Gold was also issued 8,314,619 warrants (refer to note 11). Pursuant to the terms of an investor rights agreement entered into in conjunction with the Strategic Investment, as long as New Gold holds not less than 10% of the Company's issued and outstanding common shares:

- Commencing at Harte Gold's 2022 annual meeting of shareholders, New Gold will have the right to nominate one director to the Company's board of directors (the "Board"). In the event the Board increases in size to nine or more directors, New Gold will have the right to nominate an additional director;
- New Gold's nominee will be provided an observer right to the Board's Health, Safety, Environmental and Technical Committee; and,
- New Gold will have the right to participate in future equity financings to maintain its 14.9% interest.

The Strategic Investment was announced on March 18, 2021 and closed on March 24, 2021 after receipt of all required regulatory and other approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

On July 22, 2021, the Company issued 6,084,616 common shares in settlement of \$0.4 million owed to a trade creditor.

The Company issued 40,639,350 common shares to an affiliate of Appian for the payment of interest during the nine months ended September 30, 2021 (December 31, 2020 - 12,862,816). The Company recorded \$4.3 million (December 31, 2020 - \$2.1 million) of interest expense related to the issuance of these common shares.

During the first quarter of 2021, the Company issued 337,912 common shares on the redemption of DSUs (December 31, 2020 - 1,100,556) (refer to note 12).

11. WARRANTS

At September 30, 2021 there were 96,567,431 (December 31, 2020 - 33,963,388) warrants to purchase common shares outstanding.

| | Number of warrants |
|--------------------------------------|-------------------------------|
| Balance at December 31, 2019 | 26,581,707 |
| Issued | 7,500,000 |
| Expired | (118,319) |
| Balance at December 31, 2020 | 33,963,388 |
| Issued | 64,117,431 |
| Expired | (1,513,388) |
| Balance at September 30, 2021 | 96,567,431 |

On July 14, 2020, in connection with the Appian Financing, the Company granted 7.5 million warrants to purchase common stock to an affiliate of Appian with an exercise price of \$0.1349 per share and expiring on July 14, 2025.

On March 24, 2021, in connection with the New Gold Strategic Investment, the Company granted 55,802,812 warrants to purchase common stock to Appian (the "Appian Deferred Participation Warrant") with an exercise price of \$0.18 per share and expiring on June 24, 2022. The assumptions used to fair value the warrants issued using a Black-Scholes option pricing model are outlined in the table below and resulted in a fair value of \$3.1 million.



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| | March 24 2021 |
|------------------------------------|--------------------------|
| Expected life | 1.25 Years |
| Expected volatility of share price | 89% |
| Risk-free interest rate | 0.24% |
| Expected dividend yield | 0% |

In connection with the New Gold Strategic Investment, the Company also granted 8,314,619 million warrants to purchase common stock to New Gold (the "New Gold Warrant") with an exercise price of \$0.18 per share and expiring on July 24, 2022. The assumptions used to fair value the warrants issued using a Black-Scholes option pricing model are outlined in the table below and resulted in a fair value of \$0.5 million.

| | March 24 2021 |
|------------------------------------|--------------------------|
| Expected life | 1.33 Years |
| Expected volatility of share price | 99% |
| Risk-free interest rate | 0.24% |
| Expected dividend yield | 0% |

The expiry dates of warrants outstanding as of September 30, 2021 are as follows:

| Expiry date | Number of warrants outstanding | Exercise price | Remaining contractual life (years) |
|--------------------|---|---------------------------|---|
| June 24, 2022 | 55,802,812 | \$ 0.18 | 0.73 |
| July 24, 2022 | 8,314,619 | \$ 0.18 | 0.81 |
| August 28, 2022 | 3,950,000 | \$ 0.35 | 0.91 |
| May 11, 2023 | 4,000,000 | \$ 0.51 | 1.61 |
| May 11, 2023 | 2,000,000 | \$ 0.50 | 1.61 |
| May 31, 2023 | 10,000,000 | \$ 0.49 | 1.67 |
| June 8, 2024 | 5,000,000 | \$ 0.27 | 2.69 |
| July 14, 2025 | 7,500,000 | \$ 0.13 | 3.79 |
| | 96,567,431 | \$ 0.24 | 1.53 |

12. STOCK BASED COMPENSATION

The Company historically has had a stock option plan to provide additional incentives to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The Company also established a Deferred Share Unit plan (DSU) for directors and a Restricted Share Unit plan (RSU) for officers and employees. The DSU and RSU plans were approved by shareholders on June 24, 2020. The RSUs and DSUs are valued based on the fair market value of the Company's common shares at the date of grant. The fair value of the awards is expensed over their vesting periods. Upon exercise of DSUs or RSUs, the Company may, at its discretion, issue cash, shares, or a combination thereof. It is the Company's intention to settle in shares and the Company has not settled any DSUs or RSUs in cash to date.

The number of shares reserved for issuance under the Company's stock option, DSU and RSU plans in aggregate is not to exceed 10% of the issued and outstanding common shares from time-to-time. At September 30, 2021, the Company had 28,238,598 (December 31, 2020 – 26,342,915) common shares available for future grants of stock based compensation. Notwithstanding the foregoing, in its 2016 subscription agreement with Appian, the Company agreed to limit the number of new stock-based compensation grants in any 1-year period to 3% and in any 3 year period to 6% of the outstanding common shares at the beginning of such periods.

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12.1 Stock Options

The following table provides information regarding stock options outstanding:

| | Number of options # | Weighted average exercise price \$ |
|---|---------------------------|---|
| Balance at December 31, 2019 | 53,774,605 | 0.32 |
| Granted | 6,467,815 | 0.15 |
| Exercised | (8,000,000) | 0.10 |
| Cancelled | (9,198,513) | 0.25 |
| Expired | (250,000) | 0.10 |
| Balance at December 31, 2020 | 42,793,907 | 0.36 |
| Granted | 8,885,303 | 0.16 |
| Cancelled | (500,000) | 0.40 |
| Expired | (1,000,000) | 0.18 |
| Balance at September 30, 2021 | 50,179,210 | 0.33 |
| Exercisable at the end of the period | | |
| December 31, 2020 | 36,284,869 | 0.39 |
| September 30, 2021 | 36,621,215 | 0.38 |

Generally stock options granted prior to November 2019 fully vested on the date of grant, except when otherwise determined by the compensation committee of the Company's board of directors. Stock options granted subsequent to November 1, 2019 generally have vesting periods of 3 years where 1/3 of the total granted vest upon each anniversary date of the grant.

The Company amortizes the fair value of the stock option grants over the vesting period. If the stock options are cancelled or forfeited prior to vesting the Company derecognizes the previously amortized fair value related to the unvested options cancelled or forfeited.

The following table provides additional information regarding stock options outstanding at September 30, 2021.

| Awards outstanding | | | | Awards exercisable | | |
|----------------------|-------------------|----------------------------|---------------------------------|--------------------|----------------------------|---------------------------------|
| Exercise price range | Number of options | Remaining contractual life | Weighted average exercise price | Number of options | Remaining contractual life | Weighted average exercise price |
| | # | Years | \$ | # | Years | \$ |
| \$0.100 - \$0.175 | 16,339,210 | 4.14 | 0.15 | 3,781,215 | 3.50 | 0.14 |
| \$0.270 - \$0.350 | 10,300,000 | 0.45 | 0.34 | 9,300,000 | 0.21 | 0.35 |
| \$0.400 - \$0.440 | 10,650,000 | 2.25 | 0.40 | 10,650,000 | 2.25 | 0.40 |
| \$0.450 - \$0.450 | 11,990,000 | 1.49 | 0.45 | 11,990,000 | 1.49 | 0.45 |
| \$0.700 - \$0.710 | 900,000 | 0.60 | 0.70 | 900,000 | 0.60 | 0.70 |
| | 50,179,210 | 2.28 | 0.33 | 36,621,215 | 1.57 | 0.38 |

In the nine months ended September 30, 2021, the Company granted 8,885,303 stock options to certain executives and employees. The stock options were granted at an exercise price of \$0.159 per common share, 5-year life and vesting over three years from grant date, where 1/3 of the total stock options granted vest upon each anniversary date of the



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grant. The average fair value per stock option of \$0.096 was estimated using the Black-Scholes valuation model based on the assumptions in the table below.

In the year ended December 31, 2020, the weighted average fair value per stock option for the 6,467,815 stock options granted to certain executive officers was \$0.097 and was estimated using the Black-Scholes valuation model based on the following assumptions:

| | September 30 2021 | December 31 2020 |
|-------------------------|----------------------|---------------------|
| Expected life | 5 Years | 5 Years |
| Expected volatility | 74.5% | 85.8%-88.4% |
| Risk-free interest rate | 0.74% | 0.30%-0.32% |
| Expected dividend yield | 0% | 0% |

12.2 Deferred Share Units

The following table reflects the movement in DSUs outstanding:

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | 10,081,410 | 5,000,000 |
| Granted | 651,515 | 6,314,743 |
| Redeemed | (433,333) | (1,233,333) |
| Balance at end of the period | 10,299,592 | 10,081,410 |

On November 18, 2019, non-executive directors of the Company were granted 5 million DSUs at \$0.15 per share, vesting immediately subject to shareholder approval of the plan. Prior to approval of the plan on June 24, 2020, the Company was required to fair value the DSUs based on the common share price at each balance sheet date with changes in the fair value being included in the determination of stock-based compensation.

During the nine months ended September 30, 2021, the Company granted 651,515 DSUs to non-executive directors at prices between \$0.053 and \$0.166 per share (year ended December 31, 2020 – 6,314,743 at prices between \$0.118 and \$0.148 per share), vesting immediately. The Company recorded total net expense of \$0.1 million as DSU related stock-based compensation for the nine months ended September 30, 2021 (year ended December 31, 2020 - \$0.7 million).

During the during the first quarter of 2021, 433,333 DSUs were redeemed (year ended December 31, 2020 – 1,233,333 DSUs). The weighted average share price on the date of redemption for DSUs during the nine months ended September 30, 2021 was \$0.15 per share (year ended December 31, 2020 – \$0.14 per share).

12.3 Restricted Share Units

The following table reflects the movement in RSUs outstanding:

| | September 30 2021 | December 31 2020 |
|---|----------------------|---------------------|
| Balance at beginning of the period | 8,245,912 | 3,750,000 |
| Granted | 11,792,858 | 7,604,020 |
| Cancelled | (1,091,823) | (3,108,108) |
| Balance at end of the period | 18,946,947 | 8,245,912 |

During the year ended December 31, 2020, certain officers of the Company were granted 7,604,020 RSUs at prices between \$0.148 per share and \$0.162 per share, vesting over three years from grant date, where 1/3 of the total RSU's granted vest upon each anniversary date of the grant.

NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

In April 2021, the Company granted 11,792,858 RSUs at \$0.159 per share to certain officers and employees of the Company, vesting over three years from grant date, where 1/3 of the total RDU's granted vest upon each anniversary date of the grant.

The Company recorded total net expense of \$0.4 million and \$0.9 million as RSU related stock-based compensation for the three and nine months ended September 30, 2021 (year ended December 31, 2020 - \$0.4 million).

13. REVENUES

| | Three months ended | | Nine months ended | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | September 30 2021 | September 30 2020 | September 30 2021 | September 30 2020 |
| Gold and silver sales | \$ 32,524 | \$ 12,344 | \$ 86,480 | \$ 32,020 |
| Less treatment and refining costs | (317) | (129) | (851) | (469) |
| | \$ 32,207 | \$ 12,215 | \$ 85,629 | \$ 31,551 |

The Company is principally engaged in the business of producing and selling gold in the form of gold doré and gold concentrate. Revenue from silver sales is immaterial.

14. GENERAL AND ADMINISTRATIVE EXPENSES

| | Three months ended | | Nine months ended | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | September 30 2021 | September 30 2020 | September 30 2021 | September 30 2020 |
| Salaries, benefits and directors fees | \$ 1,045 | \$ 800 | \$ 3,666 | \$ 3,089 |
| Strategic initiatives | 3,359 | - | 3,818 | - |
| Share-based payments | 586 | 376 | 1,522 | 503 |
| Office and general | 180 | 473 | 1,086 | 913 |
| Management and consulting fees | 295 | 228 | 735 | 528 |
| Shareholders' information | 107 | 115 | 351 | 263 |
| Legal fees | (36) | 181 | 308 | 815 |
| Depreciation | 57 | 61 | 212 | 175 |
| Travel & accommodations | 14 | 25 | 55 | 146 |
| | \$ 5,607 | \$ 2,260 | \$ 11,753 | \$ 6,431 |

15. EARNINGS PER SHARE

Basic earnings / (loss) per share is calculated as shown in the table below.

| | Three months ended | | Nine months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | September 30 2021 | September 30 2020 | September 30 2021 | September 30 2020 |
| Earnings/(loss) attributable to common shareholders | \$ (3,062) | \$ (11,783) | \$ 1,851 | \$ (50,776) |
| Weighted average shares outstanding - basic | 1,066,354,627 | 854,971,856 | 1,003,332,067 | 803,983,126 |
| Earnings/(loss) per share - basic | \$ (0.003) | \$ (0.014) | \$ 0.002 | \$ (0.063) |

Diluted earnings / (loss) per share is calculated as shown in the table below. The diluted earnings for share for the nine months ended September 30, 2021 includes the impact of certain outstanding options, RSUs, and warrants. The Company excluded the effect of the stock options and warrants in the determination of diluted loss per share for the three months ended September 30, 2021 and the three and nine months ended September 30, 2020 as their impact would have been anti-dilutive.



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

| | Three months ended | | Nine months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | September 30 2021 | September 30 2020 | September 30 2021 | September 30 2020 |
| Earnings/(loss) attributable to common shareholders | \$ (3,062) | \$ (11,783) | \$ 1,851 | \$ (50,776) |
| Weighted average shares outstanding - diluted | 1,066,354,627 | 854,971,856 | 1,003,465,101 | 803,983,126 |
| Earnings/(loss) per share - diluted | \$ (0.003) | \$ (0.014) | \$ 0.002 | \$ (0.063) |

The weighted average diluted number of common shares for the nine months ended September 30, 2021 is calculated as follows:

| | Three months ended | | Nine months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | September 30 2021 | September 30 2020 | September 30 2021 | September 30 2020 |
| Weighted average shares outstanding - basic | 1,066,354,627 | 854,971,856 | 1,003,332,067 | 803,983,126 |
| In the money shares - stock options | - | - | - | - |
| Dilutive RSUs and DSUs | - | - | 133,034 | - |
| Dilutive warrants | - | - | - | - |
| Weighted average shares outstanding - diluted | 1,066,354,627 | 854,971,856 | 1,003,465,101 | 803,983,126 |

16. RELATED PARTY TRANSACTIONS

Appian is a related party to the Company as a result of its 20.0% ownership interest in Harte Gold's shares as at September 30, 2021 and Appian's right to appoint three directors to the Company's board. On July 20, 2021, the Company announced that the three directors Appian appointed to the Company's board had resigned effective immediately. Affiliates of Appian own an additional 4.8% of the Company's shares at September 30, 2021. The Company has entered into several funding transactions with Appian (refer to note 7).

Transactions, other than the funding transactions, with the related party were in the normal course of operations and were measured at the exchange amount. The transactions include gold sales, royalty payments, and services provided by Appian or its affiliates to support the Company's corporate development function and project management function. Amounts due to related parties pursuant to these transactions are unsecured, non-interest bearing and due on demand. These are settled on a regular basis. For the three and nine months ended September 30, 2021, the Company included \$0.2 million and \$0.5 million (three and nine months ended September 30, 2020 – \$0.2 million and \$0.2 million) of costs for these transactions in General and Administrative Expenses. At September 30, 2021, the Company owed the related party \$0.3 million (December 31, 2020 – \$0.3 million) and has included this amount in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2021 and 2020, the Company paid key management personnel, including officers, directors or their related entities for consulting services and/or management services, as follows:

| | Three months ended | | Nine months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | September 30 2021 | September 30 2020 | September 30 2021 | September 30 2020 |
| Management, consulting and director fees | \$ 531 | \$ 519 | \$ 1,643 | \$ 1,708 |
| Stock based compensation | | | | |
| - expensed to the Statement of Operations and Comprehensive Loss | 423 | 24 | 1,164 | 440 |
| | \$ 954 | \$ 543 | \$ 2,807 | \$ 2,148 |

NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

17. FINANCIAL INSTRUMENTS

The Company's financial assets and financial liabilities were classified as follows:

| September 30, 2021 | Level | Amortized cost | FVTPL |
|--|-------|----------------|--------|
| Financial assets | | | |
| Cash and cash equivalents | 1 | \$ 11,402 | |
| Restricted Cash | 1 | 1,324 | |
| Receivables (excluding HST receivable) | 1 | 4,072 | |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | 1 | 15,124 | |
| Short-term debt | 2 | 116,182 | |
| Long-term debt | 2 | 2,450 | |
| Derivative financial instruments | 2 | | 24,877 |

| December 31, 2020 | Level | Amortized cost | FVTPL |
|--|-------|----------------|--------|
| Financial assets | | | |
| Cash and cash equivalents | 1 | \$ 8,248 | \$ - |
| Restricted Cash | 1 | 1,324 | \$ - |
| Receivables (excluding HST receivable) | 1 | 3,437 | - |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | 1 | 14,727 | - |
| Short-term debt | 2 | 26,427 | - |
| Long-term debt | 2 | 92,144 | - |
| Derivative financial instruments | 2 | - | 45,522 |

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – Inputs for the asset or liability that are not based on observable market data

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

The estimated fair value of cash and cash equivalents, receivables (excluding HST receivable), restricted cash and accounts payable and accrued liabilities approximates their carrying values due the short nature of these financial instruments. The fair values of the Company's short-term and long-term debts also approximates their carrying value due to the fact that the effective interest rate is not significantly different from market rates.

The Company's risk exposure and impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of the Company's financial assets represent the maximum credit risk exposure.

The Company is not exposed to any significant credit risk on its financial assets. Cash and cash equivalents have been deposited with strong or high-credit quality Canadian and European chartered banks. Accounts receivable are owed to the Company by a limited number of counterparties, each of whom the Company believes to be financially strong. The Company has concluded that there are no material credit losses in respect of these customers.

NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
(Expressed in thousands of Canadian dollars except where noted)

b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets or alternative forms of financing, such as debt, is hindered, whether or not as a result of a downturn in debt and/or equity market conditions generally or related to matters specific to the Company. The Company has historically generated cash flow primarily from its financing activities.

At September 30, 2021, the Company had cash and cash equivalents of \$11.4 million (December 31, 2020: \$8.2 million) to settle accounts payable and accrued liabilities of \$15.1 million (December 31, 2020: \$14.7 million) that are considered short-term and expected to be settled within 30 to 90 days. Additionally, the Company is obligated, subject to the Forbearance Agreement (note 7.1) to pay interest and principal on the BNP Debt Facilities. Managing liquidity risk will be dependent on the success of its mining activities, as well as the Company's on-going ability to raise additional funds through debt or equity issues (refer to Note 1 Nature of Operations and Going Concern).

c) Market risk

(i) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the BNP Debt Facilities, which was based on the three-month U.S. dollar LIBOR rates up to June 30, 2021 and based on the US Prime Rate thereafter. As a result, the Company is subject to a medium level of interest rate risk. All other financial assets and liabilities are non-interest bearing or bear interest at fixed rates. A 1.0% increase/decrease in the interest rate would have increased/decreased the interest expense by \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2021.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk with respect to monetary items not denominated in Canadian dollars. The Company has exposure to currency risk on its operations, as gold prices are denominated in US dollars, while operating expenses are incurred in Canadian dollars.

Additionally, the Company has debt instruments outstanding which are denominated in US dollars. In respect of its exposure on debts outstanding, a \$0.01 increase or decrease in the Canadian dollar exchange rate would have a +/- \$0.9 million impact on its outstanding debt balance.

(iii) Commodity price risk:

Gold prices have fluctuated widely in recent years and there is no assurance that a profitable market will exist for gold produced by the Company. In 2019, pursuant to the BNP Debt Facilities, the Company entered into a gold hedge program on approximately 79,000 ounces of future production. Zero cost collars were used for approximately 74,000 ounces, spread over the years 2020 through 2023. The balance of the hedges was structured as gold swaps, maturing in the first half of 2024. The floor price of the gold collars has been set at US\$1,300 per ounce with varying ceiling prices of the collars ranging from US\$1,391 per ounce to US\$1,399 per ounce. A US\$10 per ounce change in the average price of gold in the nine months ended September 30, 2021 would have affected revenues by approximately \$0.5 million.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital, defined as total equity plus debt, are (1) to safeguard the Company's ability to continue operations in order to pursue the development of its mineral properties and provide returns for shareholders, and (2) to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company considers its levels of debt and shareholders' equity in its management of capital, as well as its existing cash position.

Total equity is comprised of share capital, reserves and accumulated deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments.



NOTES TO FINANCIAL STATEMENTS

At and for the three and nine months ended September 30, 2021
 (Expressed in thousands of Canadian dollars except where noted)

To facilitate the management of its capital requirements, the Company prepares forecasts or expenditure budgets for its activities that are used to monitor performance. Variances to plan will result in adjustments to capital deployment subject to various factors and industry conditions.

The Company is not subject to any externally imposed capital requirements limiting or restricting the use of capital. In order to maximize ongoing development efforts, the Company does not pay out dividends at this time.

The Company's investment policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of less than a year from the original date of acquisition, selected with regard to the expected timing of expenditures from operations.

| | September 30 | December 31 |
|--------|---------------------|-------------|
| | 2021 | 2020 |
| Equity | \$ (2,255) | \$ (37,100) |
| Debt | 166,108 | 118,571 |
| | \$ 163,853 | \$ 81,471 |

19. COMMITMENTS

The Company has a commitment under a site access agreement to pay \$0.1 million per annum, subject to a cumulative maximum of \$0.5 million.

In connection with the issuance of flow-through shares and the related renouncement of exploration and development expenditures, the Company commits to spend such funds on eligible exploration and development expenditures (refer to note 9).

Under the terms of an agreement with Maximos Metals Corp. ("Maximos"), Maximos is entitled to a bonus grant of 10 million options, conditional on certain economic thresholds being met on one of the exploration targets identified by Maximos within a 10-year period.

The Company has entered into an Impact Benefits Agreement ("IBA") with Pic Moberg First Nation ("Pic Moberg" or "PMFN"), the proximal First Nation, in connection with the Company's Sugar Zone property. The Sugar Zone property is located within the exclusive traditional territory of Pic Moberg. The IBA applies to all mines that may be developed on the Sugar Zone property and provides the framework within which Harte Gold and PMFN will continue to work together during the production phase of the Sugar Zone Mine. Key IBA terms include a 4% Net Profits Interest ("NPI"), based on the World Gold Council definition of "all in sustaining cost" metrics, subject to a minimum amount of \$0.5 million per annum, as well as an implementation payment of \$0.1 million per annum which began in the year immediately after the Company received approval of its closure plan, and stock options to purchase 500,000 common shares of the Company at a price of \$0.41 for a period of five years (issued).

EXHIBIT “G”

EXHIBIT "G"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

THIRD AMENDING AGREEMENT AND WAIVER

THIS AGREEMENT dated as of the 15th day of May, 2020.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to a credit agreement dated as of June 10, 2019, as amended by a first amending agreement dated August 28, 2019 and a second amending agreement dated November 19, 2019 (the “**Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend certain provisions of the Credit Agreement;

AND WHEREAS pursuant to Section 11.4(n)(iv) of the Credit Agreement, the Borrower covenanted and agreed, among other things, to not suffer or permit the Project to (1) operate at an average daily throughput rate which is less than 90% of the projected average daily throughput rate for the Project as set forth in the Mine Plan and (2) operate at an average daily mining rate which is less than 90% of the projected average daily mining rate for run of mine ore

(excluding low grade stock piles) for the Project as set forth in the Mine Plan (the “**Subject Covenant**”);

AND WHEREAS the Borrower has advised the Administrative Agent that it was not in compliance with the Subject Covenant from January 1, 2020 to the date hereof and breach of the Subject Covenant is an Event of Default pursuant to Section 13.1(g) of the Credit Agreement (the “**Subject Default**”); and

AND WHEREAS the Borrower has requested that the Lenders waive the Subject Default and future compliance with the Subject Covenant;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

ARTICLE 2 AMENDMENTS TO CREDIT AGREEMENT

2.1 General Rule. Subject to the terms and conditions herein contained, the Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this agreement and to incorporate the provisions of this agreement into the Credit Agreement.

2.2 Amendments.

(a) The following definition is hereby added in alphabetical order to Section 1.1:

“**Excess Cash Flow**” means, for any Fiscal Quarter and calculated on a consolidated basis, aggregate EBITDA of the Borrower for such Fiscal Quarter less the aggregate of following amounts (without duplication): (i) Tax expenses of the Borrower paid in cash during such Fiscal Quarter; (ii) Capital Expenditures for such Fiscal Quarter, to the extent not financed by Permitted Indebtedness; (iii) Interest Expense paid in cash during such Fiscal Quarter; (iv) other documented fees and expenses payable in connection with any Permitted Indebtedness, paid in cash during such Fiscal Quarter; (v) scheduled principal payments made or required to be made in respect of Permitted Indebtedness during or in respect of such Fiscal Quarter; (vi) payments made under Capital Leases or Purchase Money Indebtedness during such Fiscal Quarter; (vii) an amount equal to any increase in working capital of the Borrower for such Fiscal Quarter and (viii) payments made by the Borrower with respect to its hedging activities under Risk Management Agreements.”.

(b) Section 9.1(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(b) On the last Banking Day of each Fiscal Quarter commencing with the Fiscal Quarter ending March 31, 2020, the Borrower shall make quarterly principal repayments to the Lenders of the drawn amount under the NRT Facility as set forth in the table below:

| <u>Date of Repayment</u> | <u>Amount of Scheduled Repayment</u> |
|--------------------------|--|
| March 31, 2020 | \$ 1,588,250 |
| June 30, 2020 | \$ 0 |
| September 30, 2020 | \$ 0 |
| December 31, 2020 | \$1,588,250.00 |
| March 31, 2021 | \$3,316,970.03 |
| June 30, 2021 | \$3,316,970.03 |
| September 30, 2021 | \$3,316,970.03 |
| December 31, 2021 | \$3,316,970.03 |
| March 31, 2022 | \$4,671,932.66 |
| June 30, 2022 | \$4,671,932.66 |
| September 30, 2022 | \$4,671,932.66 |
| December 31, 2022 | \$4,671,932.66 |
| March 31, 2023 | \$2,314,727.83 |
| June 30, 2023 | \$2,314,727.83 |
| September 30, 2023 | \$2,314,727.83 |
| December 31, 2023 | \$2,314,727.83 |
| March 31, 2024 | \$974,013.81 |
| June 30, 2024 | \$974,013.81 |
| September 30, 2024 | \$974,013.81 |
| December 31, 2024 | \$974,013.81 |
| March 31, 2025 | \$212,922.70 |
| NRT Maturity Date | All principal outstanding (if any) under the NRT Facility together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto |

Any amounts so repaid pursuant to this Section 9.1 may not be reborrowed.”

- (c) Section 9.3 of the Credit Agreement is hereby amended as follows:
 - (i) the following new paragraph (b) is added immediately after paragraph (a):
 - “(b) Within 45 days following the end of each Fiscal Quarter (beginning with the Fiscal Quarter ending June 30, 2020), the Borrower shall prepay outstanding credit under the NRT Facility in an amount equal to 30% of Excess Cash Flow for such Fiscal Quarter until such time that at least \$16,720,000 of the Loans under the NRT Facility have been prepaid or repaid pursuant to Sections 9.1(b), 9.2, and/or 9.3(b).”
 - (ii) existing paragraph (b) is relettered as paragraph (c) and “or (b)” is added immediately after the reference therein to “Any prepayment made pursuant to Section 9.3(a)”;
- (d) Paragraph (vii) of Section 11.1(a) of the Credit Agreement is hereby amended by adding “(A) bank account statements for each bank account that is not a Permitted Payment Account and (B)” immediately after the reference therein to “as soon as reasonably practicable and in any event no later than 30 days after the end of each calendar month,”;
- (e) Section 11.2 of the Credit Agreement is hereby amended as follows:
 - (i) paragraph (a) is deleted in its entirety and replaced with the following:
 - “(a) **Leverage Ratio.** For the Fiscal Quarter ending June 30, 2021 and for each Fiscal Quarter ending thereafter, the Borrower shall maintain at all times the Leverage Ratio to be less than or equal to 3.0:1 and shall calculate such ratio as at the last day of each such Fiscal Quarter.”
 - (ii) paragraph (b) is deleted in its entirety and replaced with the following:
 - “(b) **Interest Coverage Ratio.** From and following the Fiscal Quarter ending June 30, 2021, the Borrower shall at all times maintain the Interest Coverage Ratio to be greater than or equal to 4:00:1 and shall calculate such ratio as at the last day of each such Fiscal Quarter.”
 - (iii) paragraph (d) is amended by deleting the reference therein to “June 30, 2019” and replacing it with “June 30, 2021”;
 - (iv) paragraph (e) is amended by deleting the reference therein to “The Borrower shall cause the Liquidity to” and replacing it with “From and following April 1, 2021, the Liquidity shall”; and

- (v) the final paragraph following paragraph (e) is deleted in its entirety.
- (f) Section 11.4 of the Credit Agreement is hereby amended as follows:
 - (i) paragraph (n) is deleted in its entirety and replaced with the following:

“(n) [reserved].”
 - (ii) the following new paragraph (p) is added immediately after existing paragraph (o):

“(p) Bank Accounts and Cash Management Arrangements. No Obligor shall:

 - (i) receive any payment or receivable in any bank account other than a bank account of the applicable Obligor that is maintained by a Lender (each such bank account herein referred to as a “**Permitted Payment Account**”); and
 - (ii) without the prior written consent of the Administrative Agent, permit any amount to be paid, debited or transferred out of a Permitted Payment Account other than in the ordinary course of business.”
- (g) Schedule B of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule B attached hereto;
- (h) Schedule J of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule J attached hereto;
- (i) Schedule K of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule K attached hereto; and
- (j) Schedule N of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule N attached hereto.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. To induce the Lenders and the Agents to enter into this agreement, the Borrower hereby represent and warrant to the Lenders and the Agents that:

- (a) the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement are true and correct on the date hereof as if made on the date hereof except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date); and

- (b) no Default, other than the Subject Default, has occurred and is continuing or would arise upon this agreement becoming effective.

ARTICLE 4 WAIVER

4.1 Waiver

Subject to Section 5.1, the Lenders hereby waive (the “**Waiver**”) non-compliance with the Subject Covenant for the period from and including January 1, 2020 to the date hereof and the Subject Default resulting therefrom.

The Waiver is only in respect of those matters expressly referred to in this Section 4.1 and shall not in any way be construed as a consent to, or a waiver of, any other condition, matter or provision relating to, or contained in, the Credit Agreement.

4.2 Validity

The Waiver shall be void and of no force and effect if any of the conditions set forth in Section 5.1 are not satisfied, fulfilled or otherwise met to the satisfaction of the Lenders, in which event the Lenders shall be deemed never to have given the Waiver.

ARTICLE 5 CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT

5.1 Conditions Precedent. This agreement shall not become effective until:

- (a) this agreement shall have been executed and delivered by the parties hereto;
- (b) current accounts of the Borrower maintained with a Lender shall have been opened with the relevant Lender and all current account documentation completed;
- (c) a control agreement is duly signed by the Borrower in favour of the Administrative Agent (in its capacity as hypothecary representative of the Finance Parties, as contemplated in Article 2692 of the *Civil Code of Québec*) creating Liens, to secure the payment and performance of the Secured Obligations owing by the Borrower, in its monetary claims (as such term is used in the *Civil Code of Québec*) relating to credit balances in its financial accounts (as such term is used in the *Civil Code of Québec*) maintained in the Province of Québec by any Lender or the Administrative Agent (the “**Control Agreement**”);
- (d) a certificate of status or good standing for the Borrower issued by the appropriate governmental body or agency of the jurisdiction in which the Borrower is incorporated;
- (e) a duly certified copy of the resolution of the board of directors of the Borrower authorizing it to execute, deliver and perform its obligations under this agreement

and the Control Agreement (collectively, the “**Amendment Documents**”) is delivered;

- (f) a certificate of an officer of the Borrower, in such capacity, (A) setting forth specimen signatures of the individuals authorized to sign the Amendment Documents and (B) to the extent relevant, attaching true copies of the powers of attorney of the representatives acting on behalf of the Borrower, with sufficient capacity to represent the Borrower in the execution of the Amendment Documents, is delivered;
- (g) opinions of counsel to the Borrower addressed to the Finance Parties, relating to, inter alia, (i) the status and capacity of the Borrower, (ii) the due authorization, execution and delivery of the Amendment Documents and (iii) the validity and enforceability of the Amendment Documents in the jurisdiction of the governing law of the applicable Amendment Document, and the Credit Agreement, as amended hereby, and such other matters as the Administrative Agent may reasonably request including, without limitation, the validity, enforceability, opposability to third parties and rank of the Security on monetary claims created by the Control Agreement;
- (h) (i) searches shall have been conducted in all jurisdictions which, and (ii) all other actions shall have been taken which, in each case, in the reasonable opinion of the Administrative Agent’s counsel, are required to make effective the Security created or intended to be created by the Borrower in favour of the Administrative Agent pursuant to the Control Agreement and to ensure the perfection and the intended priority of such Security; and
- (i) the Borrower shall have paid (or made arrangements satisfactory to the Administrative Agent to pay to the Agents and the Lenders) all fees and expenses (including, without limitation reasonable and documented legal fees of counsel to the Administrative Agent) required to be paid on or before the date hereof.

For the avoidance of doubt, upon and regardless of the date on which such conditions precedent are met, the effective date of this agreement will be as of May 15, 2020.

ARTICLE 6 MISCELLANEOUS

6.1 Full Force and Effect. Except as expressly amended by this agreement, all of the terms, covenants and conditions contained in the Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Credit Agreement shall be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or future action on the part of the Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This amendment constitutes a Credit Document.

6.2 Future References to the Credit Agreement. On and after the date of this agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

6.3 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.4 Inurement. This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

6.5 Conflict. If any provision of this agreement is inconsistent or conflicts with any provision of the Credit Agreement, the relevant provision of this agreement shall prevail and be paramount. This agreement shall not create any novation.

6.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this agreement and to each and every provision hereof.

6.7 Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this agreement shall deliver original executed counterparts of this agreement to each of the other parties to this agreement.

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IN WITNESS WHEREOF the parties hereto have executed this agreement.

HARTE GOLD CORP.

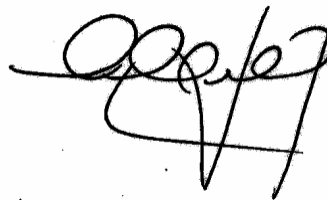
By:  _____

Name: Samuel Coetzer
Title: President & CEO

By:  _____

Name: Graham du Preez
Title: EVP & CFO

BNP PARIBAS, as Administrative Agent

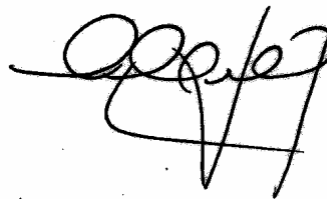


By: _____
Name: **Carlos URQUIAGA**
Title: **Managing Director**



By: _____
Name: **Antonio PICHARDO**
Title: **Director**

BNP PARIBAS, as Technical Agent

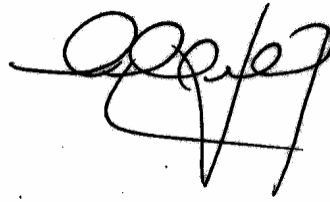


By: _____
Name: **Carlos URQUIAGA**
Title: **Managing Director**



By: _____
Name: **Antonio PICHARDO**
Title: **Director**

BNP PARIBAS, as Lender



By: _____

Name: **Carlos URQUIAGA**
Title: **Managing Director**



By: _____

Name: **Antonio PICHARDO**
Title: **Director**

4. **Attached hereto is**
 - (i) supplemental disclosure in respect of the Perfection Certificates to the extent mandated pursuant to Section **Error! Reference source not found.**; and
 - (ii) to the extent that the chart most recently provided is inaccurate, a chart setting out the corporate structure of the Borrower and indicating intercorporate share ownership and material mine ownership.
5. Unless the context otherwise requires, capitalized terms in the Credit Agreement which appear herein without definitions shall have the meanings ascribed thereto in the Credit Agreement.

DATED this _____ day of _____, _____.

(Signature)

(Name - please print)

(Title of Senior Financial Officer)

CALCULATION WORKSHEET

Following the definitions and calculations more fully defined in the Credit Agreement:

Leverage Ratio⁷

| | | |
|-------------------------|----------|-------|
| Total Indebtedness | \$ _____ | (A) |
| Rolling EBITDA | _____ | (B) |
| Leverage Ratio (Actual) | \$ _____ | (A:B) |

Leverage Ratio (Max. Permitted): 3.0:1

Compliance [Yes]/[No]

Interest Coverage Ratio⁸

| | | |
|-----------------------------------|----------|-------|
| Rolling EBITDA | \$ _____ | (B) |
| Rolling Interest Expenses | \$ _____ | (C) |
| Interest Coverage Ratio (Actual): | \$ _____ | (C:D) |

Interest Coverage Ratio (Min. Permitted): 4.00:1

Compliance [Yes]/[No]

Tangible Net Worth⁹

| | | |
|--|----------|-----|
| Tangible Net Worth (Actual) | \$ _____ | (E) |
| 50% of the aggregate positive Net Income for each Fiscal Quarter beginning with Fiscal Quarter ending on June 30, 2021 | \$ _____ | (F) |

Tangible Net Worth (Min. Required): \$6,000,000 + F:

Compliance [Yes]/[No]

Reserve Tail Ratio

Forecast production (from NRT Maturity Date (or, if monies have been applied to scheduled principal payments under the NRT Facility in inverse order of maturity pursuant to Section **Error! Reference source not found.** and/or **Error! Reference source not found.**, then from the last scheduled principal payment under the NRT Facility which has not been prepaid in full) through Life of Mine)

G _____ ounces

⁷ Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

⁸ Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

⁹ Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

| | | |
|---|--------------|---|
| Proven and Probable Reserves for the Life of Mine | H | <u> </u> ounces |
| Reserve Tail Ratio | G / H | <u> </u> % |

Compliance [Yes]/[No]

Liquidity¹⁰

| | | |
|---|-----|-----------------------------------|
| Unrestricted Cash and Cash Equivalents | I | <u> </u> \$ |
| Readily saleable and insured Doré of the Borrower | J | <u> </u> |
| Liquidity | I+J | <u> </u> |

Liquidity (Min. Required): CAD\$10,000,000

Compliance [Yes]/[No]

¹⁰ Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

**SCHEDULE J
APPLICABLE RATES**

| Level | Leverage Ratio | LIBOR Loan interest rate | Base Rate interest rate and Prime Rate interest rate | Standby Fee rate re: RT Facility |
|--------------|-----------------------|---------------------------------|---|---|
| I | ≤ 1.0x | 3.375% per annum | 2.375% per annum | 1.506% |
| II | >1.0x but ≤ 2.0 | 3.875% per annum | 2.875% per annum | 1.681% |
| III | >2.0 | 4.375% per annum | 3.375% per annum | 1.856% |

SCHEDULE K

SCHEDULE MATERIAL PROJECT DOCUMENTS

Material Project Documents

1. Impact Benefits Agreement Between Harte Gold Corp. and Pic Mobert First Nation and Band Council Resolution dated April 28, 2018
2. Hydro One Connection Contract dated October 5, 2017
3. Harte Gold Corp. Longhole Drilling and Blasting Contract with Foraco Canada Ltd. Dated July 4, 2018

Unless the following agreement is terminated or otherwise expires or ceases to be in effect prior to June 1, 2020, the following agreement shall be a Material Project Document for the purposes of this agreement:

1. Construction Agreement for Mine Development and Tramming Project at the Sugar Zone Mine Between Harte Gold Corp. and Redpath Canada Limited dated May 1, 2018

SCHEDULE N

RISK MANAGEMENT PROGRAM

I. SUMMARY

As part of the Risk Management Program, the Borrower shall execute mandatory derivative transactions (“**Mandatory Gold Hedges**”) covering gold price exposure for up to 85,000 ounces of its projected gold production until the Maturity Date to support a forward looking Debt Service Coverage Ratio of 1.40:1 based on a spot gold price assumption of US\$1,100/oz and a foreign exchange rate assumption of CAD/US\$1.275:1.

In addition to the Mandatory Gold Hedges, the Borrower may, after the date of execution of the Mandatory Gold Hedges, also execute discretionary derivative transactions related to its exposures to gold prices, interest rates, diesel prices and/or foreign exchange currency (“**Discretionary Hedges**”), subject to prior approval of Majority Lenders with respect to any such Discretionary Hedges to be entered into prior to the Completion Date. The Borrower and the Qualified Risk Management Lenders shall report the terms of each Derivatives Transaction under the Mandatory Gold Hedges and Discretionary Hedges to the Administrative Agent for monitoring purposes immediately following the execution of any such Derivatives Transaction that relates to a Mandatory Gold Hedge and within two Banking Days following the Trade Date of any such Derivatives Transaction that relates to a Discretionary Hedge.

Hedging counterparties shall be restricted to commercial Lenders and/or their affiliates, subject to a minimum ratings standard at the time of hedge execution of A-(S&P) or A3 (Moody’s) (each a “**Hedge Counterpart**” and collectively, the “**Hedge Counterparts**”). It is contemplated that the Hedge Counterparts shall provide hedging lines of a size and tenor sufficient to allow the Borrower to execute the Mandatory Gold Hedges.

Any Qualified Derivatives Transactions entered into in conformity with this Hedge Protocol shall:

- (a) be secured on a *pari passu* basis with the Credit Facilities;
- (b) not have any requirement to post collateral to cover mark-to-market changes; and
- (c) be documented under a Qualified Risk Management Agreement in the form of an ISDA agreement (master agreement and schedule) substantially in accordance with Schedule O which ISDA agreements (except as otherwise consented to by the Lenders) will in any event contain uniform provisions with respect to: (i) when Qualified Derivatives Transactions can be terminated both pre and post Credit Termination Date; (ii) set off being only amongst the Secured Obligations; (iii) netting of payment requests being only between Qualified Derivatives Transactions and (iv) a “Favored Nation” covenant that all Qualified Risk Management Agreements benefit from the same material terms and conditions.

II. HEDGE PROTOCOL

1. Mandatory Gold Hedge

Prior to the initial extension of credit under the Credit Facilities, the Borrower shall execute over a period of five Banking Days, Mandatory Gold Hedges (in the form of flat forwards or zero premium collars) covering not more than 85,000 oz. of gold forecast to be produced until the Maturity Date. The quantum of gold ounces required for the Mandatory Gold Hedges shall be sized to achieve a forward looking Debt Service Coverage Ratio of 1.40:1 based on a spot gold price assumption of US\$1,100/ounce and a foreign exchange rate assumption of CAD/US\$ 1.275:1. Transaction amounts shall be adjusted to ensure that (i) other than the Fiscal Quarters ending June 30th, 2020 and March 31, 2021, the volume hedged in any Fiscal Quarter is not more than 70% of forecast gold production in such Fiscal Quarter and (ii) other than the Fiscal Quarter ending September 30, 2020, the volume hedged in any Fiscal Quarter is not more than 100% of forecast gold production in the immediately preceding Fiscal Quarter.

Forecast quarterly gold production shall be based on the most recent, approved Base Case Financial Model.

2. Discretionary Hedges

(a) Gold Prices

At any time the aggregate Mandatory Gold Hedges and discretionary gold price hedges of a committed nature shall not exceed 70% of projected gold production, respectively, in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(b) Foreign Currency (Capital and Operating Costs)

At any time, discretionary foreign currency hedging of a committed nature with respect to capital and operating costs is not to exceed 80%, as concerns capital costs, or 70%, as concerns operating costs, of projected foreign currency capital and operating costs, respectively, in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(c) Interest Rates

At any time, discretionary interest rate hedging of a committed nature is not to exceed 75% of the projected outstanding balance of the Credit Facilities in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(d) **Diesel Prices**

At any time, discretionary diesel price hedging of a committed nature is not to exceed 50% of projected diesel consumption in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

III. EXECUTION

1. Mandatory Hedges

Hedge execution shall be carried out by the Borrower on a live market / limit order basis with the Qualified Risk Management Lenders on a rotational basis in order to achieve hedge allocations, for each of the Mandatory Gold Hedges, equivalent to each Qualified Risk Management Lender's Hedge Allocation Share with respect to both hedge volumes and tenor (except where otherwise agreed by the Qualified Risk Management Lenders). The counterparties to the Mandatory Gold Hedges shall be the Lenders that have authorized hedging lines at the time of execution of the Mandatory Gold Hedges. "**Hedge Allocation Share**" means the percentage of the Individual Commitment of each Lender at the time of the execution of such Mandatory Gold Hedges to the aggregate Individual Commitments of all of the Lenders so authorized. Any Mandatory Hedges that otherwise would be allocated to a Lender who is not authorized to establish hedging lines shall be allocated by Administrative Agent, in its discretion, amongst the Lenders who are so authorized.

The realized hedged price will reflect the bid-market forward price of the execution provided by the Qualified Risk Management Lender at the time of the trade for the relevant Qualified Derivatives Transaction less an agreed hedge credit margin (the "**Hedge Margin**"). The Hedge Margin for the Mandatory Gold Hedges shall be 115 bps per annum applied to the notional value of the relevant Qualified Derivative Transaction using the mid-market forward price at the time of execution. Execution shall be coordinated directly by the Borrower and executed with each Qualified Risk Management Lender directly.

Discretionary Hedges

The Borrower shall offer any Discretionary Hedges to all of the Qualified Risk Management Lenders and shall allocate the same, at its discretion, to one or more of the Qualified Risk Management Lenders that have appropriate hedging lines available for this purpose.

SECOND AMENDING AGREEMENT

THIS AGREEMENT dated as of the 19th day of November, 2019.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to a credit agreement dated as of June 10, 2019, as amended by a first amending agreement dated August 28, 2019 (the “**Credit Agreement**”);

AND WHEREAS pursuant to Section 11.4(n) of the Credit Agreement, the Borrower covenanted and agreed, among other things, to not suffer or permit, from and including September 1, 2019 to and including October 31, 2019, the Project to (1) operate at an average daily throughput rate which is less than 85% of the projected average daily throughput rate for the Project as set forth in the Mine Plan and (2) operate at an average daily mining rate which is less than 85% of the projected average daily mining rate for run of mine ore (excluding low grade stock piles) for the Project as set forth in the Mine Plan (the “**Subject Covenant**”).

AND WHEREAS the Borrower has advised the Administrative Agent that it is not compliant with the Subject Covenant for the period of September 1, 2019 to September 30, 2019;

AND WHEREAS breach of the Subject Covenant is an Event of Default pursuant to Section 13.1(g) of the Credit Agreement (the “**Subject Default**”);

AND WHEREAS the Borrower has requested that the Lenders waive the Subject Default and amend the Subject Covenant pursuant to the terms of this agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

ARTICLE 2 AMENDMENTS TO CREDIT AGREEMENT

2.1 General Rule. Subject to the terms and conditions herein contained, the Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this agreement and to incorporate the provisions of this agreement into the Credit Agreement.

2.2 Defined Terms. Section 11.4(n) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(n) **Minimum Production.** The Borrower shall not suffer or permit:

(i) from and including June 1, 2019 to and including August 31, 2019, the Project to (1) operate at an average daily throughput rate which is less than 80% of the projected average daily throughput rate for the Project as set forth in the Mine Plan and (2) operate at an average daily mining rate which is less than 80% of the projected average daily mining rate for run of mine ore (excluding low grade stock piles) for the Project as set forth in the Mine Plan;

(ii) from and including September 1, 2019 to and including September 30, 2019, the Project to (1) operate at an average daily throughput rate which is less than 85% of the projected average daily throughput rate for the Project as set forth in the Mine Plan and (2) operate at an average daily mining rate which is less than 85% of the projected average daily mining rate for run of mine ore (excluding low grade stock piles) for the Project as set forth in the Mine Plan;

(iii) from October 1, 2019 to and including December 31, 2019, the Project to (1) operate at an average daily throughput rate which is less than 75% of the projected average daily throughput rate for the Project as set forth in the Mine Plan and (2) operate at an average daily mining rate which is less than 75% of the projected average daily mining rate for run of mine ore (excluding low grade stock piles) for the Project as set forth in the Mine Plan; and

(iv) from January 1, 2020 to and including the Trigger Date, the Project to (1) operate at an average daily throughput rate which is less than 90% of the projected average daily throughput rate for the Project as set forth in the Mine Plan and (2) operate at an average daily mining rate which is less than 90% of the projected average daily mining rate for run of mine ore (excluding low grade stock piles) for the Project as set forth in the Mine Plan.”.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. To induce the Lenders and the Agents to enter into this agreement, the Borrower hereby represent and warrant to the Lenders and the Agents that:

- (a) the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement are true and correct on the date hereof as if made on the date hereof except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date); and
- (b) no Default, other than the Subject Default, has occurred and is continuing or would arise upon this agreement becoming effective.

ARTICLE 4 CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT

4.1 Conditions Precedent. This agreement shall not become effective until this agreement shall have been executed and delivered by the parties hereto.

ARTICLE 5 WAIVER

5.1 The Lenders hereby waive the Subject Default for the period of September 1, 2019 to and including September 30, 2019. This waiver relates solely to the matters set forth herein. Notwithstanding this waiver, nothing contained herein shall be construed to constitute or represent an intention by any Finance Party, except as expressly provided herein, to waive, modify or forbear from exercising any of its rights, powers, privileges or remedies under the Credit Agreement or under any other Finance Document (including with respect to any Default or Event of Default (other than to the extent provided herein)).

ARTICLE 6 MISCELLANEOUS

6.1 Full Force and Effect. Except as expressly amended by this agreement, all of the terms, covenants and conditions contained in the Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Credit Agreement shall be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or future action on the part of the

Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This amendment constitutes a Credit Document.

6.2 Future References to the Credit Agreement. On and after the date of this agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

6.3 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.4 Inurement. This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

6.5 Conflict. If any provision of this agreement is inconsistent or conflicts with any provision of the Credit Agreement, the relevant provision of this agreement shall prevail and be paramount. This agreement shall not create any novation.

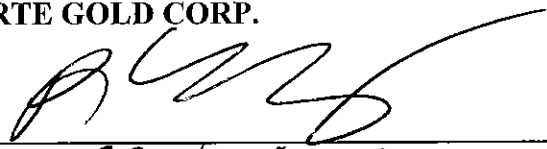
6.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this agreement and to each and every provision hereof.

6.7 Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this agreement shall deliver original executed counterparts of this agreement to each of the other parties to this agreement.

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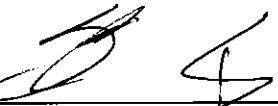
IN WITNESS WHEREOF the parties hereto have executed this agreement.

HARTE GOLD CORP.

By: 

Name: REIN LEHARI

Title: CFO

By: 

Name:

Title: Jan Coetzee

CEO

BNP PARIBAS, as Administrative Agent



By: _____

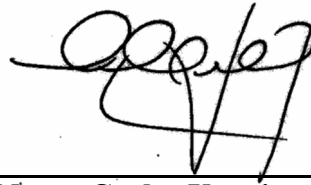
Name: **Carlos Urquiaga**
Title: **Managing Director**



By: _____

Name: **Antonio Pichardo**
Title: **Director**

BNP PARIBAS, as Technical Agent



By: _____

Name: **Carlos Urquiaga**
Title: **Managing Director**



By: _____

Name: **Antonio Pichardo**
Title: **Director**

BNP PARIBAS, as Lender



By: _____

Name: **Carlos Urquiaga**
Title: **Managing Director**



By: _____

Name: **Antonio Pichardo**
Title: **Director**

FIRST AMENDING AGREEMENT

THIS AGREEMENT dated as of the 28th day of August, 2019.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to a credit agreement dated as of June 10, 2019 (the “**Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend certain provisions of the Credit Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

ARTICLE 2 AMENDMENTS TO CREDIT AGREEMENT

2.1 General Rule. Subject to the terms and conditions herein contained, the Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this agreement and to incorporate the provisions of this agreement into the Credit Agreement.

2.2 Defined Terms. Section 1.1 of the Credit Agreement is hereby amended as follows:

- (a) the definition of “**Tangible Net Worth**” is amended by adding immediately after the phrase “as goodwill and tangible assets”, the phrase “; provided, however, the calculation thereof shall be made exclusive of any unrealized gains or losses under or in connection with any metal price Risk Management Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. To induce the Lenders and the Agents to enter into this agreement, the Borrower hereby represent and warrant to the Lenders and the Agents that:

- (a) the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement are true and correct on the date hereof as if made on the date hereof except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date); and
- (b) no Default has occurred and is continuing or would arise upon this agreement becoming effective.

ARTICLE 4 CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT

4.1 Conditions Precedent. This agreement shall not become effective until this agreement shall have been executed and delivered by the parties hereto.

ARTICLE 5 MISCELLANEOUS

5.1 Full Force and Effect. Except as expressly amended by this agreement, all of the terms, covenants and conditions contained in the Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Credit Agreement shall

be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or future action on the part of the Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This amendment constitutes a Credit Document.

5.2 Future References to the Credit Agreement. On and after the date of this agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

5.3 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.4 Inurement. This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

5.5 Conflict. If any provision of this agreement is inconsistent or conflicts with any provision of the Credit Agreement, the relevant provision of this agreement shall prevail and be paramount. This agreement shall not create any novation.

5.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this agreement and to each and every provision hereof.


5.7 Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this agreement shall deliver original executed counterparts of this agreement to each of the other parties to this agreement.

5.8 Post-Closing Matters Agreement. Section 2 of Schedule “A” of the post-closing matters agreement dated June 10, 2019 and made by the Borrower in favour of the Administrative Agent is hereby amended by deleting the phrase “60 days” and replacing it with the phrase “120 days”.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this agreement.

HARTE GOLD CORP.

By: 

Name: *S.G. NORMAN*
Title: *President & CEO*

By: 

Name: *REIN CEDARI*
Title: *CEO*

BNP PARIBAS, as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

BNP PARIBAS, as Technical Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

BNP PARIBAS, as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

HARTE GOLD CORP.
as Borrower

and

BNP PARIBAS
as Sole Lead Arranger

and

BNP PARIBAS
as Administrative Agent

and

BNP PARIBAS
as Documentation Agent

and

BNP PARIBAS
as Technical Agent

and

THE LENDERS
FROM TIME TO TIME PARTIES HERETO

CREDIT AGREEMENT

Dated as of June 10, 2019

FASKEN

Fasken Martineau DuMoulin LLP
Toronto, Ontario

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CREDIT AGREEMENT dated as of June 10, 2019 among Harte Gold Corp., a corporation incorporated under the laws of Ontario, as borrower (the “**Borrower**”), the lending institutions from time to time parties hereto as Lenders, BNP Paribas, as Administrative Agent and BNP Paribas, as Technical Agent.

WHEREAS the Borrower has requested the Lenders to provide to it certain credit facilities for the purposes set forth in Section 11.3(b) of this agreement;

AND WHEREAS the Lenders are each willing to provide such credit facilities to the Borrower for the aforementioned purposes upon the terms and conditions contained herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

The following defined terms shall for all purposes of this agreement, or any amendment, substitution, supplement, replacement, restatement or addition hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

“\$” denotes U.S. dollars.

“**Accommodation**” means any extension of credit by a Lender to the Borrower under this agreement.

“**Acquisition**” means:

- (a) if the acquisition is a share purchase, the Borrower acquires beneficial or legal control of Shares representing more than 50% of the ordinary voting power for the election of directors or other governing position (if no board of directors) or otherwise shall Control the entity being acquired immediately following the completion of such acquisition (but not before); or
- (b) if the acquisition is an asset purchase, all or substantially all of the assets of the vendor (or of a division or unit of the vendor) are being acquired.

“**Additional Guarantors**” means any Material Subsidiary of the Borrower which becomes a Guarantor pursuant to Section 11.3(p).

“**Additional Material Project Document**” shall mean any agreement entered into by, or on behalf of, any Obligor subsequent to the Closing Date involving

aggregate consideration payable to or by any Obligor of US\$3,000,000 or more in any one year period to the development, construction, management, operation or financing of the Project (other than documents relating to the Secured Obligations and the Subscription Agreement) and the production, transportation, processing and sale of Product produced at the Project or such other agreements in connection therewith which are, subject to the following sentence, designated in writing by the Administrative Agent to the Borrower as a “Material Project Document”, which designation shall take into consideration whether there is a readily available substitute for such agreement and whether the breach or termination of such agreement would reasonably be expected to result in a Material Adverse Change. If the Borrower, within five Banking Days of its receipt of any such written designation disputes such written designation by the sending of a written notice thereof to the Administrative Agent, the Borrower and the Majority Lenders shall consult with respect to the materiality of such other agreement during the ten Banking Day period following the Administrative Agent’s receipt of such written notice from the Borrower provided that, if the Majority Lenders thereafter reaffirm in writing to the Borrower the initial designation by the Administrative Agent, such other agreement shall constitute an Additional Material Project Document from the date of the Borrower’s receipt of such reaffirmation.

“**Additional Project Authorization**” shall mean any Authorization required by the Borrower subsequent to the Closing Date, necessary for the development, construction, management, operation or financing of the Project as contemplated by the Mine Plan or Closure Plan, and the production, transportation, processing and sale of Product produced at the Project.

“**Administrative Agent**” means BNP Paribas, in its capacity as Administrative Agent of the Finance Parties, and any successor thereto pursuant to Section 14.12.

“**Administrative Agent Account**” means account no. [REDACTED], wire transfer particulars for which account are set forth below:

[REDACTED]

or such other account as the Administrative Agent may notify the Borrower and the Lenders from time to time and designate as the “**Administrative Agent Account**”.

“**Affiliate**” means an affiliated body corporate and, for the purposes of this agreement, (i) one body corporate is affiliated with another body corporate if one such body corporate is the Subsidiary of the other or both are Subsidiaries of the same body corporate or each of them is Controlled by the same Person and (ii) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other; for greater certainty for the purposes of this definition, “**body corporate**” shall include a chartered bank.

“**Agents**” means the Administrative Agent and the Technical Agent and “**Agent**” means either of the Agents.

“**Alternate Base Rate**” means, at any particular time, the greater of (a) the Base Rate at such time and (b) the Federal Funds Effective Rate plus 5/8 of 1% per annum at such time.

“**Applicable Law**” means all laws, statutes, ordinances, decrees, judgments, codes, standards, acts, orders, by-laws, rules, regulations, approvals, permits and requirements of all Official Bodies, in each case having the force of law and which now or hereafter may be lawfully applicable to and enforceable against any Obligor or its property or any part thereof.

“**Applicable Rate**” means, at any particular time, the aggregate of (a) the applicable interest rate margin expressed as a percentage per annum which is in effect at such time based upon the Leverage Ratio for the Fiscal Quarter that is the subject of the quarterly Compliance Certificate most recently delivered by the Borrower to the Administrative Agent, as set forth in the table in Schedule J hereto plus, (b) at all times during the continuance of an Event of Default, 2% per annum (in order to compensate the Lenders for the additional risk) provided that (i) changes in the Applicable Rate on account of a change in the Leverage Ratio shall be effective as of the first day of the calendar month next following the relevant date on which the Compliance Certificate was due pursuant to Section 11.1(a)(iii) (and, in respect of a Compliance Certificate in respect of last Fiscal Quarter of a Fiscal Year which is delivered after March 31, the Leverage Ratio as disclosed in such Compliance Certificate shall be used to set the Applicable Rate on the following May 1 with a retroactive adjustment, if necessary, to April 1 to the extent the Leverage Ratio in such Compliance Certificate results in a different pricing level (whether higher or lower) from the Leverage Ratio otherwise in effect on April 1 of such year) (ii) changes to the Applicable Rate on account of an Event of Default shall be effective immediately upon the occurrence of such Event of Default and for the duration thereof and (iii) changes in the Applicable Rate shall apply, as at the effective dates of such changes, to Accommodations outstanding on such dates, but only for those portions of the terms of such Accommodations after the effective date of such changes, as provided above. Notwithstanding the foregoing, if the Borrower fails to deliver a Compliance Certificate to the Administrative Agent by the date required to do so under Section 11.1(a)(iii), the Leverage Ratio shall be deemed as from such date to be at Level III until such failure is cured, at which time the Applicable Rate shall be determined in accordance with the table set forth in the definition of Applicable Rate, but without any adjustments having retroactive effect.

“**Authorization**” means any authorization, licence, lease, right, permit, franchise, privilege, registration, direction, decree, consent, concession, claim, right, order, permission, approval, qualification or authority issued or provided by an Official Body, and any replacements thereof or amendments thereto.

“**Available RT Credit**” means, at any particular time, the amount, if any, by which the RT Credit Limit at such time exceeds the aggregate amount of credit outstanding under the RT Facility at such time.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers.

“**Bail-In Legislation**” means in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

“**Banking Day**” means any day, other than Saturday and Sunday, on which banks generally are open for business in Toronto, Ontario, New York, New York and, for the purposes of determining LIBOR, London, England.

“**Basel III**” means the comprehensive set of voluntary reform measures, developed by the Basel Committee on Banking Supervision, which establishes a regulatory framework on bank capital adequacy, stress testing and market liquidity risk.

“**Base Rate**” means the variable rate of interest per annum equal to the rate of interest determined by the Administrative Agent from time to time as its base rate for United States dollar loans made by the Administrative Agent in the United States from time to time, being a variable per annum reference rate of interest adjusted automatically upon change by the Administrative Agent, calculated on the basis of a year of 360 days.

“**Base Rate Loan**” means monies lent by the Lenders to the Borrower in United States dollars and upon which interest accrues at a rate referable to the Alternate Base Rate.

“**Canadian Pension Plan**” means a Pension Plan established, maintained or contributed to by any Obligor for such Obligor’s Canadian employees or former employees and that is a “registered pension plan” as such term is defined in the *Income Tax Act* (Canada), other than a pension plan or arrangement administered by an Official Body.

“**Capital Expenditures**” means, for any particular period and without duplication, those expenditures of the Borrower on a consolidated basis which would, in accordance with generally accepted accounting principles, be considered capital expenditures of the Borrower for such period (specifically including those financed through Capital Leases).

“**Capital Lease**”, as applied to any Person, shall mean any lease of any property (whether real, personal or mixed and including, without limitation, equipment) by that Person as lessee that, in conformity with generally accepted accounting principles, is, or is required to be, accounted for as a finance lease obligation on the balance sheet of that Person.

“**Cash**” means cash (including for certainty, deposits with financial institutions) and Cash Equivalents of the Borrower determined on a consolidated basis.

“**Cash Equivalents**” means (i) securities issued or directly and fully guaranteed or insured by the Canadian or United States government or any agency or instrumentality thereof with maturities of 12 months or less from the date of acquisition, (ii) certificates of deposit and time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any Lender with operations in Canada or the United States, (iii) repurchase obligations for underlying securities of the types described in clauses (i) and (ii) entered into with any financial institution meeting the qualifications specified in clause (ii) above; (iv) commercial paper rated A 1 or the equivalent thereof by Moody’s or S&P and in each case maturing within one year after the date of acquisition; (v) investment funds investing at least 95% of their assets in securities of the types described in clauses (i) to (iv) above; and (vi) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody’s or S&P with maturities of 12 months or less from the date of acquisition.

“**Cash Management Agreement**” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements between any Obligor, on the one hand, and any one of the Qualified Cash Management Lenders (for so long as the relevant financial institution remains a Lender hereunder), on the other.

“**Cash Proceeds of Realization**” means the aggregate of (i) all Proceeds of Realization in the form of cash and (ii) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization, in each case expressed in United States dollars.

“**Change of Control**” means, with respect to the Borrower, (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons “acting jointly or in concert” (as contemplated by the *Securities Act* (Ontario)), of Shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Shares of the Borrower or (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower, by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

“**Closing Date**” shall mean the date on which the Administrative Agent has confirmed to the other parties hereto that the conditions to closing set out in Sections 12.1 and 12.2 have been satisfied and/or waived by the Lenders.

“**Closure Plan**” means the Initial Closure Plan and, thereafter, any amended or updated Closure Plan delivered by the Borrower to the Administrative Agent and

which has been accepted in writing by the Administrative Agent, acting reasonably and in accordance with Section 1.21.

“**Closure Plan Consultant**” means the qualified consultant that the Lenders may appoint, in consultation with the Borrower, from time to time.

“**Code**” means the Internal Revenue Code of 1986 of the United States, as amended from time to time, and any successor statute and including all regulations issued under all such statutes.

“**Compliance Certificate**” means a compliance certificate, in the form attached as Schedule B and signed by a senior financial officer of the Borrower without personal liability, evidencing compliance with the terms of this agreement.

“**Contributing Lender**” shall have the meaning ascribed thereto in Section 3.3.

“**Control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting equity, by contract or otherwise and “**Controlled**” shall have a similar meaning.

“**CRD IV**” means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC.

“**Conversion Notice**” shall have the meaning ascribed thereto in Section 6.2.

“**Credit Documents**” means this agreement, the Fee Letter, the Guarantees, the Security Documents, the Perfection Certificates, the Post-Closing Matters Agreement and all instruments, certificates and agreements executed and delivered by the Obligors in favour of the Finance Parties from time to time in connection with this agreement or any other Credit Document, but specifically excluding Risk Management Agreements and Cash Management Agreements.

“**Credit Facilities**” means the RT Facility and the NRT Facility and “**Credit Facility**” means either of the Credit Facilities.

“**Credit Excess**” means the RT Credit Excess or the NRT Credit Excess, as applicable.

“**Credit Limit**” means the RT Credit Limit or the NRT Credit Limit, as applicable.

“**Credit Facilities Repayment Date**” means the date on which all Secured Obligations owing by the Obligors to the Finance Parties or any of them, or remaining unpaid to the Finance Parties or any of them, under the Credit Facilities has been satisfied in full and the Credit Facilities have terminated pursuant to Section 2.4.

“**CRR**” means Regulation (EU) no. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012.

“**DB Pension Plan**” means (a) a Canadian Pension Plan with a “defined benefit provision” as such term is defined in the *Income Tax Act* (Canada), or (b) a Non-Canadian Pension Plan under which any defined benefits are payable.

“**Debenture**” has the meaning ascribed thereto in Schedule H.

“**Default**” means any event or circumstance which is, or which, with the passage of time, the giving of notice, or any combination of the foregoing, would be, an Event of Default; provided, however, the making of any offer that would, if consummated, result in a Change of Control shall not, in and of itself, constitute a Default.

“**Defaulting Lender**” shall have the meaning ascribed thereto in Section 3.3.

“**Derivative Exposure**” in relation to any Person (the “**relevant party**”) and any counterparty of the relevant party at any time means the net amount which would be payable by the relevant party to that counterparty, or by that counterparty to the relevant party, as the case may be, pursuant to all Risk Management Agreements entered into between them and in effect at that time if the transactions governed thereby were to be terminated as the result of the early termination thereof. If the Derivative Exposure would be payable by the relevant party to the counterparty of the relevant party at the relevant time of determination, it is referred to herein as “**Out-of-the-Money Derivative Exposure**”.

“**Derivatives Transactions**” means one or more transactions that are or will be governed by a Risk Management Agreement.

“**Designated Account**” means, with respect to transactions in a particular currency, the account of the Borrower designated in writing to the Administrative Agent for the purposes of transactions in such currency under this agreement.

“**Discretionary Hedges**” shall have the meaning ascribed thereto in Schedule N.

“**Distribution**” means:

- (a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any Shares of the Borrower, other than a dividend declared, paid or set aside for payment by the Borrower which is payable in Shares of the Borrower;
- (b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any Shares of the Borrower or any securities, instruments or contractual rights capable of being converted into,

exchanged or exercised for Shares of the Borrower, including, without limitation, options, warrants, conversion or exchange privileges and similar rights;

- (c) the payment or prepayment of interest or the repayment or prepayment of principal with respect to Indebtedness of the Borrower convertible into Shares of the Borrower; and
- (d) the payment by the Borrower of any royalty, consulting fee, management fee, guarantee fee, bonus or similar fee to its shareholders or any Affiliate of the Borrower (other than payments consistent with existing compensation for management in accordance with customary practice).

“**Doré**” means that form of precious metal ingot containing gold and other metals produced from the Project.

“**Drawdown Notice**” shall have the meaning ascribed thereto in Section 4.1.

“**EBITDA**” means, for any particular Fiscal Quarter, Net Income for such Fiscal Quarter:

- (a) plus (to the extent otherwise deducted) income and mining tax expenses for such Fiscal Quarter;
- (b) plus (to the extent otherwise deducted) Interest Expenses for such Fiscal Quarter;
- (c) minus (to the extent otherwise included) Interest Income for such Fiscal Quarter;
- (d) plus (to the extent otherwise deducted) any extraordinary or unusual losses and unrealized losses for such Fiscal Quarter;
- (e) minus (to the extent otherwise included) any extraordinary or unusual gains and unrealized gains for such Fiscal Quarter;
- (f) plus (to the extent otherwise deducted) any loss against book value or reserves incurred by an Obligor on the disposal or abandonment of any business or asset (not being a disposal made in the ordinary course of business) during such Fiscal Quarter or any discontinued operations;
- (g) minus (to the extent otherwise included) any gain over book value or reserves incurred by an Obligor on the disposal or abandonment of any business or asset (not being a disposal made in the ordinary course of business) during such Fiscal Quarter or any discontinued operations;
- (h) plus (to the extent otherwise deducted) depreciation of fixed assets and amortization of goodwill or intangible assets during such Fiscal Quarter;

- (i) plus (to the extent otherwise deducted) depletion expense during such Fiscal Quarter;
- (j) plus (to the extent otherwise deducted) the amount of capitalized expenditures during such Fiscal Quarter;
- (k) plus (to the extent otherwise deducted) other non-cash expenses deducted in calculating Net Income, including non-cash stock expenses relating to stock-based compensation, and unrealized losses incurred in connection with Risk Management Agreements during such Fiscal Quarter;
- (l) minus (to the extent otherwise included) any unrealized gains incurred in connection with Risk Management Agreements during such Fiscal Quarter;
- (m) plus (to the extent otherwise deducted) any losses from operations held for sale and any foreign exchange losses during such Fiscal Quarter;
- (n) minus (to the extent otherwise included) any gains from operations held for sale and any foreign exchange gains during such Fiscal Quarter;
- (o) minus (to the extent otherwise included) any non-cash income and gains; and
- (p) plus (to the extent otherwise deducted) any other non-cash expenses and losses.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“Employee Benefit Plan” means any employee benefit plan maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Obligor that is not a Pension Plan, including any profit sharing, savings, supplemental retirement, retiring allowance, severance, deferred compensation, welfare, bonus, incentive compensation, phantom stock, supplementary unemployment benefit plan or arrangement and any life, health, dental and disability plan or arrangements in which the employees or former employees of any Obligor participate or are eligible to participate, in each case whether funded or unfunded, insured or self-insured, registered or unregistered, but excluding all stock option or stock purchase plans.

“Enforcement Date” means:

- (a) at all times prior to the Credit Facilities Repayment Date, the date on which the Administrative Agent notifies the Borrower, pursuant to Section 13.1, that all indebtedness of the Obligors to the Lenders under the Credit Facilities has become immediately due and payable or on which

such indebtedness automatically becomes due and payable pursuant to Section 13.1, whichever occurs first; or

- (b) on and at all times after the Credit Facilities Repayment Date, the date on which a Finance Party notifies an Obligor that all indebtedness of such Obligor to such Finance Party under the relevant Finance Document has become immediately due and payable or on which such indebtedness automatically becomes due and payable, whichever occurs first.

“Environment” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

“Environmental Law” means any Applicable Law that addresses, is related to or is otherwise concerned with environmental, health or safety issues, including any Applicable Law relating to any emissions, releases or discharges of Hazardous Materials into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, existence, treatment, storage, disposal, transport, handling, clean-up or control of Hazardous Materials, including the Equator Principles and the World Bank Environment, Health and Safety Guidelines for Mining and Milling, each as amended from time to time.

“Equator Principles” means those principles so entitled and described in “the ‘Equator Principles - June 2013’”. A financial industry benchmark for determining, assessing and managing environmental and social risk in Projects, and available at http://www.equator-principles.com/resources/equator_principles_III.pdf, as adopted in such form by certain financial institutions.

“Equity” means, at any particular time with respect to any Person, the amount which would in accordance with generally accepted accounting principles, be classified on the consolidated balance sheet of such Person at such time as shareholders’ equity of such Person at such time.

“Equivalent” shall have the meaning ascribed to such term in Section 15.9.

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor Person) from time to time.

“Event of Default” means any one of the events set forth in Section 13.1.

“Exchange Equivalent” means, as of any particular date, with reference to any amount (the “original amount”) expressed in a particular currency (the “original currency”), the amount expressed in another currency which would be required to buy the original amount of the original currency using the 4:30 pm (Toronto time)

Bank of Canada spot rate quoted by the Administrative Agent for such date and for comparable amounts of such original currency.

“Excluded Property” means the assets, property and undertaking set out in Schedule R.

“Excluded Taxes” means, any of the following Taxes imposed on or with respect to any Finance Party or any other recipient (in each case, including any applicable lending office or branch thereof), required to be withheld or deducted from any payment to be made by or on account of any obligation of an Obligor hereunder: (a) income, branch profits or franchise Taxes imposed on (or measured by) its taxable income or capital, in each case (i) by a jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or is located or in which its principal office is located, or (ii) by reason of any connection between the jurisdiction (or any political subdivision thereof) imposing any such Tax and such recipient, other than any connection arising solely from such recipient having executed, delivered, become party to or performed its obligations under, or received payment under, or received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced, this agreement or any other Finance Document or sold or assigned an interest in any Loan or Finance Document; (b) any U.S. federal withholding tax imposed under FATCA; (c) Taxes attributable to such Finance Party’s failure to comply with Section 8.6(e); and (d) any Canadian withholding Taxes imposed under Part XIII of the *Income Tax Act* (Canada) by reason of (i) such Finance Party not dealing at arm’s length (for purposes of the *Income Tax Act* (Canada)) with the Obligor, or such payment is in respect of a debt or other obligation to pay an amount to a person with whom the Obligor is not dealing at arm’s length (for purposes of the *Income Tax Act* (Canada)), or (ii) such Finance Party being a “specified non-resident shareholder” (as defined in subsection 18(5) of the *Income Tax Act* (Canada) of the Obligor, or not dealing at arm’s length (for purposes of the *Income Tax Act* (Canada)) with a “specified shareholder” (as defined in subsection 18(5) of the *Income Tax Act* (Canada) of the Obligor except, for purposes of this paragraph (d), where an Event of Default has occurred and is continuing, or where the non-arm’s length relationship arises as described in (i), or where the Finance Party is a “specified non-resident shareholder” or does not deal at arm’s length with a “specified shareholder” as described in (ii), in each case, on account of the Finance Party having become a party to, received or perfected a security interest under or received or enforced any rights under or in respect of any Finance Document.

“Exposure” means, with respect to a particular Finance Party at a particular time, the amount of the Secured Obligations owing to such Finance Party at such time, determined by such Finance Party in good faith in accordance with Section 14.21.

“FATCA” means Sections 1471 through 1474 of the Code as in effect on the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and, in each case, any current or future regulations or current official interpretations thereof.

“Federal Funds Effective Rate” means, for any particular day, the variable rate of interest per annum, calculated on the basis of a year of 360 days and for the actual number of days elapsed, equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York or, for any Banking Day on which such rate is not so published by the Federal Reserve Bank of New York, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

“Fee Letter” means the fee letter dated June 10, 2019 between BNP Paribas and the Borrower.

“Finance Documents” means the Credit Documents, the Qualified Risk Management Agreements and the Cash Management Agreements.

“Finance Parties” means the Agents, the Lenders, the Qualified Risk Management Lenders and the Qualified Cash Management Lenders.

“Fiscal Quarter” means any of the three-month periods ending on the last day of March, June, September and December in each year.

“Fiscal Year” means any of the twelve-month periods ending on the last day of December in each year.

“Force Majeure” shall mean an act of God, labour dispute and industrial action of any kind (including a strike, interruption, slowdown and other similar action on the part of organized labour), a lockout, act of the public enemy, war (declared or undeclared), civil war, sabotage, blockade, revolution, riot, insurrection, civil disturbance, terrorism, epidemic, cyclone, tidal wave, landslide, lightning, earthquake, flood, storm, fire, adverse weather conditions, expropriation, nationalization, acts of eminent domain, volcanic explosion, explosion, breakage or accident to machinery or equipment or pipe or transmission line or other facility, embargo, inability to obtain or delay in obtaining equipment, materials or transport, or any other event whether similar to the foregoing or not which is not within the reasonable control of the Borrower.

“FRB” means the Board of Governors of the Federal Reserve System of the United States of America.

“Funding Date” means the date of the initial extension of credit under the NRT Facility.

“generally accepted accounting principles” or **“GAAP”** means IFRS in effect in Canada from time to time.

“**Guarantees**” means the guarantees to be entered into by the Guarantors in favour of the Administrative Agent for the benefit of the Finance Parties, in form and substance satisfactory to the Administrative Agent, and pursuant to which each Guarantor shall guarantee all of the Secured Obligations of the other Obligors.

“**Guarantors**” means each Additional Guarantor.

“**Hazardous Materials**” means any waste or other substance that is hazardous, radioactive, toxic, a pollutant or a contaminant, or that is regulated, listed, defined, designated, or classified, or otherwise determined to be, as such under or pursuant to any Environmental Law, including any mixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes thereof and asbestos or asbestos-containing materials and cyanide or cyanide-containing compounds.

“**IFRS**” means, at any given date, International Financial Reporting Standards, which include standard and interpretations adopted by the International Accounting Standards Board, applied on a consistent basis.

“**Indebtedness**” of any Person means, without duplication, (i) indebtedness of such Person for borrowed money or for the deferred purchase price of property and services, other than trade payables incurred in the ordinary course of business and payable in accordance with customary practices (but in any event less than 90 days), (ii) other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (iii) obligations of such Person under any Capital Lease, (iv) contingent obligations of such Person in respect of any letter of credit, bank guarantee or surety bond except to the extent collateralized by Cash or Cash Equivalents, (v) to the extent accelerated, the Out-of-the-Money Derivative Exposure of such Person, (vi) commodity loans, (vii) the amount of any upfront payment from any metal stream, pre-paid commodity hedge or pre-paid forward agreement for goods that have yet to be delivered, regardless of the accounting treatment of same, and (viii) the contingent obligations of such Person under any guarantee or other agreement assuring payment of any obligations of any Person of the type described in the foregoing clauses (i) to (vii). Notwithstanding the foregoing, any holdback required pursuant to Applicable Law shall not be considered Indebtedness for purposes this agreement.

“**Indemnified Liabilities**” shall have the meaning ascribed thereto in Section 8.5(a) or Section 8.5(b), as applicable.

“**Indemnified Parties**” shall have the meaning ascribed thereto in Section 8.5(a).

“**Indemnified Taxes**” means all Taxes other than Excluded Taxes.

“**Independent Technical Consultant**” means Hatch Advisory or such other independent technical consultant as the Lenders may appoint, in consultation with the Borrower, from time to time.

“Individual Commitment” means, with respect to a particular Lender and a particular Credit Facility, the amount set forth in Schedule A attached hereto, as reduced or amended from time to time pursuant to Sections 2.3, 8.3, 9.1, 9.2 and 15.5, as the Individual Commitment of such Lender with respect to such Credit Facility, provided that, upon the termination of a Credit Facility pursuant to Section 2.4, the Individual Commitment of each Lender with respect to such Credit Facility shall thereafter be equal to the amount of outstanding credit extended to the Borrower by such Lender under such Credit Facility immediately prior to the termination of such Credit Facility.

“Initial Closure Plan” means the closure plan for the Project completed by the Director of Mine Rehabilitation and dated May 3, 2019, which closure plan for the Project specifies, among other things, the estimated quantum of reclamation, rehabilitation and remediation obligations of the Borrower associated with the Project and the Cash, letters of credit and/or surety bonds that the Borrower shall maintain for such reclamation, rehabilitation and remediation obligations, in each case, in a form and as required by Applicable Law.

“Initial Mine Plan” means the life of mine development and operating plan for the Project completed by P&E Mining Consultants Inc. in connection with their Feasibility Study dated effective February 14, 2019, which life of mine development and operating plan for the Project has been approved by the Lenders in consultation with the Independent Technical Consultant.

“Intellectual Property” shall mean all issued patents and patent applications, industrial design registrations, trade-marks, registrations and applications therefor, trade-names and styles, logos, copyright registrations and applications therefor, all of the foregoing owned by or licensed to any Obligor and used in or necessary to the operation of its business.

“Interest Coverage Ratio” means, for any particular Fiscal Quarter, the ratio of Rolling EBITDA for such Fiscal Quarter to Rolling Interest Expenses for such Fiscal Quarter.

“Interest Expenses” means, for any particular period, the aggregate amount which would, in accordance with generally accepted accounting principles, be classified on the combined statements of earnings of the Borrower and the Guarantors for such period as cash interest expenses and interest equivalents.

“Interest Income” means, for any particular period, the amount which would, in accordance with generally accepted accounting principles, be classified on the consolidated income statement of the Borrower for such period as interest accrued due to the Borrower during such period.

“Interest Period” means, in the case of any LIBOR Loan, the applicable period for which interest on such LIBOR Loan shall be calculated pursuant to Article 7.

“**Investment**” shall mean any advance, loan, extension of credit or capital contribution to, purchase of Shares, bonds, notes, debentures or other securities of, or any other investment made in, any Person but shall exclude (i) any Acquisition, (ii) any acquisition of tangible personal property, (iii) any capital or exploration expenditures, and (iv) accounts receivable arising from sales or services rendered in the ordinary course of business.

“**Knowledge of the Borrower**” means, at any particular time, (i) the conscious knowledge of the senior management of the Borrower and (ii) the senior mine manager or operations manager (general manager) at the Project.

“**LBMA**” means the London Bullion Market Association, the international trade association representing the London market for gold and silver bullion and any successor association.

“**Lenders**” means the individual financial institutions set out and described in Schedule A, as amended from time to time and “**Lender**” means any of the Lenders.

“**Leverage Ratio**” means, for any Fiscal Quarter, the ratio of (i) Total Indebtedness at the last day of such Fiscal Quarter to (ii) Rolling EBITDA for such Fiscal Quarter.

“**LIBOR**” means, in relation to any LIBOR Loan:

- (a) the applicable Screen Rate for dollars; or
- (b) (if no Screen Rate is available for the Interest Period of that LIBOR Loan) the Reference Bank Rate for U.S. dollars,

as of 11:00 a.m. (London, England time) on the second Banking Day before the requested Loan and for a period comparable to the Interest Period of that LIBOR Loan and, if any such rate is below zero, LIBOR shall be deemed to be zero.

“**LIBOR Loan**” means monies lent by the Lenders to the Borrower in United States dollars and upon which interest accrues at a rate referable to LIBOR (Reserve Adjusted).

“**LIBOR (Reserve Adjusted)**” means, for a particular Interest Period, the rate per annum, calculated on the basis of a year of 360 days, determined pursuant to the following formula (and rounded up to the nearest 1/16 of 1%):

$$\text{LIBOR (Reserve Adjusted)} = \frac{\text{LIBOR for such Interest Period}}{1 - \text{LIBOR Reserve Percentage for such Interest Period}}$$

LIBOR (Reserve Adjusted) for any Interest Period for LIBOR Loans will be determined by the Administrative Agent on the basis of the LIBOR Reserve

Percentage in effect on, and the applicable rates furnished to and received by the Administrative Agent, two Banking Days before the first day of such Interest Period.

“LIBOR Reserve Percentage” means, for a particular Interest Period, the reserve percentage (expressed as a decimal) equal to the maximum aggregate reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) specified under regulations issued from time to time by the FRB and then applicable to assets or liabilities consisting of and including “Eurocurrency Liabilities”, as currently defined in Regulation D of the FRB, having a term approximately equal or comparable to such Interest Period.

“Lien” means any deed of trust, mortgage, charge, hypothec, assignment, pledge, lien, vendor’s privilege, vendor’s right of reclamation, security interest, deemed trust or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by operation of law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation (including any agreement to give any of the foregoing).

“Life of Mine” shall mean the period during which Proven and Probable Reserves of the Project are planned to be extracted in part or in full and the Project is to be operated in accordance with the Mine Plan.

“Liquidity” means, at any particular time, the aggregate of (i) the Unrestricted Cash at such time and (ii) the readily saleable and insured Doré of the Borrower.

“Loan” means Prime Rate Loans, Base Rate Loans and LIBOR Loans.

“London Good Delivery” means the standards and specifications for gold and silver bullion that is accepted for trading on the London bullion market as established and published from time to time by the LBMA.

“Majority Lenders” means, (i) subject to clause (ii), such group of Lenders (and, if there are less than three Lenders, all of the Lenders) whose Individual Commitments aggregate at least two-thirds of the aggregate amount of the Individual Commitments of all of the Lenders at such time and (ii) at any time (x) after the Enforcement Date or (y) after the Credit Facilities Repayment Date, such group of Finance Parties which have aggregate Exposure in an amount at least two thirds of the aggregate Exposure of all of the Finance Parties at such time.

“Mandatory Gold Hedges” shall have the meaning ascribed thereto in Schedule N.

“Market Disruption Event” means:

- (a) at or about 11:00 a.m. (London, England time) on the second Banking Day before the requested LIBOR Loan for the relevant Interest Period, the

Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Administrative Agent to determine LIBOR for United States dollars and Interest Period; or

- (b) before close of business in London, England on the second Banking Day before the requested LIBOR Loan for the relevant Interest Period, the Administrative Agent receives notification from at least two Lenders (whose Pro Rata Share in a LIBOR Loan exceed in aggregate 30% of that LIBOR Loan) that the cost to it of obtaining matching deposits in the London interbank market would be in excess of LIBOR.

“Material Adverse Change” means any change of circumstances or event (or series of changes or events) which causes a Material Adverse Effect.

“Material Adverse Effect” means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) on:

- (a) the business, operations, properties, assets, prospects or condition (financial or otherwise) of the Obligors and the Project, taken as a whole;
- (b) the ability of any Obligor to perform its material obligations in any material respect under the Transaction Documents to which it is a party and, for the purposes of the definition of “Material Adverse Change” only, taken as a whole, subject always to any replacement rights with respect to Material Project Documents as set forth herein; or
- (c) the ability of any Finance Party to enforce its material rights in any material respect under the Finance Documents and, for the purposes of the definition of **“Material Adverse Change”** only, taken as a whole.

“Material Project Documents” shall mean collectively, the agreements listed in Schedule K hereto and, after the execution and delivery of this agreement, each Additional Material Project Document and any replacement of any thereof.

“Maturity Date” means the NRT Facility Maturity Date and the RT Maturity Date or any of them, as the context may require.

“Material Subsidiary” means each present and future Subsidiary of the Borrower that (i) has a direct or indirect ownership interest in the Project and/or (ii) has assets, determined on an unconsolidated basis and excluding all intra-Obligor items and Investments in any Obligor, in excess of \$2,500,000 in the aggregate.

“Mine Plan” means, as of the Closing Date, the Initial Mine Plan and, thereafter, the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent which, subject to Section 11.1(a)(iv)(B), has been approved in writing by the Administrative Agent, on behalf of and on the instructions of the

Majority Lenders, in consultation with the Independent Technical Consultant, in each case, acting reasonably.

“**Mining Claims and Leases**” means the mining claims, mining concessions and mining leases set out in Schedule 5 to the Borrower’s Perfection Certificate, as the same may be amended, modified, supplemented or replaced from time to time in accordance with the provisions hereof.

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor by merger or consolidation to its business.

“**Net Income**” means, for any particular period, the amount which would, in accordance with generally accepted accounting principles, be classified on the consolidated income statement of the Borrower for such period as the net income of the Borrower excluding any extraordinary items.

“**Non-Canadian Pension Plan**” shall mean any plan, fund or other similar program that (a) is established or maintained outside Canada by any Obligor primarily for the benefit of employees of such Obligor residing outside Canada, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not a Canadian Pension Plan.

“**Non-FATCA Compliant Lender**” means any Lender hereunder who is in breach of its obligations under FATCA.

“**NRT Credit Excess**” means, as at a particular date, the amount, if any, by which the amount of credit outstanding under the NRT Facility as at the close of business on such date exceeds the NRT Credit Limit as at the close of business on such date.

“**NRT Credit Limit**” means \$52,500,000, as such amount may be reduced from time to time pursuant to Section 2.3.

“**NRT Facility**” shall have the meaning ascribed thereto in Section 2.1(b).

“**NRT Maturity Date**” means June 30, 2025.

“**Obligors**” means the Borrower and the Guarantors.

“**Official Body**” means any federal, national, state or municipal government or government of any political subdivision thereof, or any agency, public registry, authority, board, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury, mediator, arbitrator or referee, whether foreign or domestic, in each case with jurisdiction applicable to any Obligor.

“**Option and Joint Venture Agreement**” means the option and joint venture agreement dated July 10, 1998 among the Borrower, Corona Gold Corporation,

John E. Ternowsky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer I. Belisle, Broad Horizons Trust and Broad Horizons Inc., as amended, restated, supplemented or otherwise modified from time to time.

“**Other Taxes**” shall have the meaning ascribed thereto in Section 8.6(b).

“**Out-of-the-Money Derivative Exposure**” has the meaning given to it in the definition of “**Derivative Exposure**”.

“**Participant**” shall have the meaning ascribed thereto pursuant to Section 15.5.

“**Participation**” shall have the meaning ascribed thereto pursuant to Section 15.5.

“**Payment**” shall have the meaning ascribed thereto in Section 8.6(a).

“**Pension Event**” means any of the following: (i) the termination or wind-up in whole or in part of a Canadian Pension Plan, (ii) the occurrence of any circumstance or event that would provide any basis for a governmental authority to take steps to cause the termination or wind-up, in whole or in part, of any Canadian Pension Plan, the issuance of a notice (or a notice of intent to issue such a notice) to terminate in whole or in part any Canadian Pension Plan or the receipt of a notice of intent from a governmental authority to require the termination in whole or in part of any Canadian Pension Plan, revoking the registration of same or appointing a new administrator of such a plan, (iii) the withdrawal of an Obligor from a Canadian Pension Plan or the receipt by an Obligor of notice requiring or threatening to require the withdrawal of an Obligor from a Canadian Pension Plan, (iv) the failure to make any required contribution or payment to a Canadian Pension Plan when due unless such failure is (A) promptly remedied and (B) cannot, after so being remedied, be reasonably be expected to have a Material Adverse Effect, or (v) the occurrence of any circumstance or event related to a Non-Canadian Pension Plan that could reasonably be expected to have a Material Adverse Effect.

“**Pension Plan**” means any Canadian Pension Plan or Non-Canadian Pension Plan.

“**Perfection Certificate**” means, in respect of each Obligor, the certificate of a Senior Officer of such Obligor, addressed to the Administrative Agent, in form and substance satisfactory to the Administrative Agent and pursuant to which certain factual matters relating to such Obligor and the Secured Assets of such Obligor are certified true and correct in all material respects, together with all schedules and exhibits attached thereto or referred to therein, as the same may be updated from time to time pursuant to Section 11.1(a).

“**Period End Date**” means the last day of an Interest Period.

“**Permitted Acquisition**” means any Acquisition with respect to which:

- (a) the business of the entity being acquired is, (in the case of an Acquisition of Shares) or the assets being acquired are used in or relate to, (in the case of an asset Acquisition) a business engaged in the exploration or mining of base or precious metals or such other line of business as is substantially similar, ancillary or related thereto or a reasonable extension thereof;
- (b) no Default or Event of Default exists at the time of such proposed Acquisition and no Default or Event of Default would exist immediately after the implementation of any such proposed Acquisition;
- (c) each covenant set out in Section 11.2 would be met, on a pro forma basis, immediately after giving effect to the implementation of any such Acquisition;
- (d) the assets acquired are situate in, or the entity acquired is incorporated or otherwise formed in, a Permitted Jurisdiction;
- (e) the Acquisition does not constitute a hostile takeover (being, for the avoidance of doubt, a takeover bid of the target company that the board of directors of such company does not support); and
- (f) the total cash consideration paid by any Obligor per any single Acquisition shall not exceed \$10,000,000 and the total cash consideration paid for all Acquisitions, collectively, shall not exceed \$25,000,000 during the six (6) year period commencing on the Closing Date.

“Permitted Acquisition Indebtedness” means any Indebtedness resulting from a Permitted Acquisition which existed prior to, and not in contemplation of, the Permitted Acquisition and any Indebtedness incurred upon and following the Permitted Acquisition pursuant to any commitment which existed prior to, and not in contemplation of, the Permitted Acquisition.

“Permitted Acquisition Risk Management Agreements” means any Risk Management Agreements relating to a Permitted Acquisition which existed prior to, and not in contemplation of, the Permitted Acquisition and all transactions entered into prior to the date of the Permitted Acquisition with respect to such Risk Management Agreement as such transactions may be assigned or novated from time to time.

“Permitted Indebtedness” means any one or more of the following:

- (a) the Secured Obligations;
- (b) Indebtedness of the Obligors outstanding under Capital Leases or Purchase Money Indebtedness, provided that, at any particular time, the aggregate amount of such Indebtedness shall not exceed \$5,000,000;
- (c) unsecured Indebtedness of an Obligor to another Obligor;

- (d) trade payables and other accrued liabilities incurred by the Obligors in the ordinary course of their respective business;
- (e) Indebtedness incurred in connection with reclamation or remediation obligations of the Obligors;
- (f) Indebtedness relating to the following:
 - (i) mortgage in favour of [REDACTED] in respect of PIN 31082 – 0234 LT, PCL 11183 SEC AWS; pt farm location CK77 Hunt Pt 1 1R6484, White River ON;
 - (ii) mortgage in favour of [REDACTED] in respect of PIN 31082 – 0219 LT, PCL 4508 SEC AWS; Pt farm location CK74 Hunt as in LT50340, White River ON; and
 - (iii) mortgage in favour of [REDACTED] in respect of PIN 31082 – 0218 LT, PCL 4507 SEC AWS; Pt farm location CK74 Hunt as in LT50339, White River ON

and any renewals of the foregoing.

- (g) contingent obligations of an Obligor under any guarantee or other agreement assuring payment of any of (a) through (e) above;
- (h) Permitted Acquisition Indebtedness and Indebtedness under Permitted Acquisition Risk Management Agreements; and
- (i) any other Indebtedness of the Obligors permitted in writing by the Administrative Agent, acting on the instructions of the Majority Lenders.

“Permitted Investments” means:

- (a) an Investment by an Obligor in Cash;
- (b) an Investment by an Obligor in another Obligor;
- (c) an Investment relating to the repurchase of any portion of the net smelter return royalty granted pursuant to the Option and Joint Venture Agreement; and
- (d) other Investments in or relating to the business of mining not exceeding \$2,000,000 in the aggregate for the period from the Closing Date to the NRT Maturity Date;

provided, in each case, no Default or Event of Default exists or would exist at the time of making any such Investment and immediately after making any such Investment.

“**Permitted Jurisdictions**” means Canada, the United States of America and Mexico, and “**Permitted Jurisdiction**” means any of the Permitted Jurisdictions.

“**Permitted Liens**” means any one or more of the following with respect to the property and assets of the Obligors:

- (a) the Security;
- (b) Liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (c) the Lien of any judgment or award rendered or the Lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (d) Liens and charges incidental to construction or current operations (including, without limitation, carrier’s, warehousemen’s, mechanics’, materialmen’s and repairmen’s Liens) which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (e) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including, without limitation, rights of way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other persons which in the aggregate do not materially impair the usefulness, in the operation of the business of any Obligor, of the property subject to such restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons;
- (f) the right reserved to or vested in any Official Body by the terms of any lease, licence, franchise, grant or permit acquired by any Obligor or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) any Lien resulting from the deposit of cash or securities (i) in connection with bids, leases, performance bonds, contracts, tenders or expropriation proceedings, or (ii) to secure workers’ compensation, surety or appeal bonds, letters of credit, costs of litigation when required by law and public and statutory obligations, or (iii) in connection with the discharge of Liens or claims incidental to construction and mechanics’, warehouseman’s,

carriers' and other similar liens or construction and mechanics' and other similar Liens arising in the ordinary course of business;

- (h) security given to a public utility or other Official Body when required by such utility or other Official Body in connection with the operations of any Obligor, all in the ordinary course of business;
- (i) the restrictions, exceptions, reservations, limitations, provisos and conditions, if any, expressed in any original patents or grants from the Crown or other Official Body, and any statutory and common law limitations, exceptions, reservations and qualifications;
- (j) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the use of the property for the purpose for which it is held;
- (k) applicable municipal and other Official Body restrictions affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and will not materially impair the use of the property for the purpose for which it is held;
- (l) Liens on concentrates or minerals or the proceeds of sale of such concentrates or minerals arising or granted pursuant to a processing or refining arrangement entered into in the ordinary course and upon usual market terms, securing only the payment of the Borrower's portion of the fees, costs and expenses attributable to the processing of such concentrates or minerals under any such processing or refining arrangement, but only insofar as such Liens relate to obligations which are at such time not past due or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP;
- (m) Liens securing Indebtedness arising under clause (b) of the definition of Permitted Indebtedness (but only to the extent such Liens are limited to the relevant equipment and/or asset);
- (n) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given to an Obligor in accordance with Applicable Law or which although filed or registered, relate to obligations not due and delinquent;
- (o) the extension, renewal or refinancing of any Permitted Lien, provided that the amount so secured does not exceed the original amount secured immediately prior to such extension, renewal or refinancing and the Lien is not extended to any additional property;

- (p) first Lien cash collateral to secure Indebtedness under clause (e) of the definition of “Permitted Indebtedness”;
- (q) Liens that on assets acquired by any Obligor which existed prior to, and not in connection with or in contemplation of, any Permitted Acquisition;
- (r) Liens securing Indebtedness under clause (f) of the definition of “Permitted Indebtedness”; and
- (s) any other Liens permitted in writing by the Administrative Agent, acting on the instructions of the Majority Lenders.

“**Person**” means any natural person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

“**Post-Closing Matters Agreement**” means the post-closing matters agreement dated as of the date hereof entered into by the Borrower in favour of the Administrative Agent.

“**PPSA**” means the *Personal Property Security Act* (Ontario), as amended.

“**Prepayment Notice**” shall have the meaning ascribed thereto in Section 9.3.

“**Prime Rate**” means the variable rate of interest per annum equal to the rate of interest determined by the Administrative Agent from time to time as its prime rate for Canadian dollar loans made by the Administrative Agent in Canada from time to time, being a variable per annum reference rate of interest adjusted automatically upon change by the Administrative Agent calculated on the basis of a year of 365 days or 366 days in the case of a leap year. If at any time the Prime Rate is less than zero, the Prime Rate shall be deemed to be zero.

“**Prime Rate Loan**” means monies lent by the Lenders to the Borrower hereunder in Canadian dollars and upon which interest accrues at a rate referable to the Prime Rate.

“**Pro Rata Share**” means:

- (a) when used with reference to a particular Credit Facility at any particular time and with respect to a particular Lender, the ratio of the Individual Commitment of such Lender with respect to such Credit Facility at such time to the aggregate of the Individual Commitments of all of the Lenders with respect to such Credit Facility at such time; and
- (b) when used without reference to a particular Credit Facility at any particular time and with respect to a particular Lender, the ratio of the aggregate Individual Commitments of such Lender with respect to both of the Credit Facilities at such time to the aggregate of the Individual

Commitments of all of the Lenders with respect to both of the Credit Facilities at such time.

“Proceeds of Realization” means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Secured Assets or received from an Obligor pursuant to a Credit Document (i) after any Enforcement Date, (ii) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any Obligor (or any other arrangement or marshalling of the Secured Assets that is similar thereto) or (iii) upon the enforcement of, or any action taken with respect to this agreement, the Guarantees or the Security Documents. For greater certainty, insurance proceeds derived as a result of the loss or destruction of any of the Secured Assets or cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Secured Assets shall not constitute Proceeds of Realization prior to the Enforcement Date.

“Product” means the Borrower’s present and future right, title and interest in and to all gold and other saleable metals and minerals mined, extracted or derived from the Project in whatever form or state of processing.

“Project” means, collectively, all properties, assets and other rights (including, without limitation, with respect to electricity, water, access and land), whether real or personal, tangible or intangible, now owned or leased or hereafter acquired by or for the benefit of the Borrower which assets are used or intended for use in or forming part of the project for the development of the Sugar Zone property located in Ontario, Canada, approximately 80 km east of the Hemlo gold camp and 24 km north of White River off the Trans-Canada Highway (#17), including for such purposes all real estate and plant, property and equipment associated therewith and all concessions, mining claims, mining leases and Authorizations related thereto.

“Project Authorizations” shall mean, collectively, the Authorizations necessary for the construction, operation, development, financing and management of the Project and the production, transportation, processing and sale of Product produced at the Project being, as of the Closing Date, the Authorizations listed in Schedule M hereto and, after the Closing Date, each Additional Project Authorization and any replacement of any thereof.

“Proven and Probable Reserves” shall mean the aggregate of the Proven Mineral Reserves and Probable Mineral Reserves of Product for the Project, as such terms are defined in and measured in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves Definition Guidelines for the grade and contained amount of Product scheduled for extraction, and demonstrated to be mineable at a profit at a stated metal price.

“Purchase Money Indebtedness” means Indebtedness assumed by any Obligor as part of, or issued or incurred by such Obligor to pay or provide funds to pay, all

or a part of the purchase price of any equipment or other tangible personal property hereafter or previously acquired by such Obligor.

“**Qualified Affiliate**” means an Affiliate of a Lender who has executed and delivered to the Administrative Agent an instrument of adhesion in the form set forth in Schedule I.

“**Qualified Cash Management Lender**” means (x) any Person that enters into a Cash Management Agreement at a time when such Person is a Lender or (y) any Qualified Affiliate that enters into a Cash Management Agreement at a time when the Lender with which such Qualified Affiliate is affiliated is a Lender.

“**Qualified Derivatives Transaction**” means one or more transactions that are or will be governed by a Qualified Risk Management Agreement.

“**Qualified Risk Management Agreement**” means a Risk Management Agreement between the Borrower and a Qualified Risk Management Lender.

“**Qualified Risk Management Lender**” means (x) any Person that enters into a Risk Management Agreement at a time when such Person is a Lender or (y) any Qualified Affiliate that enters into a Risk Management Agreement at a time when the Lender with which such Qualified Affiliate is affiliated is a Lender ; provided, that in each case at the time of the execution of any Derivatives Transaction, such Lender or Qualified Affiliate, as the case may be, is rated at least A- by S&P or A3 by Moody’s.

“**Receiver**” means a receiver, receiver and manager or other Person having similar powers or authority appointed by the Administrative Agent or by a court at the instance of the Administrative Agent in respect of the Secured Assets or any part thereof.

“**Reference Bank Rate**” means the arithmetic mean of the rates (rounded upwards to four decimal places) for the relevant Interest Period as supplied to the Administrative Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the London interbank market.

“**Reference Banks**” means the principal London office of the Administrative Agent or such other banks as may be appointed by the Administrative Agent in consultation with the Borrower.

“**Regulation D**” means Regulation D of the FRB.

“**Release**” means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

“**Reserve Tail Ratio**” means, as of any particular date, the ratio expressed as a percentage of (A) the then current forecasted production from the Project of the

aggregate of ounces of gold from the NRT Maturity Date (or, if monies have been applied to scheduled principal payments under the NRT Facility in inverse order of maturity pursuant to Section 9.1 and/or 9.2, then from the last scheduled principal payment under the NRT Facility which has not been prepaid in full) through the remainder of the mine divided by (B) the total Proven and Probable Reserves for the aggregate of ounces of gold forecast to be produced from the Project for the Life of Mine. For the purposes of this definition, production of Product shall be calculated utilizing the Proven and Probable Reserves verified and accepted by the Independent Technical Consultant.

“Resolution Authority” means any body which has authority to exercise any Write-Down and Conversion Powers.

“Restraint” shall have the meaning ascribed thereto in Section 8.2(a).

“Restricted Countries” means, at any particular time, any country noted as a ‘sanctioned country’ on the list issued, published and maintained by any of the U.S. Office of Foreign Assets Control of the U.S. Department of Treasury or the US Department of State, the United Nations Security Council, the Parliament of Canada (including Global Affairs Canada), the European Union, and/or any present or future member state thereof and/or the United Kingdom’s Her Majesty’s Treasury.

“Restricted Forward Sale Transaction” means an agreement by a Person to sell forward a quantity of metal or other commodity where payment therefor is made, in whole or in part, prior to the date on which such metal or commodity was mined or extracted by such Person.

“Restricted Persons” means persons named on any sanctions lists issued, published and maintained by one of the Swiss State Secretariat for Economic Affairs, the United Nations, the European Union, the United States Office of Foreign Assets Control and/or the Canadian government.

“Risk Management Agreements” means each present or future agreement which evidences any commodity hedging transaction, whether pre-paid or not (including all Restricted Forward Sale Transactions), commodity loans, pre-paid commodity forward purchase agreements, spot or forward foreign exchange transaction, interest rate swap transaction, currency swap transaction, forward rate transaction, rate cap transaction, rate floor transaction, rate collar transaction, and any other exchange or rate protection transaction, any combination of such transactions or any option with respect to any such transaction entered into by Borrower on the one hand and a Qualified Risk Management Lender.

“Risk Management Program” means the risk management program agreed upon between the Borrower and the Lenders attached hereto as Schedule N.

“Rolling EBITDA” means, for any Fiscal Quarter,

- (a) the aggregate amount of EBITDA for such Fiscal Quarter and for the three immediately preceding Fiscal Quarters; and
- (b) any Rolling Permitted Acquisition EBITDA for such Fiscal Quarter

“Rolling Interest Expenses” means for any Fiscal Quarter, the aggregate Interest Expenses for such Fiscal Quarter and the three immediately preceding Fiscal Quarters.

“Rolling Permitted Acquisition EBITDA” means, for any Fiscal Quarter as concerns any Permitted Acquisition or any other asset acquisition if such asset acquisition is accounted for in accordance with generally accepted accounting principles on a proportionate or consolidated accounting basis with respect to which four Fiscal Quarter ends or less have occurred since the date of the completion of such Permitted Acquisition or other asset acquisition,

- (a) for the Fiscal Quarter during which such date occurs (the **“Initial Fiscal Quarter”**), EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter multiplied by a fraction the numerator of which is the number of days in the Initial Fiscal Quarter and the denominator of which is the number of days remaining in the Initial Fiscal Quarter following the completion of such Permitted Acquisition or other asset acquisition (such product, the **“Initial Fiscal Quarter EBITDA”**) multiplied by four;
- (b) for the first Fiscal Quarter following the Initial Fiscal Quarter, the aggregate of EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter and the Initial Fiscal Quarter EBITDA multiplied by two;
- (c) for the second Fiscal Quarter following the Initial Fiscal Quarter, the aggregate of EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter and the immediately preceding Fiscal Quarter and the Initial Fiscal Quarter EBITDA multiplied by 4/3; and
- (d) for the third Fiscal Quarter following the Initial Fiscal Quarter, the aggregate of EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter and the two immediately preceding Fiscal Quarters and the Initial Fiscal Quarter EBITDA.

“RT Credit Excess” means, as at a particular date, the amount, if any, by which the amount of credit outstanding under the RT Facility as at the close of business on such date exceeds the RT Credit Limit as at the close of business on such date.

“RT Credit Limit” means \$20,000,000, as such amount may be reduced from time to time pursuant to Section 2.3.

“**RT Facility**” shall have the meaning ascribed thereto in Section 2.1(a).

“**RT Maturity Date**” means June 30, 2022.

“**S&P**” means Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw Hill Companies Inc. and its successors.

“**Sale Leaseback**” shall mean any transaction or series of related transactions pursuant to which any Obligor (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property.

“**Sanctions**” means economic or financial sanctions or trade embargos imposed, administered or enforced from time to time by virtue of any country being a Restricted Country.

“**Screen Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other Person which takes over the administration of that rate) for the relevant Interest Period displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

“**Secured Assets**” means:

- (a) all of the present and future assets, property and undertaking of each Obligor (other than Excluded Property); and
- (b) any and all proceeds of any of the foregoing.

For certainty, the Secured Assets shall cease to be Secured Assets to the extent such assets are sold or otherwise disposed of in a manner in which is permitted, or otherwise not prohibited, by any relevant Credit Document.

“**Secured Obligations**” shall mean all indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by any of the Obligors to any of the Finance Parties, or remaining unpaid to any of the Finance Parties, under or in connection with any of the Finance Documents and Secured Obligations of a particular Obligor shall mean all indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by such Obligor to any of the Finance Parties, or remaining unpaid to any of the Finance Parties, under or in connection with any of the Finance Documents to which such Obligor is a party. For certainty, “**Secured Obligations**” shall include interest accruing subsequent to the filing of, or which would have accrued but for the filing of, a petition for bankruptcy, in accordance with and at the rate (including any rate applicable upon any Default or Event of

Default to the extent lawful) specified herein, whether or not such interest is an allowable claim in such bankruptcy proceeding.

“Secured Obligations Termination Date” means the date on which all Secured Obligations of the Obligor (other than those provisions which by their terms survive the termination of the Finance Documents) have been permanently paid in full and the Finance Parties have no commitments to provide credit to any Obligor under any Finance Document.

“Security” means the collateral security constituted by the Security Documents.

“Security Documents” means the security documents which, in the reasonable opinion of the Administrative Agent, are required to be entered into from time to time by each Obligor in favour of the Administrative Agent in order to grant to the Administrative Agent a Lien on the Secured Assets as continuing collateral security for the payment and performance of the Secured Obligations of such Obligor, such security documents to be in form and substance satisfactory to the Administrative Agent and to include, without limitation, the security documents described in Schedule H hereto.

“Senior Officer” means any of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, any Executive Vice President and any other senior officer of the relevant Obligor, acceptable to the Administrative Agent.

“Shares”, as applied to the shares of any corporation or other entity, means the shares or other ownership interests of every class whether now or hereafter authorized, regardless of whether such shares or other ownership interests shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding-up of such corporation or other entity.

“Subscription Agreement” means the subscription, standby commitment and facility agreement dated June 6, 2019 and entered into by the Borrower and ANR Investments B.V.

“Subsidiary” means, with respect to any Person, any corporation, company or other similar business entity (including, for greater certainty, a chartered bank) of which more than fifty per cent (50%) of the outstanding Shares or other equity interests (in the case of Persons other than corporations) having ordinary voting power to elect a majority of the board of directors or the equivalent thereof of such corporation, company or similar business entity (irrespective of whether at the time Shares of any other class or classes of the Shares of such corporation, company or similar business entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person.

“**Tangible Net Worth**” means, at any particular time, the amount of Equity (including intercompany indebtedness amongst the Obligors) at such time less the aggregate of the amounts, at such time, which would, in accordance with generally accepted accounting principles, be classified upon the consolidated balance sheet of the Borrower as goodwill and intangible assets.

“**Taxes**” means all taxes, royalties, assessments, fees, rates, levies, imposts, deductions, dues, duties 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 Official Body (including a federal, state, provincial, municipal or foreign Official Body), and whether disputed or not.

“**Technical Agent**” means BNP Paribas, in its capacity as Technical Agent, and any successors thereto appointed pursuant to Section 14.12.

“**Total Indebtedness**” means, at any particular time, the aggregate Indebtedness of the Borrower on a consolidated basis.

“**Trade Date**” means, with respect to a particular Derivatives Transaction, the date of the execution of such Derivatives Transaction.

“**Transaction Documents**” means the Finance Documents and the Material Project Documents and “**Transaction Document**” means any of the Transaction Documents.

“**Trigger Date**” means the date on which the Administrative Agent, acting reasonably, has confirmed to the other parties hereto that the following conditions have been satisfied and/or waived by the Lenders:

- (a) the Project processes run of mine ore (excluding low grade stock piles) and such processing operates at an average of 800 tonnes throughput rate per day for a consecutive sixty (60) day period;
- (b) The Borrower is in *pro forma* compliance with each covenant set forth in Section 11.2; and
- (c) no Default or Event of Default exists at such time.

Once the Administrative Agent has so confirmed with respect to the above, the Trigger Date shall be satisfied for all purposes under and pursuant to this Agreement.

“**Unrestricted Cash**” means, at any particular time, the aggregate of all Cash of the Obligors at such time which (A) is not listed on the Borrower’s consolidated balance sheet as restricted cash (or other designation of similar effect) and (B) which is subject to a Lien pursuant to the Security Documents.

“**U.S.**” and “**United States**” means the United States of America.

“U.S. Dollar Equivalent” means the relevant Exchange Equivalent in U.S. Dollars of any amount of another currency.

“U.S. Dollars” means the lawful currency of the United States of America.

“Write-Down and Conversion Powers” means in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail- In Legislation Schedule.

1.2 Other Usages

References to “this agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this agreement and not to any particular Article, Section or other subdivision of this agreement. Any references herein to any agreements or documents shall mean such agreements or documents as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof. Any reference herein to any provision of any law or regulation (including, for certainty, the Equator Principles and the World Bank Environment, Health and Safety Guidelines for Mining and Milling) shall be a reference to that provision as amended, supplemented, replaced or re-enacted.

1.3 Plural and Singular

Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.4 Headings

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

1.5 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of the United States.

1.6 Applicable Law and Submission to Jurisdiction

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any legal action or proceeding with respect to this agreement may be brought in the courts of the Province of Ontario or the courts of the corporate domicile of each of the parties party to this agreement in actions brought against it as a defendant and, by execution and delivery of this agreement, each of the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. Furthermore, each party hereto hereby waives the right to any other jurisdiction to which it may be entitled by means of its present or future domicile. Each party irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by

registered or certified mail, postage prepaid, to such party to the address prescribed by Section 15.1, such service to become effective five Banking Days after such mailing.

1.7 Time of the Essence

Time shall in all respects be of the essence of this agreement.

1.8 Non-Banking Days

Subject to Section 7.4(c), whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Banking Day, such payment shall be made or such action shall be taken on the next succeeding Banking Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest and fees, if any, thereon.

1.9 Consents and Approvals

Whenever the consent or approval of a party hereto is required in a particular circumstance, unless otherwise expressly provided for therein, such consent or approval shall not be unreasonably withheld or delayed by such party.

1.10 Amount of Credit.

Any reference herein to the amount of credit outstanding under the Credit Facilities shall mean, at any particular time:

- (a) in the case of a Prime Rate Loan, the U.S. Dollar Equivalent of the principal amount thereof; and
- (b) in the case of a LIBOR Loan or a Base Rate Loan, the principal amount thereof.

1.11 Schedules

Each and every one of the schedules which is referred to in this agreement and attached to this agreement shall form a part of this agreement.

1.12 Extension of Credit

For the purposes hereof, each drawdown, rollover and conversion shall be deemed to be an extension of credit to the Borrower hereunder.

1.13 Accounting Terms – GAAP

All accounting terms not specifically defined in this agreement shall be interpreted in accordance with GAAP.

1.14 Change in Accounting Policies

Whereas the Borrower may adopt new accounting policies from time to time, whereby such adoption is compelled by accounting or regulatory bodies having jurisdiction or at its own discretion, and whereas these accounting changes may result in a material change in the calculation of the financial covenants or financial covenant thresholds or terms used in this agreement or any other Finance Document then the Borrower, the Administrative Agent and the Lenders agree to enter into good faith negotiations in order to amend such provisions of this agreement or such other Finance Document, as applicable, so as to equitably reflect such accounting changes with the desired result that the criteria for evaluating the Borrower's financial condition, financial covenants, financial covenant thresholds or terms used in this agreement or any other Finance Document shall be the same after such accounting changes as if such accounting changes had not been made; provided, however, that the agreement of the Majority Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. If the Borrower and the Majority Lenders cannot agree upon the required amendments immediately prior to the date of implementation of any accounting policy change, then all calculations of financial covenants, financial covenant thresholds or terms used in this agreement or any other Finance Document shall be prepared and delivered without reflecting the accounting policy change.

1.15 Paramourncy

In the event of any conflict or inconsistency between the provisions of this agreement and the provisions of any other Finance Document, the provisions of this agreement shall prevail and be paramount. If any covenant, representation, warranty or event of default contained in any other Finance Document is in conflict with or is inconsistent with a provision of this agreement relating to the same specific matter, such covenant, representation, warranty or event of default shall be deemed to be amended to the extent necessary to ensure that it is not in conflict with or inconsistent with the provision of this agreement relating to the same specific matter.

1.16 Successors and Permitted Assigns of Parties

Any reference in this agreement to a party to this agreement shall include the successors and permitted assigns of such party.

1.17 Meaning of Include

The words "include", "includes" and "including", when used in this agreement, shall be deemed to be followed by the phrase "without limitation".

1.18 Rule of Construction

The Credit Documents have been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of the Credit Documents.

1.19 Knowledge of the Borrower

Any reference herein “to the knowledge of the Borrower” shall mean to the knowledge of any Senior Officer of the Borrower.

1.20 Permitted Liens

For the avoidance of doubt, any reference to a Permitted Lien shall not serve to subordinate or postpone any Lien created by any Security Document to such Permitted Lien.

1.21 Closure Plan.

The parties to this Agreement agree that, without limitation to the rights of the Administrative Agent and the Lenders contained herein, the Closure Plan delivered by the Borrower to Administrative Agent from time to time, shall be accepted by the Administrative Agent and the Lenders (without the consultation of a Closure Plan Consultant), absent manifest error and provided that the Closure Plan has been prepared and determined, in the opinion of the Administrative Agent and Lenders, acting reasonably, in accordance with Applicable Law and consistent with good mining practices.

ARTICLE 2 CREDIT FACILITIES

2.1 Establishment of the Credit Facilities

Subject to the terms and conditions hereof, the Lenders hereby establish in favour of the Borrower:

- (a) a revolving term credit facility (the “**RT Facility**”) in the aggregate amount of the RT Credit Limit; and
- (b) a non-revolving term credit facility (the “**NRT Facility**”) in the aggregate amount of the NRT Credit Limit.

2.2 Lenders’ Commitments

Subject to the terms and conditions hereof, the Lenders severally agree to extend credit to the Borrower from time to time provided that the aggregate amount of credit extended by each Lender under a particular Credit Facility shall not at any time exceed the Individual Commitment of such Lender with respect to such Credit Facility and further provided that, subject to Section 9.5, the aggregate amount of credit outstanding under a particular Credit Facility shall not at any time exceed the Credit Limit with respect to such Credit Facility. All credit requested under a Credit Facility shall be made available to the Borrower contemporaneously by each Lender that has an Individual Commitment with respect to such Credit Facility. Such Lender shall provide to the Administrative Agent its Pro Rata Share of each credit, whether such credit is extended by way of drawdown, rollover or conversion. No Lender shall be responsible for any default by any other Lender in its obligation to provide its Pro Rata Share of any credit nor shall the Individual Commitment of any Lender with respect to a Credit Facility be increased as a result of any such default of another Lender in extending

credit under such Credit Facility. The failure of any Lender to make available to the Borrower its Pro Rata Share of any credit under a Credit Facility shall not relieve any other Lender of its obligation hereunder to make available to the Borrower its Pro Rata Share of such credit.

2.3 Reduction of Credit Limits

The Borrower may, from time to time and at any time, by notice in writing to the Administrative Agent but without penalty, permanently reduce the RT Credit Limit in whole or in part to the extent it is not being utilized. The amount of the RT Credit Limit will not be permanently reduced by any prepayment or repayment under the RT Facility pursuant to Section 9.2 or 9.5 but will be reduced at the time of and by the amount of any repayment of the RT Facility pursuant to Section 9.1(a). The amount of the NRT Credit Limit will be permanently reduced at the time of and by the amount of any prepayment or repayment under the NRT Facility pursuant to Section 9.1(b), 9.2 or 9.5 and any reduction of the NRT Facility pursuant to Section 9.3. On the Funding Date, the amount of the NRT Credit Limit will be permanently reduced to an amount equal to the amount of the credit extended to the Borrower under the NRT Facility on the Funding Date. Any repayment of outstanding credit which forms part of any conversion from one type of credit to another type of credit under Article 6 or of any rollover under Article 5 shall not cause any reduction in the amount of the relevant Credit Limit. Upon any reduction of a Credit Limit, the Individual Commitment of each Lender with respect to the relevant Credit Facility shall thereupon be reduced by an amount equal to such Lender's Pro Rata Share of the amount of such reduction of such Credit Limit.

2.4 Termination of Credit Facilities

A Credit Facility shall terminate upon the earliest to occur of:

- (a) the applicable Maturity Date;
- (b) the termination of such Credit Facility in accordance with Section 13.1; and
- (c) the date on which, pursuant to Section 2.3, the relevant Credit Limit has been permanently reduced to zero.

Upon the termination of a Credit Facility, the right of the Borrower to obtain any credit under such Credit Facility and all of the obligations of the Lenders to extend credit under such Credit Facility shall automatically terminate.

ARTICLE 3 GENERAL PROVISIONS RELATING TO CREDITS

3.1 Types of Credit Availments

Subject to the terms and conditions hereof, the Borrower may obtain credit under the Credit Facilities by way of one or more Prime Rate Loans, Base Rate Loans and LIBOR Loans. Any extension of credit under any Credit Facility shall be in a minimum amount of \$1,000,000 and in multiples of \$1,000,000.

3.2 Funding of Loans

Each Lender shall make available to the Administrative Agent at the Administrative Agent Account its Pro Rata Share of the principal amount of each Loan to the Borrower prior to 10:00 a.m. (New York time) on the date of the extension of credit. The Administrative Agent shall, upon fulfillment by the Borrower of the terms and conditions set forth in Article 12, make such funds available to the Borrower by 3:00 p.m. (New York time) on the date of the extension of credit by wire transfer of immediately available funds to the Designated Account. Unless the Administrative Agent has been notified by a Lender at least one Banking Day prior to the date of the extension of credit that such Lender will not make available to the Administrative Agent its Pro Rata Share of such Loan, the Administrative Agent may assume that such Lender has made such portion of the Loan available to the Administrative Agent on the date of the extension of credit in accordance with the provisions hereof and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent has made such assumption, to the extent such Lender shall not have so made its Pro Rata Share of the Loan available to the Administrative Agent, such Lender agrees to pay to the Administrative Agent, forthwith on demand, such Lender's Pro Rata Share of the Loan and all reasonable costs and expenses incurred by the Administrative Agent in connection therewith together with interest thereon at the then prevailing interbank rate for each day from the date such amount is made available to the Borrower until the date such amount is paid or repaid to the Administrative Agent; provided, however, that notwithstanding such obligation, if such Lender fails so to pay, the Borrower shall, without prejudice to any rights that the Borrower might have against such Lender, repay such amount to the Administrative Agent forthwith after demand therefor by the Administrative Agent. The amount payable by each Lender to the Administrative Agent pursuant hereto shall be set forth in a certificate delivered by the Administrative Agent to such Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall constitute prima facie evidence of such amount payable. If such Lender makes the payment to the Administrative Agent required herein, the amount so paid shall constitute such Lender's Pro Rata Share of the Loan for purposes of this agreement and shall entitle the Lender to all rights and remedies against the Borrower in respect of such Loan.

3.3 Failure of Lender to Fund Loan

If any Lender (a "**Defaulting Lender**") fails to make available to the Administrative Agent its Pro Rata Share of any Loan under a Credit Facility as required and the Administrative Agent has not funded pursuant to Section 3.2, the Administrative Agent shall forthwith give notice of such failure by such Defaulting Lender to the Borrower and the other Lenders and such notice shall state that any Lender may make available to the Administrative Agent all or any portion of the Defaulting Lender's Pro Rata Share of such Loan (but in no way shall any other Lender or the Administrative Agent be obliged to do so) in the place and stead of the Defaulting Lender. If more than one Lender gives notice that it is prepared to make funds available in the place and stead of a Defaulting Lender in such circumstances and the aggregate of the funds which such Lenders (herein collectively called the "**Contributing Lenders**" and individually called the "**Contributing Lender**") are prepared to make available exceeds the amount of the advance which the Defaulting Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its pro rata

share of such advance based on the Contributing Lenders' relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place and stead of a Defaulting Lender in such circumstances, then the Defaulting Lender shall pay to any Contributing Lender making the funds available in its place and stead, forthwith on demand, any amount advanced on its behalf together with interest thereon at the then prevailing interbank rate for each day from the date of advance to the date of payment, against payment by the Contributing Lender making the funds available of all interest received in respect of the Loan from the Borrower. In addition to interest as aforesaid, the Borrower shall pay all amounts owing by the Borrower to the Defaulting Lender hereunder (with respect to the amounts advanced by the Contributing Lenders on behalf of the Defaulting Lender) to the Contributing Lenders until such time as the Defaulting Lender pays to the Administrative Agent for the Contributing Lenders all amounts advanced by the Contributing Lenders on behalf of the Defaulting Lender.

3.4 Timing of Credit Availments

No Loan may have a maturity date later than the applicable Maturity Date.

3.5 Inability to Fund LIBOR Loan in the United States

If a Lender determines in good faith, which determination shall be final, conclusive and binding on the Borrower, and the Administrative Agent notifies the Borrower that (i) adequate and fair means do not exist for ascertaining the interest rate on the basis provided in the definition of LIBOR, (ii) the making or continuation of LIBOR Loans in the United States has been made impracticable by the occurrence of a contingency (other than a mere increase in rates payable by such Lender to fund the advance) which materially and adversely affects the funding of the advances at any interest rate computed on the basis of LIBOR, or by reason of a change since the date hereof in any Applicable Law or government regulation, guideline or order (whether or not having the force of law but, if not having the force of law, one with which a responsible commercial bank would comply) or in the interpretation thereof by any Official Body affecting such Lender or any relevant financial market, which results in LIBOR no longer representing the effective cost to such Lender of deposits in such market for a relevant Interest Period, or (iii) any change to present law or any future law, regulation, order, treaty or official directive (whether or not having the force of law but, if not having the force of law, one with which a responsible commercial bank would comply) or any change therein or any interpretation or application thereof by any Official Body has made it unlawful for such Lender to make or maintain or give effect to its obligations in respect of LIBOR Loans in the United States as contemplated herein, then

- (a) the right of the Borrower to obtain any credit in United States dollars by way of LIBOR Loans, shall be suspended until such Lender determines, acting reasonably, that the circumstances causing such suspension no longer exist and such Lender so notifies the Borrower;
- (b) if any credit in United States dollars by way of LIBOR Loans is not yet outstanding, any applicable Drawdown Notice requesting a drawdown by way of LIBOR Loan shall be cancelled and the advance requested therein shall not be made; provided the Borrower may, during the period of such suspension, issue

subsequent Drawdown Notices requesting the extension of credit by way of Prime Rate Loans or Base Rate Loans; and

- (c) if any LIBOR Loan is already outstanding at any time when the right of the Borrower to obtain credit by way of LIBOR Loans is suspended, it shall be converted on the last day of the Interest Period applicable thereto (or on such earlier date as may be required to comply with any Applicable Law) to a Base Rate Loan in the principal amount equal to the principal amount of such LIBOR Loan.

3.6 Alternative Basis of Interest or Funding

If a Market Disruption Event occurs LIBOR for the relevant Interest Period shall be the rate at which the Administrative Agent could borrow funds in the London interbank market at the time of such Market Disruption Event.

3.7 Time and Place of Payments

Unless otherwise expressly provided herein, the Borrower shall make all payments pursuant to this agreement or pursuant to any document, instrument or agreement delivered pursuant hereto by deposit to the Administrative Agent Account before 12:00 noon (New York time) on the day specified for payment. Any payment received after 12:00 noon (New York time) on the day specified for such payment shall be deemed to have been received before 12:00 noon (New York time) on the immediately following Banking Day. The Borrower hereby irrevocably authorizes the Administrative Agent to debit any of its bank accounts maintained by the Administrative Agent (if any) from time to time for any payments due and payable to the Finance Parties under the Credit Documents. The Administrative Agent shall debit such bank account(s) for any payments due and payable to Lenders under the Credit Documents prior to 12:00 noon (New York time) on the day specified for such payment.

3.8 Remittance of Payments

Forthwith after the receipt by the Administrative Agent of any payment of principal, interest, fees or other amounts for the benefit of the Lenders pursuant to Section 3.7, the Administrative Agent shall, subject to Sections 3.2, 3.3 and 8.3 remit to each Lender, in immediately available funds, such Lender's Pro Rata Share of such payment (except to the extent such payment results from a Loan with respect to which a Lender had failed, pursuant to Section 3.2, to make available to the Administrative Agent its Pro Rata Share and, where the Administrative Agent or any other Lender has made funds available in the place and stead of a Defaulting Lender); provided that if the Administrative Agent, on the assumption that it will receive, on any particular date, a payment of principal (including, without limitation, a prepayment), interest, fees or other amount under a Credit Facility, remits to each Lender its Pro Rata Share of such payment and the Borrower fails to make such payment, each Lender agrees to repay to the Administrative Agent, forthwith on demand, to the extent that such amount is not recovered from the Borrower on demand and after reasonable efforts by the Administrative Agent to collect such amount (without in any way obligating the Administrative Agent to take any legal action with respect to such collection), such Lender's Pro Rata Share of the payment made to it pursuant hereto together with interest thereon at the then prevailing interbank rate for

each day from the date such amount is remitted to the Lenders until the date such amount is paid or repaid to the Administrative Agent, the exact amount of the repayment required to be made by the Lenders pursuant hereto to be as set forth in a certificate delivered by the Administrative Agent to each Lender, which certificate shall constitute prima facie evidence of such amount of repayment.

3.9 Evidence of Indebtedness

The Administrative Agent shall maintain accounts wherein the Administrative Agent shall record the amount of credit outstanding, each payment of principal and interest on account of each Loan, and all other amounts becoming due to and being paid to the Lenders or the Administrative Agent hereunder, including commitment or other fees. The Administrative Agent's accounts constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower pursuant to this agreement.

3.10 Notice Periods

Each Drawdown Notice, Rollover Notice, Conversion Notice, Prepayment Notice and change in Designated Account shall be given to the Administrative Agent:

- (a) prior to 12:00 noon (New York time) on the third Banking Day prior to the date of any voluntary prepayment pursuant to Section 9.2;
- (b) prior to 12:00 noon (New York time) on the fourth Banking Day prior to any drawdown of, rollover of, conversion into or conversion of a LIBOR Loan;
- (c) prior to 12:00 noon (New York time) on the first Banking Day prior to the date of any other drawdown, rollover or conversion; and
- (d) prior to 12:00 noon (New York time) on the fourth Banking Day prior to the modification, addition, elimination or substitution of any Designated Account together with sufficient wire transfer particulars as may be reasonably requested by the Administrative Agent.

3.11 Administrative Agent's Discretion to Allocate.

Notwithstanding the provisions of Section 3.3 with respect to the funding of Loans in accordance with each relevant Lender's Pro Rata Share, the Administrative Agent shall be entitled to reallocate the funding or reimbursement obligations among the Lenders in order to ensure, to the greatest extent practicable, that after such funding the aggregate amount of credit extended hereunder by each Lender coincides with such Lender's Pro Rata Share of the aggregate amount of credit extended under each Credit Facility by all of the Lenders, provided that no such allocation shall result in the aggregate amount of credit extended under a particular Credit Facility by any Lender exceeding such Lender's Individual Commitment with respect to such Credit Facility.

ARTICLE 4 DRAWDOWNS

4.1 Drawdown Notice

Subject to Sections 3.1, 3.5 and 3.6 and provided that all of the applicable conditions precedent set forth in Article 12 have been fulfilled by the Borrower or waived by the Lenders as provided in Section 14.14, the Borrower may, from time to time, obtain credit hereunder by giving to the Administrative Agent an irrevocable notice in substantially the form of Schedule D hereto (“**Drawdown Notice**”) in accordance with Section 3.10 and specifying, as applicable:

- (a) the applicable Credit Facility;
- (b) the date the credit is to be obtained; and
- (c) the principal amount of the Loan (and in the case of a LIBOR Loan the applicable Interest Period).

ARTICLE 5 ROLLOVERS

5.1 LIBOR Loans

Subject to the terms and conditions hereof and provided that the Borrower has, by giving notice to the Administrative Agent in accordance with Section 5.2, requested the relevant Lenders to continue to extend credit by way of LIBOR Loans to replace all or a portion of an outstanding LIBOR Loan as it matures, each relevant Lender shall, on the maturity of such LIBOR Loan, continue to extend credit to the Borrower by way of a LIBOR Loan (without a further advance of funds to the Borrower) in the principal amount equal to such Lender’s Pro Rata Share of the principal amount of the matured LIBOR Loan.

5.2 Rollover Notice

The notice to be given to the Administrative Agent pursuant to Section 5.1 (“**Rollover Notice**”) shall be irrevocable, shall be given in accordance with Section 3.10, shall be substantially in the form of Schedule E hereto and shall specify:

- (a) the applicable Credit Facility;
- (b) the maturity date of the maturing LIBOR Loan;
- (c) the principal amount of the maturing LIBOR Loan and the portion thereof to be replaced; and
- (d) the Interest Period or Interest Periods of the replacement LIBOR Loans.

ARTICLE 6 CONVERSIONS

6.1 Converting Loan to Other Type of Loan

Subject to the terms and conditions hereof and provided that the Borrower has, by giving notice to the Administrative Agent in accordance with Section 6.2, requested the relevant Lenders to convert all or a portion of an outstanding Loan into another type of Loan, each relevant Lender shall, on the date of conversion (which, in the case of the conversion of all or a portion of an outstanding LIBOR Loan, shall be the date on which the LIBOR Loan matures), continue to extend credit to the Borrower by way of the type of Loan into which the outstanding Loan or a portion thereof is converted in the aggregate principal amount equal to such Lender's Pro Rata Share of the principal amount of the Loan being converted or the Exchange Equivalent thereof.

6.2 Conversion Notice

The notice to be given to the Administrative Agent pursuant to Section 6.1 (“**Conversion Notice**”) shall be irrevocable, shall be given in accordance with Section 3.10, shall be substantially in the form of Schedule F hereto and shall specify:

- (a) the applicable Credit Facility;
- (b) the type of Loan to be converted;
- (c) the date on which the conversion is to take place;
- (d) the principal amount of the Loan or the portion thereof which is to be converted;
- (e) the type and amount into which the outstanding Loan is to be converted; and
- (f) if an outstanding Loan is to be converted into a LIBOR Loan, the applicable Interest Period of the new LIBOR Loan.

6.3 Absence of Notice

Subject to the terms and conditions hereof, in the absence of a Rollover Notice or Conversion Notice within the appropriate time periods referred to herein, a maturing LIBOR Loan shall be automatically converted to a LIBOR Loan with an Interest Period of 30 days as though a notice to such effect had been given in accordance with Section 6.2.

6.4 Conversion After Default

If a Default has occurred and is continuing at 12:00 noon (New York time) on the fourth Banking Day prior to the maturity date of a LIBOR Loan, subject to Section 3.5, such LIBOR Loan shall automatically convert to a Base Rate Loan on its maturity date as though a notice to such effect had been given in accordance with Section 6.2.

ARTICLE 7 INTEREST AND FEES

7.1 Interest Rates

The Borrower shall pay to the Administrative Agent on behalf of the Lenders, in accordance with Section 3.7, interest on the outstanding principal amount from time to time of each Loan, and on the amount of overdue interest thereon from time to time, at the rate per annum equal to:

- (a) the Prime Rate plus the Applicable Rate in the case of each Prime Rate Loan;
- (b) the Alternate Base Rate plus the Applicable Rate in the case of each Base Rate Loan; and
- (c) LIBOR plus the Applicable Rate in the case of each LIBOR Loan.

7.2 Calculation and Payment of Interest

- (a) Interest on the outstanding principal amount from time to time of each Loan and on the amount of overdue interest thereon from time to time shall accrue from day to day from and including the date on which credit is obtained by way of such Loan or the date on which such payment of overdue interest was due, as the case may be, to but excluding the date on which such Loan or such overdue interest, as the case may be, is repaid in full (both before and after maturity and as well after as before judgment) and shall be calculated on the basis of the actual number of days elapsed divided by 365 or 366 in the case of a leap year (in the case of a Prime Rate Loan or Base Rate Loan) or divided by 360 days (in the case of a LIBOR Loan); and
- (b) Accrued interest shall be paid,
 - (i) in the case of interest on Prime Rate Loans and Base Rate Canada Loans, monthly in arrears on the last Banking Day of each calendar month; and
 - (ii) in the case of interest on LIBOR Loans, on each Period End Date, provided that, in the case of an Interest Period of a duration longer than three months, accrued interest shall be paid no less frequently than every three months from the first day of such Interest Period during the term of such Interest Period and on the date on which such LIBOR Loans are otherwise required to be repaid.

7.3 General Interest Rules

- (a) For the purposes hereof and any other Credit Document, whenever interest is calculated on the basis of a year of 360, 365 or 366 days, each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined

multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360, 365 or 366, respectively.

- (b) The amount of the interest or fees payable under this agreement shall not exceed the maximum rate permitted by Applicable Law. Where the amount of such interest or such fees is greater than such maximum rate, the amount shall be reduced to the highest rate which may be recovered in accordance with the applicable provisions of Applicable Law.
- (c) The parties agree that all interest in this agreement will be calculated using the nominal rate method and not the effective rate method, and that the deemed re-investment principle shall not apply to such calculations. In addition, the parties acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates.
- (d) Interest on each Loan and on overdue interest thereon shall be payable in the currency in which such Loan is denominated during the relevant period.
- (e) If the Borrower fails to pay any principal, interest, fee or other amount of any nature payable by it to the Administrative Agent or the Lenders hereunder or under any document, instrument or agreement delivered pursuant hereto on the due date therefor, the Borrower shall pay to the Administrative Agent or the Lenders, as the case may be, interest on such overdue amount in the same currency as such overdue amount is payable from and including such due date to but excluding the date of actual payment (as well after as before judgment) at the rate per annum, calculated and compounded monthly, which is equal to:
 - (i) the Alternate Base Rate plus the aggregate of the Applicable Rate (being the highest rate of interest payable pursuant to Section 7.1) and 2% per annum in the case of overdue amounts denominated in U.S. dollars; and
 - (ii) the Prime Rate plus the aggregate of the Applicable Rate (being the highest rate of interest payable pursuant to Section 7.1) and 2% per annum in the case of all other overdue amounts.

Such interest on overdue amounts shall become due and be paid on demand made by the Administrative Agent.

7.4 Selection of Interest Periods

With respect to each LIBOR Loan, the Borrower shall specify in the Drawdown Notice, Rollover Notice or Conversion Notice, the duration of the Interest Period provided that:

- (a) subject to paragraph 7.4(d)) below, Interest Periods shall have a duration of one, two or three months or such shorter or longer period as the Borrower and the Lenders may otherwise agree (subject to availability and to the aggregate number

of Interest Periods with different dates outstanding under the Credit Facilities being not more than five (5));

- (b) the first Interest Period for a LIBOR Loan shall commence on and include the day on which credit is obtained by way of such LIBOR Loan and each subsequent Interest Period applicable thereto shall commence on and include the date of the expiry of the immediately preceding Interest Period applicable thereto;
- (c) if any Interest Period would end on a day which is not a Banking Day, such Interest Period shall be extended to the next succeeding Banking Day unless such next succeeding Banking Day falls in the next calendar month, in which case such Interest Period shall be shortened to end on the immediately preceding Banking Day; and
- (d) no Period End Date shall be permitted to occur after the applicable Maturity Date.

7.5 Standby Fees

Upon the last Banking Day of each Fiscal Quarter and upon the termination of the RT Facility pursuant to Section 2.4, the Borrower shall pay to the relevant Lenders in accordance with Section 3.7, in arrears, a standby fee on the applicable Available RT Credit, calculated and accruing daily from the Closing Date, at the rate per annum, calculated on the basis of a year of 365 days or 366 days in the case of a leap year, equal to the Applicable Rate during such period. Notwithstanding the foregoing, standby fees shall cease to accrue on the unfunded portion of the Individual Commitment of any Lender with respect to the RT Facility while it is a Defaulting Lender.

ARTICLE 8 RESERVE, CAPITAL, INDEMNITY AND TAX PROVISIONS

8.1 Conditions of Credit

The obtaining or maintaining of credit hereunder shall be subject to the terms and conditions contained in this Article 8.

8.2 Change of Circumstances

- (a) If, with respect to any type of credit, the introduction or adoption of any law, regulation, guideline, request or directive (whether or not having the force of law but, if not having the force of law, one which any Lender is complying with as it pertains to its business generally) of any Official Body (inclusive of, without limitation, (x) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith regardless of when enacted, adopted or issued and (y) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) regardless of when enacted, adopted or issued or the United States regulatory authorities, in each case pursuant to Basel III, CRD IV or CRR or any law or

regulation that implements or applies Basel III, CRD IV or CRR, collectively hereinafter referred to as a “**Restraint**”) or any change therein or in the application thereof to the Borrower or to any Lender or in the interpretation or administration thereof or any compliance by any Lender therewith:

- (i) prohibits or restricts extending or maintaining such type of credit or the charging of interest or fees in connection therewith, the Borrower agrees that such Lender shall have the right to comply with such Restraint, shall have the right to refuse to permit the Borrower to obtain such type of credit and shall have the right to require, at the option of the Borrower, the conversion of such outstanding credit to another type of credit to permit compliance with the Restraint or repayment in full of such credit together with accrued interest thereon on the last day on which it is lawful for such Lender to continue to maintain and fund such credit or to charge interest or fees in connection therewith, as the case may be; or
 - (ii) shall impose or require any reserve, liquidity, special deposit requirements or Tax (excluding Excluded Taxes), shall establish an appropriate amount of capital to be maintained by such Lender or shall impose any other requirement or condition which results in an increased cost to such Lender of extending or maintaining a credit or obligation hereunder or reduces the amount received or receivable by such Lender with respect to any credit under this agreement or reduces such Lender’s effective return hereunder or on its capital or causes such Lender to make any payment or to forego any return based on any amount received or receivable hereunder, then, on notification to the Borrower by such Lender, the Borrower shall pay immediately to such Lender such amounts as shall fully compensate such Lender for all such increased costs, reductions, payments or foregone returns which accrue up to and including the date of receipt by the Borrower of such notice and thereafter, upon demand from time to time, the Borrower shall pay such additional amount as shall fully compensate such Lender for any such increased or imposed costs, reductions, payments or foregone returns. Such Lender shall notify the Borrower of any actual increased or imposed costs, reductions, payments or foregone returns forthwith on becoming aware of same and shall concurrently provide to the Borrower a certificate of an officer of such Lender setting forth the amount of compensation to be paid to such Lender and the basis for the calculation of such amount. Notwithstanding this Section 8.2(a)(ii), the Borrower shall not be liable to compensate such Lender for any such cost, reduction, payment or foregone return occurring more than 90 days before receipt by the Borrower of the aforementioned notification from such Lender; provided, however, that the aforementioned limitation shall not apply to any such cost, reduction, payment or foregone return of a retroactive nature.
- (b) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to seek

additional amounts from the Borrower pursuant to Section 8.2(a), it will use reasonable efforts to make, fund or maintain the affected credit of such Lender through another lending office or take such other actions as it deems appropriate, in its sole discretion, if as a result thereof the additional moneys which would otherwise be required to be paid in respect of such credit pursuant to Section 8.2(a), would be reduced and if, as determined by such Lender in its sole discretion, the making, funding or maintaining of such affected credit through such other lending office or the taking of such other actions would not otherwise adversely affect such credit or such Lender and would not, in such Lender's sole discretion, be commercially unreasonable.

8.3 Failure to Fund as a Result of Change of Circumstances

If any Lender requests compensation under Section 8.2(a), if the Borrower is required to pay any additional amount to any Lender or any Official Body pursuant to Section 8.6, if any Lender is a Defaulting Lender or if a Lender becomes a Non-FATCA Compliant Lender, then the Borrower may, at its sole expense (including the processing and recording fee contemplated by Section 15.5(c)), upon notice to such Lender and the Administrative Agent, require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 15.5), all its interests, rights and obligations under this agreement and the other Finance Documents to an assignee that shall assume such obligations (which assignee may be, another Lender, if a Lender accepts such assignment); provided that (a) if such assignee is not otherwise a Lender, the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and the other Finance Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), and (c) in the case of any such assignment resulting from a claim for compensation under Section 8.2(a) or payments required to be made pursuant to Section 8.6, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment cease to apply.

8.4 Indemnity Relating to Credits

Within five Banking Days of receipt by the Borrower of written notice from the Administrative Agent (which notice shall be accompanied by a detailed calculation of the amount to be paid by the Borrower), the Borrower shall pay to the Administrative Agent such amount or amounts as will compensate the Administrative Agent or the Lenders for any loss, cost or expense incurred by them:

- (a) in the liquidation or redeposit of any funds acquired by the Lenders to fund or maintain any portion of a LIBOR Loan as a result of:
 - (i) the failure of the Borrower to borrow or make repayments on the dates specified under this agreement or in any notice from the Borrower to the Administrative Agent (provided that if any notice specifies the repayment

of a LIBOR Loan at any time other than on its Period End Date, then the Borrower shall be responsible for any loss, costs or expenses referred to above); or

(ii) the repayment or prepayment of any amounts on a day other than the payment dates prescribed herein or in any notice from the Borrower to the Administrative Agent (provided that if any notice specifies the repayment of a LIBOR Loan at any time other than on its Period End Date, then the Borrower shall be responsible for any loss, costs or expenses referred to above); or

(b) in converting United States dollars into Canadian dollars or Canadian dollars into United States dollars as a result of the failure of the Borrower to make repayments of outstanding credit hereunder in the currency in which such outstanding credit was denominated.

Notwithstanding the foregoing, a Defaulting Lender shall not be entitled to rely on this provision and, for clarity, the Borrower shall not be required to indemnify a Lender for any cost or expense pursuant to this Section 8.4 if such cost or expense is incurred while such Lender is a Defaulting Lender.

8.5 Indemnity for Transactional and Environmental Liability

(a) The Borrower hereby agrees to indemnify and hold each Agent, each Lender and each of their respective Affiliates, shareholders, officers, directors, employees, and agents (collectively, the “**Indemnified Parties**”) free and harmless from and against any and all claims, demands, actions, causes of action, suits, losses, costs, charges, liabilities and damages, and expenses in connection therewith (irrespective of whether such Indemnified Party is a party to the action for which indemnification hereunder is sought), and including, without limitation, reasonable legal fees and out of pocket disbursements and amounts paid in settlement which are approved by the Borrower (collectively in this Section 8.5(a), the “**Indemnified Liabilities**”), incurred or suffered by, or asserted against, the Indemnified Parties or any of them as a result of, or arising out of, or relating to (i) the extension of credit contemplated herein, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any credit extended hereunder, (iii) any actual or threatened investigation, litigation or other proceeding relating to any credit extended or proposed to be extended as contemplated herein or (iv) the execution, delivery, performance or enforcement of the Finance Documents and any instrument, document or agreement executed pursuant hereto or thereto, except for any such Indemnified Liabilities that a non-appealable court of competent jurisdiction determined arose on account of the relevant Indemnified Party’s breach of any Finance Document or Applicable Law or gross negligence or wilful misconduct.

(b) Without limiting the generality of the indemnity set out in the preceding clause (a), the Borrower hereby further agrees to indemnify and hold the Indemnified Parties free and harmless from and against any and all claims,

demand, actions, causes of action, suits, losses, costs, charges, liabilities and damages, and expenses in connection therewith, including, without limitation, reasonable and documented legal fees and out of pocket disbursements and amounts paid in settlement which are approved by the Borrower, of any and every kind whatsoever paid (collectively in this Section 8.5(b), the “**Indemnified Liabilities**”), incurred or suffered by, or asserted against, the Indemnified Parties or any of them for, with respect to, or as a direct or indirect result of, (i) the presence on or under, or the Release from, any real property legally or beneficially owned (or any estate or interest which is owned), leased, used or operated by any Obligor of any Hazardous Material (or previously owned, leased, used or operated) and (ii) any other violation of or liability pursuant to an Environmental Law with respect to any Obligor, and regardless of whether caused by, or within the control of, such Obligor, except for any such Indemnified Liabilities that a non-appealable court of competent jurisdiction determined arose on account of the relevant Indemnified Party’s breach of any Finance Document or Applicable Law or gross negligence or wilful misconduct.

- (c) All obligations provided for in this Section 8.5 shall survive indefinitely the permanent repayment of the outstanding credit hereunder and the termination of this agreement. The obligations provided for in this Section 8.5 shall not be reduced or impaired by any investigation made by or on behalf of any Agent or any of the Lenders.
- (d) The Borrower hereby agrees that, for the purposes of effectively allocating the risk of loss placed on the Borrower by this Section 8.5, each Agent and each Lender shall be deemed to be acting as the agent or trustee on behalf of and for the benefit of their respective shareholders, officers, directors, employees and agents.
- (e) If, for any reason, the obligations of the Borrower pursuant to this Section 8.5 shall be unenforceable, the Borrower agrees to make the maximum contribution to the payment and satisfaction of each obligation that is permissible under applicable law.
- (f) The indemnity under this Section 8.5 shall not apply to any matters specifically dealt with in Sections 8.2, 8.4, 8.6 or 11.3(e).

8.6 Payments Free and Clear of Taxes

- (a) Any and all payments made by an Obligor hereunder or under any other Credit Document (any such payment being hereinafter referred to as a “**Payment**”) to or for the benefit of a Finance Party shall be made without set-off or counterclaim, and free and clear of, and without deduction or withholding for, or on account of, any and all present or future Taxes, except to the extent that such deduction or withholding is required by law or the administrative practice of any Official Body. If an Obligor shall be so required to deduct or withhold any Taxes from or in respect of any Payment made to or for the benefit of the relevant Finance Party, the relevant Obligor shall:

- (i) promptly notify the Administrative Agent of such requirement;
 - (ii) to the extent such Taxes are Indemnified Taxes, the amount payable by the Obligor to the Administrative Agent to which the relevant Finance Party is otherwise entitled will be increased as necessary so that, after all deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section 8.6(a)) are made, such relevant Finance Party will receive an amount (free and clear of, and net of, any such Indemnified Taxes, whether assessable against such Obligor or such Finance Party) equal to the full amount such Finance Party would have received had no such deduction or withholding been required, and the Obligor will pay such full amount to the Administrative Agent;
 - (iii) make such deduction or withholding;
 - (iv) pay to the relevant Official Body in accordance with Applicable Law the full amount of Taxes required to be deducted or withheld (including such deductions and withholdings applicable to additional amounts payable under this Section 8.6(a)), within the time period required by Applicable Law; and
 - (v) as promptly as possible thereafter, forward to such Finance Party an original official receipt (or a certified copy), or other documentation acceptable to such Finance Party, acting reasonably, evidencing such payment to such Official Body.
- (b) In addition, each Obligor agrees to pay to the relevant Official Body in accordance with Applicable Law any and all present or future stamp or documentary taxes or excise or property taxes, charges or levies of a similar nature, which arise from any Payment or from the execution, delivery or registration of, or otherwise with respect to, the Credit Documents and the transactions contemplated hereby or thereby (any such amounts being hereinafter referred to as “**Other Taxes**”).
- (c) Each Obligor hereby indemnifies and holds harmless each Finance Party, on an after-Taxes basis, for the full amount of Taxes and Other Taxes, interest, penalties and other liabilities, levied, imposed or assessed against (and whether or not paid directly by) such Finance Party and for all expenses, resulting from or relating to such Obligor’s failure to:
- (i) remit to such Finance Party the documentation referred to in Section 8.6(a)(v); or
 - (ii) pay any Taxes or Other Taxes when due to the relevant Official Body (including, without limitation, any Indemnified Taxes imposed by any Official Body on amounts payable under this Section 8.6);

whether or not such Taxes or Other Taxes were correctly or legally assessed by the relevant Official Body, provided such Taxes, Other Taxes, interest, penalties or other liabilities, as applicable, would not have been levied, imposed or assessed had such failure not occurred. Any Finance Party who pays any Taxes or Other Taxes, shall promptly notify the relevant Obligor of such payment, provided, however, that failure to provide such notice shall not detract from, or compromise, the obligations of the relevant Obligor under this Section 8.6. Payment pursuant to this indemnification shall be made within 30 days from the date the relevant Finance Party makes written demand therefor accompanied by a certificate as to the amount of such Taxes or Other Taxes and the calculation thereof, which calculation shall be *prima facie* evidence of such amount.

- (d) If the Borrower determines in good faith that a reasonable basis exists for contesting any Indemnified Taxes for which a payment has been made under this Section 8.6, the relevant Finance Party shall, if so requested by the Borrower, cooperate with the applicable Obligor in challenging such Taxes at the applicable Obligor's expense and provided always that such cooperation is not, in such Finance Party's reasonable judgment, burdensome or otherwise affects its tax affairs.
- (e) Any Finance Party that is entitled to an exemption from or reduction of withholding Taxes under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any applicable tax treaty or convention, with respect to Payments shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law (if any) as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Finance Party, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law (if any) or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Finance Party is subject to withholding or information reporting requirements. Notwithstanding the foregoing, no Finance Party shall be required to deliver any documentation pursuant to this Section 8.6(e) that such Finance Party is not legally able to deliver.
- (f) Each Obligor also hereby indemnifies and holds harmless each Finance Party, on an after-Taxes basis, for any additional taxes on net income that such Finance Party may be obliged to pay as a result of the receipt of amounts paid by or on behalf of such Obligor under this Section 8.6.
- (g) Additional amounts payable under Section 8.6(a) have the same character as the Payments to which they relate.
- (h) The Obligors' obligations under this Section 8.6 shall survive without limitation the termination of the Credit Facilities and this agreement and all other Credit

Documents and the permanent repayment of the outstanding credit and all other amounts payable hereunder and thereunder.

- (i) If any Finance Party or the Administrative Agent, as applicable, receives a refund of, or credit for, Taxes for which a payment has been made by the Borrower under this Section 8.6, which refund or credit in the good faith judgment of such Finance Party or the Administrative Agent, as the case may be, is attributable to the Indemnified Taxes giving rise to such payment made by the Borrower, then such Finance Party or the Administrative Agent, as the case may be, shall reimburse the Borrower for such amount (if any, but not exceeding the amount of any payment made under this Section 8.6 that gives rise to such refund or credit), net of out-of-pocket expenses of such Finance Party or the Administrative Agent, as the case may be, which the Administrative Agent or Finance Party, as the case may be, determines in its absolute discretion will leave it, after such reimbursement, in no better or worse position than it would have been in if such Indemnified Taxes had not been exigible. The Borrower, upon the request of the Administrative Agent or any Finance Party, agrees to repay the Administrative Agent or such Finance Party, as the case may be, any portion of any such refund or credit paid over to the Borrower that the Administrative Agent or such Finance Party, as the case may be, is required to pay to the relevant Official Body and agrees to pay any interest, penalties or other charges paid by the Administrative Agent or Finance Party, as the case may be, as a result of or related to such payment to such Official Body. Neither the Administrative Agent nor any Finance Party shall be under any obligation to arrange its tax affairs in any particular manner so as to claim any refund or credit.
- (j) None of the Finance Parties nor the Administrative Agent shall be obliged to arrange its tax affairs in any particular manner or, subject to Section 8.6(d), be obliged to disclose any information regarding its tax affairs or computations to the Borrower or any other Person in connection with this Section 8.6.

**ARTICLE 9
REPAYMENTS AND PREPAYMENTS**

9.1 Repayment of Credit Facilities

- (a) On the RT Maturity Date, the Borrower shall pay to the Lenders the full amount of the credit outstanding under the RT Facility together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto.
- (b) On the last Banking Day of each Fiscal Quarter commencing with the Fiscal Quarter ending March 31, 2020, the Borrower shall make quarterly principal repayments to the Lenders of the drawn amount under the NRT Facility as set forth in the table below:

Date of Repayment

Amount of Scheduled Repayment

| <u>Date of Repayment</u> | <u>Amount of Scheduled Repayment</u> |
|--------------------------|--------------------------------------|
| March 31, 2020 | [REDACTED] |
| June 30, 2020 | |
| September 30, 2020 | |
| December 31, 2020 | |
| March 31, 2021 | |
| June 30, 2021 | |
| September 30, 2021 | |
| December 31, 2021 | |
| March 31, 2022 | |
| June 30, 2022 | |
| September 30, 2022 | |
| December 31, 2022 | |
| March 31, 2023 | |
| June 30, 2023 | |
| September 30, 2023 | |
| December 31, 2023 | |
| March 31, 2024 | |
| June 30, 2024 | |
| September 30, 2024 | |
| December 31, 2024 | |
| March 31, 2025 | |
| June 30, 2025 | |

together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto

Any amounts so repaid pursuant to this Section 9.1 may not be reborrowed.

9.2 Voluntary Prepayments under the Credit Facilities

Subject to Section 9.3, the Borrower shall be entitled to prepay all or any portion of the outstanding Loans under the Credit Facilities, without penalty, provided that Section 8.4 shall be complied with in connection with any such prepayment and any such prepayment of all or any portion of any Loan shall be in an amount no less than \$1,000,000 and otherwise in integral multiples of \$500,000 in excess thereof. Other than any payments required pursuant to Section 8.4, there are no premiums, penalties or other additional payments associated with any voluntary prepayments under this Section 9.2. Amounts under the NRT Facility which are prepaid as aforesaid shall be applied to the applicable scheduled repayments in inverse order of

maturity and may not be reborrowed. Prepayments under the RT Facility pursuant to this Section 9.2 may be reborrowed.

9.3 Mandatory Repayments.

- (a) The NRT Credit Limit shall be permanently reduced in an amount equal to (x) \$2,000,000 should the net smelter return royalty granted by the Borrower to ANR Investments B.V. pursuant to the Subscription Agreement be equal to or less than 1% and (y) \$4,000,000 should the net smelter return royalty granted by the Borrower to ANR Investments B.V. to the Subscription Agreement be greater than 1%. To the extent required to comply with the preceding sentence, the Borrower shall prepay outstanding credit under the NRT Facility within three (3) Banking Days of receiving any proceeds from ANR Investments B.V. pursuant to Section 6.1 of the Subscription Agreement.
- (b) Section 8.4 shall be complied with in connection with any prepayment pursuant to this Section 9.3. Any prepayment made pursuant to Section 9.3(a), shall be applied to the scheduled repayments under the NRT Facility required pursuant to Section 9.1(b) in inverse order of maturity until outstanding credit under the NRT Facility has been fully repaid. All amounts prepaid pursuant to this Section 9.3 may not be re-borrowed.

9.4 Prepayment Notice

The Borrower shall give prior written notice to the Administrative Agent of each voluntary prepayment pursuant to Section 9.2. Such notice (a “**Prepayment Notice**”) shall be irrevocable, shall be given in accordance with Section 3.10 and shall specify:

- (a) the Credit Facility under which the prepayment is to be made;
- (b) the date on which the prepayment is to take place; and
- (c) the type and principal amount of the Loan or the portion thereof which is to be prepaid.

9.5 Repayment of Credit Excess

The Borrower shall repay to the Administrative Agent for the account of the relevant Lenders on demand by the Administrative Agent the amount of any Credit Excess existing from time to time, any such repayment to be made no later than one Banking Day after the making of such demand. To the extent any such Credit Excess results solely from currency fluctuations, no such demand shall be made (unless a Default has occurred and is continuing) unless the amount of any such Credit Excess at the time of such demand exceeds 102% of the amount of the relevant Credit Limit at such time.

9.6 Currency of Repayment

All payments and repayments of outstanding credit hereunder shall be made in the currency of such outstanding credit.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties

To induce the Lenders and the Agents to enter into this agreement and to induce the Finance Parties to extend credit hereunder and under the other Finance Documents, the Borrower hereby represents and warrants to the Finance Parties, as of the Closing Date, as of the date of each extension of credit hereunder, as of each Trade Date and as of the last day of each Fiscal Quarter, as follows (provided that any representations and warranties which are made as of a specific date shall be as of such date) and acknowledges and confirms that the Finance Parties are relying upon such representations and warranties in entering into this agreement and in extending credit hereunder and under the other Finance Documents:

- (a) **Status and Power of Obligors.** Each Obligor is a corporation duly incorporated and organized and validly existing under the laws of its jurisdiction of incorporation. Each Obligor is duly qualified, registered or licensed in all jurisdictions where the nature of its business makes such qualification, registration or licensing necessary save and except where the failure to be so qualified, registered or licensed would not reasonably be expected to have a Material Adverse Effect. Each Obligor has all requisite corporate capacity, power and authority to own, hold under licence or lease its properties, to carry on its business as now conducted. Each Obligor has all necessary corporate capacity to enter into, and carry out the transactions contemplated by, the Finance Documents to which is a party.

- (b) **Authorization and Enforcement.** All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance by each Obligor of the Transaction Documents to which it is a party. Each Obligor has duly executed and delivered the Transaction Documents to which it is a party. The Transaction Documents to which each Obligor is a party (other than the Debenture until the Debenture has been consented to by the relevant Official Body) are legal, valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with its terms, subject, in respect of the Credit Documents and the Qualified Risk Management Agreements, to the qualifications contained in any legal opinions delivered by counsel to the Obligors delivered in respect hereof and thereof and, in any event, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Applicable Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The Material Project Documents are legal, valid and binding obligations of each Obligor party thereto and, to the Knowledge of the Borrower, each other party thereto, enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Applicable Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The Borrower has given to the Administrative Agent copies of all the Material Project Documents and all such copies of Material Project Documents and Project Authorizations given by it

or on its behalf to the Administrative Agent constitute true and complete copies and such documents and agreements are in full force and effect (except as may have been otherwise terminated (other than by reason of default) or expired in accordance with the terms thereof and/or hereof).

- (c) **Compliance with Other Instruments.** The execution, delivery and performance by each Obligor of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated herein and therein, do not and will not conflict with, result in any breach or violation of, or constitute a default under, the terms, conditions or provisions of, the charter or constating documents or by laws of, or any shareholder agreement or declaration relating to, such Obligor. The execution, delivery and performance by each Obligor of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated herein and therein, do not and will not conflict with, result in any material breach or violation of, or constitute a material default under, any Applicable Law or of any Material Project Document or any Authorization to which such Obligor is a party or is otherwise bound or benefits and do not require the consent or approval of any Official Body or any other party other than the consent or approval of the counterparties of the Material Project Documents which consents or approvals have been obtained and remain in full force and effect (except for such consents and approvals as may have been otherwise terminated (other than by reason of default) or expired in accordance with the terms thereof and/or hereof). All registrations and notifications have been made (subject to the timeframes, if any, set out in the Security Documents) and all duties and fees paid which are required pursuant to Applicable Law to give effect to the Security Documents (other than the Debenture until the Debenture has been consented to by the relevant Official Body) and the intended first priority ranking of the Liens on the Secured Assets (subject to Permitted Liens and other than with respect to the Secured Assets which are subject to the Debenture (until the Debenture has been consented to by the relevant Official Body)) granted by the relevant Obligor pursuant to the Security Documents to which it is a party (other than the Debenture, until the Debenture has been consented to by the relevant Official Body).
- (d) **Financial Statements.** The consolidated financial statements of the Borrower for the most recently completed Fiscal Quarter or Fiscal Year, as the case may be, were prepared in accordance with generally accepted accounting principles. The balance sheet of the aforesaid financial statement presents in all material respects a fair statement of the consolidated financial condition and assets and liability of the Borrower as at the Closing Date and the statements of operations, retained earnings and cash flow contained in the aforesaid financial statements fairly presents in all material respects the results of the consolidated operations of the Borrower throughout the period covered thereby. Except to the extent reflected or reserved against in the aforesaid balance sheet (including the notes thereto) and except as incurred in the ordinary and usual course of the consolidated business of the Borrower, the Borrower does not have, as at the date of such balance sheet, any outstanding Indebtedness or any liability or obligations (whether accrued,

absolute, contingent or otherwise) of a material nature required to be reflected or reserved against in a balance sheet (including the notes thereto) prepared in accordance with generally accepted accounting principles.

- (e) **Litigation.** There are no actions, suits, claims or proceedings (whether or not purportedly on behalf of any Obligor) pending or, to its knowledge, threatened in writing against or affecting the Project or any Obligor before any Official Body which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.
- (f) **Title to Assets.** Each Obligor has good and marketable title to all of its assets, property and undertaking, free from any Lien other than the Permitted Liens.
- (g) **Conduct of Business.** No Obligor is in violation of any agreement, mortgage, franchise, licence, judgment, decree, order, statute, statutory trust, rule or regulation relating in any way to itself or to the operation of its business or to its property or assets and which would reasonably be expected to have a Material Adverse Effect. Each Obligor holds all material Authorizations which are required to operate its businesses where they are currently being operated including with respect to the management and operation of the Project and the production, transportation, processing and sale of Product. No Obligor has received any notification, verbal, written or otherwise, of any pending or threatened revocation, variation or refusal by the issuing Official Body of any of the afore-mentioned Authorizations nor is any Obligor in violation or default of any such Authorization.
- (h) **Outstanding Defaults.** No Default or Event of Default exists and is continuing. No Obligor nor, to the relevant Obligor's knowledge, any counterparty is in default of, or in breach under or in respect of, any of its material obligations under any Material Project Document provided that if there is such a default or breach of any such material obligation under any Material Project Document, then only if such Material Project Document is terminated or rescinded and such Material Project Document has not been replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Material Project Document, in form and substance acceptable to the Administrative Agent (on the instruction of the Majority Lenders), within 45 days of such termination or rescission (with such grace period only provided if the Borrower actively cooperates with the Administrative Agent to so replace such Material Project Document), shall such default or breach constitute a breach or default of this Section 10.1(h).
- (i) **Solvency Proceedings.** No Obligor has:
 - (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) in respect of itself, filed an assignment or petition in bankruptcy or a petition to take advantage of any insolvency statute;

- (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) filed a petition or answer seeking a reorganization, arrangement, adjustment or composition in respect of itself under applicable bankruptcy or any other Applicable Law of Canada or other applicable jurisdiction or any subdivision thereof;
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy of any Obligor with such decree or order having remained in force and undischarged or unstayed for a period of 30 days; or
 - (vii) an event analogous to any of clauses (i) - (vi) above occurring in any relevant jurisdiction.
- (j) **Tax Returns and Taxes.** Each Obligor has filed all Tax returns and Tax reports required by Applicable Law to have been filed by it, such Tax returns and reports are correct and complete, and each Obligor has paid all Taxes thereby shown to be owing, except any such Taxes which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with IFRS or generally accepted accounting principles shall have been set aside on its books.
- (k) **Expropriation or Condemnation.** There is no present or threatened (in writing) expropriation or condemnation of the Project or any other material property or assets of any Obligor.
- (l) **Environmental Compliance.**
- (i) All facilities and property (including underlying groundwater) owned, leased, used or operated by any Obligor have been, and continue to be, owned or leased in material compliance with all Environmental Laws which alleged violation would not reasonably be expected to have a Material Adverse Effect;
 - (ii) There are no pending or threatened (in writing)
 - (A) claims, complaints, notices or requests for information received by the Borrower or any other Obligor from any Official Body with respect to any alleged violation of any Environmental Law except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;

- (B) complaints, notices or inquiries to any Obligor regarding potential liability under any Environmental Law which liability would reasonably be expected to have a Material Adverse Effect;
- (iii) There have been no Releases of any Hazardous Materials at, on, under or from any property owned, operated, used or leased by any Obligor in violation of Environmental Laws that have, or would reasonably be expected to have, a Material Adverse Effect;
- (iv) Each Obligor has been issued and is in compliance with all permits, certificates, approvals, licenses and other authorizations under any Environmental Laws to carry on its business except where such non-compliance would not reasonably be expected to have a Material Adverse Effect;
- (v) No conditions exist at, on or under any property, owned, operated, used or leased by any Obligor which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law that has, or would reasonably be expected to have, a Material Adverse Effect; and
- (vi) The Borrower has provided to the Lenders copies of all material reports on social and environmental matters relating to the Project.
- (m) **Partnerships.** Except in connection with a Permitted Investment, no Obligor is, directly or indirectly, a member of, or a partner or participant in, any partnership, joint venture or syndicate. No Guarantor carries on business other than the exploration or mining of base or precious metals or such other line of business as is substantially similar or otherwise related to the mining industry.
- (n) **Corporate Structure.** As at the Closing Date, and hereafter, except as such information may change as a result of a transaction not prohibited hereby and, where required, reported to the Administrative Agent in accordance with Section 11.1(a)(iii), the chart attached hereto as Schedule G accurately sets out the corporate structure of the Borrower and all of its Subsidiaries and evidences (i) intercorporate share ownership and (ii) ownership of mines (including the Project).
- (o) **Assets Insured.** The Secured Assets are insured in accordance with Section 11.3(c) hereof in all material respects and there has been no default or failure by the party or parties insured under the provisions of such policies of insurance maintained which would prevent the recovery by such Obligor insured thereunder of the full amount of any material insured loss. The named insured under all insurance policies maintained by each Obligor is not in default under any of the material provisions contained in any such insurance policies.
- (p) **Intellectual Property.** Each Obligor owns or is licensed or otherwise has the right to use all Intellectual Property that is used in the operation of its businesses

and, to the knowledge of the Obligors, without conflict with the rights of any other Person (other than any Intellectual Property the absence of which or any such conflict with respect to which would not have a Material Adverse Effect). No Obligor has received any written notice of any claim of infringement or similar claim or proceeding relating to any of the Intellectual Property which if determined against such Obligor would reasonably be expected to have a Material Adverse Effect. No present or former employee of any Obligor and no other Person owns or claims to own or has or claims to have any interest, direct or indirect, in whole or in part, in any of the Intellectual Property of such Obligor that would reasonably be expected to have a Material Adverse Effect.

- (q) **Employment and Labour Agreements.** Each Obligor is in compliance with the terms and conditions of all collective bargaining agreements and other labour agreements except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect.
- (r) **Capital of the Obligors.** Schedule L sets out (A) the authorized and issued capital of each Guarantor, all of which issued Shares have been duly issued and are outstanding as fully paid and are non-assessable and (B) the owner of record of all such issued Shares. There are no outstanding warrants, options or other agreements which require or may require the issuance of any Shares of any Guarantor or the issuance of any debt or securities convertible into Shares of any Guarantor, there are no outstanding debt or securities convertible into Shares of any Guarantor and there are no Shares of any Guarantor allotted for issuance. There is no unanimous shareholder agreement with respect to any Obligor.
- (s) **Mining Claims and Leases.** The Borrower has acquired all Mining Claims and Leases which are required in connection with the operation of the Project as of each date this representation is made and has obtained such other surface and other rights as are necessary for access rights, water rights, plant sites, tailings disposal, waste dumps, ore dumps, abandoned heaps or ancillary facilities which are required in connection with the operation of the Project in accordance with the Mine Plan in all material respects. All such Mining Claims and Leases and other rights are sufficient in scope and substance for the operation of the Project by the Borrower in accordance with the Mine Plan in all material respects, and remain in full force and effect, as of each date this representation is made in accordance with the Mine Plan in all material respects. Other than in connection with the Permitted Liens, no Person other than the Borrower and the Administrative Agent for the benefit of the Finance Parties, has any right, title or interest in or to the Mining Claims and Leases in connection with the operation of the Project. The Mining Claims and Leases give the Borrower the exclusive right to conduct exploratory work for minerals and to extract minerals on the areas covered by the Mining Claims and Leases in connection with the operation of the Project. All fees, including without limitation maintenance fees, and other payments due to any Official Body in respect of the Mining Claims and Leases required in connection with the Project have been paid in full on a timely basis. Except as set out in Schedule Q, no fees, royalties or other payments payable to any Person

other than any Official Bodies are or shall become due with respect to any of the Mining Claims and Leases required in connection with the Project. The Borrower is not a party to, and has no knowledge of, any royalty or similar agreements, other than as disclosed in the Borrower's Perfection Certificate, pursuant to which the Borrower or any other party is obligated to pay to any Person any amount with respect to any of the Mining Claims and Leases.

- (t) **Liens.** The Liens granted to the Administrative Agent pursuant to, and in accordance with, the Security Documents are fully perfected first priority Liens in and to the Secured Assets (subject only to Permitted Liens and other than the Secured Assets which are subject to the Debenture (until the Debenture has been consented to by the relevant Official Body)) and will, upon the acquisition of additional Secured Assets by each Obligor, constitute first charges or security interests upon all such Secured Assets of such Obligor free and clear of all Liens (except Permitted Liens).
- (u) **Consents, Approvals, etc.** No consents, approvals, acknowledgements, undertakings, non-disturbance agreements, directions or other documents or instruments which have not already been provided to the Administrative Agent are required to be entered into by any Person (i) to make effective the Security created or intended to be created by the Obligors in favour of the Administrative Agent pursuant to the Security Documents (other than the Debenture (until the Debenture has been consented to by the relevant Official Body)) and (ii) to ensure the perfection and the intended priority of such Security.
- (v) **Perfection Certificates.** Other than as may be updated from time to time pursuant to Section 11.1(a), all information in the most recently delivered Perfection Certificate is hereby certified to be true and correct in all material respects.
- (w) ***Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).*** The Borrower's most recent audited balance sheet states that the Borrower has net assets of at least CDN\$75,000,000. The Borrower's shares are traded on a Canadian stock exchange or a stock exchange designated under subsection 262(1) of the *Income Tax Act* (Canada). The Borrower operates in a country that is a member of the Financial Action Task Force.
- (x) **Information Supplied.** All written and formally presented information provided or made available by the Obligors to the Finance Parties relating to the Project or in connection with this agreement and the matters contemplated hereby is complete and correct in all material respects and does not or will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made and are not misleading in light of the circumstances under which such information is provided; provided that all financial information, financial models and projections and forecasts (referred to in this Section as "**Projections**") provided or made available by the Obligors to the Finance Parties or any of their respective advisors or representatives have been or will be prepared in good faith based upon assumptions which the relevant

Obligor believes are reasonable at the time made (it being understood and agreed that no assurance can be given that the Projections will be realized and that actual results may materially differ from such Projections).

- (y) **Mine Plan and Closure Plan.** The Mine Plan is the current plan of the Borrower for the development, construction and operation of the Project. The Closure Plan is the current plan of the Borrower providing for, among other things, the estimated quantum of reclamation, rehabilitation and remediation obligations of the Borrower associated with the Project.
- (z) **Material Project Documents.** As at the Closing Date, Schedule K constitutes an accurate list of all Material Project Documents.
- (aa) **Sanctions.** No Obligor nor any of its Affiliates, or directors or officers, is a Restricted Person. No Obligor nor any of its Affiliates has engaged in any dealings or transactions with or for the benefit of a Restricted Person (at any such time such Person was a Restricted Person), nor with or in a Restricted Country (at any such time such country was a Restricted Country). No Obligor nor any of its Subsidiaries has any plans to undertake any dealings or transactions with Restricted Persons or Restricted Countries. No Obligor nor any of its Affiliates has engaged in any activity or conduct that would result in a violation of, or be sanctionable under, any Sanctions. There are not pending, nor to the best of the Borrower's knowledge, threatened, claims, charges, investigations, violations, settlements, civil or criminal enforcement actions, lawsuits, or other court actions against any Obligor or any of its Affiliates alleging a violation by such Obligor or any of its Affiliates of any applicable Sanctions.
- (bb) **No Material Adverse Change.** Since the date of the most recent audited financial statements of the Borrower furnished to the Administrative Agent pursuant to or in connection with any Finance Document, there has been no Material Adverse Change.
- (cc) **Purpose of Credit.** No part of the proceeds of any Accommodation has been used by the Borrower directly or, to the Knowledge of the Borrower, indirectly, (i) in violation of any Sanctions, (ii) which could result in the imposition of Sanctions against any Person (including any Person participating in the transactions contemplated hereby, whether as Lender or otherwise), (iii) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of Anti-Corruption Laws or (iv) to finance any hostile acquisition (being, for the avoidance of doubt, a takeover bid that the board of directors of such company does not support). No Obligor is a charity registered with the Canada Revenue Agency and no Obligor solicits charitable financial donations from the public.
- (dd) **Employee Benefit Plans and Pension Plans.**

- (i) Schedule P lists all Pension Plans and indicates each Pension Plan, if any, that is a DB Pension Plan.
- (ii) There is no proceeding or claim (other than routine claims for benefits and related appeals) pending or, to the Knowledge of the Borrower, threatened against any Obligor with respect to any Employee Benefit Plan or any Pension Plan that, individually or in the aggregate, would be reasonably expected to result in a Material Adverse Effect.
- (iii) Each Obligor has established, operated and administered (including the payment, withholding and remitting of all required contributions in a timely manner) each Employee Benefit Plan and each Pension Plan in compliance with all Applicable Law except for such instances of non-compliance as, individually and in the aggregate, have not resulted in and are not reasonably likely to result in a Material Adverse Effect.
- (iv) The expected post-retirement benefit obligation of the Obligors under the Employee Benefit Plans does not and is not reasonably likely to have a Material Adverse Effect.
- (ee) **Indebtedness.** No Obligor has any Indebtedness other than Permitted Indebtedness.
- (ff) **Secured Obligations.** The Secured Obligations of each Obligor rank *pari passu* with all other senior secured Indebtedness of such Obligor, subject in all respects to Permitted Liens and any priority afforded thereto.

10.2 Survival of Representations and Warranties

All of the representations and warranties of the Obligors contained in Section 10.1 shall survive the execution and delivery of this agreement until the Secured Obligations Termination Date, notwithstanding any investigation made at any time by or on behalf of any Finance Party.

ARTICLE 11 COVENANTS

11.1 Reporting Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Financial Reporting.** The Borrower shall furnish the Administrative Agent with the following statements and reports, each such statement and report to be in form and substance satisfactory to the Lenders (except to the extent otherwise specified herein) (with sufficient copies for all of the Lenders):

- (i) as soon as reasonably practicable and in any event within 90 days after the end of each Fiscal Year, copies of the audited consolidated and consolidating financial statements of the Borrower for such Fiscal Year and without any going concern qualifications, together with the auditors' report on each such audited financial statements;
- (ii) as soon as reasonably practicable and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the unaudited balance sheet, statement of income, retained earnings, change in financial position and of the Borrower, the unaudited consolidated and consolidating financial statements of the Borrower, in each case for such Fiscal Quarter;
- (iii) together with the financial statements delivered pursuant to Section 11.1(a)(i) or (ii), a duly executed and completed Compliance Certificate together with written notification of any change in the information certified in the Perfection Certificates which change would result in any Lien in favour of the Administrative Agent on any such Secured Asset becoming unperfected or, in the case of any after acquired asset, such asset not being subject to a Lien under a Security Document where such after acquired assets are required to be subject to a Lien in favour of the Finance Parties;
- (iv) as soon as reasonably practicable and in any event no later than 60 days after the end of each Fiscal Year:
 - (A) an annual budget for such Fiscal Year, prepared on a monthly basis for such upcoming Fiscal Year, including, without limitation, a Capital Expenditure forecast, balance sheet projections, income and cash flow projections, and statements of changes in financial position for each Fiscal Quarter of such Fiscal Year, in each case, prepared on a consolidated basis; and
 - (B) an updated Mine Plan for such Fiscal Year provided that an updated Mine Plan for any such Fiscal Year shall only require the consent and approval of the Lenders if such updated Mine Plan discloses (1) a decrease in payable gold production in excess of 6% of the payable gold production disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent or (2) an increase in operating expenses for the Project in excess of 6% of the operating expenses disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent;
- (v) an updated Closure Plan on or prior to December 31, 2020 and, thereafter, within one year of the date of the most recently delivered Closure Plan, or otherwise as required in accordance with Applicable Law;

- (vi) updated National Instrument 43-101 statements in respect of the Borrower's operations for such Fiscal Year (if required pursuant to Applicable Law), concurrently with filing of the same with the applicable Official Body;
- (vii) as soon as reasonably practicable and in any event no later than 30 days after the end of each calendar month, internally prepared operations report including production values, sales values, pricing, royalties and operating costs in respect of the Borrower and the Project and comments on any deviation from expected results, as well as updates of any variance between actual and budgeted Capital Expenditures all in a form satisfactory to the Administrative Agent; and
- (viii) promptly upon request, such other statements, reports and information as the Administrative Agent, on the instructions of the Majority Lenders, may reasonably request from time to time.

The Borrower shall cause all forecasts and/or projections to be prepared with due care and diligence. For the avoidance of doubt, where the Borrower delivers in good faith such statements, reports and/or other deliverables required to be delivered pursuant to this Section 11.1(a) which require subsequent confirmation or approval from the Lenders or Administrative Agent, as applicable, the failure of such parties, to confirm or approve the form and substance of such statements, report and/or other deliverables (as applicable) shall not constitute a Default or Event of Default until fifteen (15) days following receipt by the Borrower of written notice from the applicable party or parties that such statement or report is not satisfactory.

Information required to be delivered with respect to the Borrower pursuant to this Section 11.1(a) shall be deemed to have been delivered on the date on which such information has been posted on the Borrower's website on the Internet, at www.sedar.com or at another website identified by the Borrower by notice to the Administrative Agent and accessible by the Lenders without charge.

- (b) **Notice of Expropriation or Condemnation, Litigation, Default/Event of Default, inter alia, and Force Majeure.** The Borrower shall promptly notify the Administrative Agent in writing of:
 - (i) the commencement or the written threat of any expropriation or condemnation of any material assets, property or undertaking of any Obligor or of the institution of any proceedings related thereto;
 - (ii) any actions, suits, inquiries, disputes, claims or proceedings (whether or not purportedly on behalf of any Obligor) commenced or threatened in writing against or affecting the Project or any Obligor before any Official Body which in any case or in the aggregate would reasonably be expected to have a Material Adverse Effect;

- (iii) the occurrence of either a Default, an Event of Default or a material default under any Material Project Document by any Person party thereto of which an Obligor is aware, the nature and date of occurrence of such Default, Event of Default or a material default under any Material Project Document, such Obligor's assessment of the duration and effect thereof and the action which such Obligor proposes to take with respect thereto;
 - (iv) any event of Force Majeure affecting the Project;
 - (v) any downward revision to Proven and Probable Reserves exceeding 10% other than in accordance with the Mine Plan and otherwise any change to the Mine Plan which would reasonably be expected to have a Material Adverse Effect;
 - (vi) any written notification of any pending or threatened revocation, variation or refusal of any Authorizations received from an Official Body which are required to operate any Obligor's businesses where they are currently being operated including with respect to the management and operation of the Project and the production, transportation, processing and sale of Product;
 - (vii) any change to, or the implementation of, any Environmental Law or other Applicable Law which would reasonably be expected to have a Material Adverse Effect;
 - (viii) any insurance claim with respect to any Secured Assets in an amount in excess of \$500,000;
 - (ix) any proposed material change in the mining or processing methods for the Project; and
 - (x) any material amendment, modification, or supplement to the Closure Plan provided to or filed with any Governmental Authority together with a copy of such amendment, modification or supplement to the Closure Plan.
- (c) **Change of Name or Jurisdiction.** If any Obligor changes its legal name or its jurisdiction of formation or the jurisdiction of its location for the purposes of the PPSA or adopts a French form of its legal name, the Borrower shall provide the Administrative Agent with prior written notice of such change or adoption.

11.2 Financial Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Leverage Ratio.** For the Fiscal Quarter ending March 31, 2020, the Borrower shall maintain the Leverage Ratio to be less than or equal to 3.50:1 and shall

calculate such ratio as at the last day of such Fiscal Quarter. For each Fiscal Quarter ending thereafter, the Borrower shall maintain at all times the Leverage Ratio to be less than or equal to 3.0:1 and shall calculate such ratio as at the last day of each such Fiscal Quarter. Notwithstanding the foregoing, for the purpose of determining whether the condition in clause (c) of the definition of Permitted Acquisition has been satisfied, whether the condition in clause (b) of the definition of Trigger Date has been satisfied and compliance with clause 11.4(f)(ii), the Leverage Ratio shall be less than or equal to 3.0:1 and shall be calculated at the time set forth in this agreement.

- (b) **Interest Coverage Ratio.** From and following the Fiscal Quarter ending March 31, 2020, the Borrower shall at all times maintain the Interest Coverage Ratio to be greater than or equal to 4:00:1 and shall calculate such ratio as at the last day of each such Fiscal Quarter. Notwithstanding the foregoing, for the purpose of determining whether the condition in clause (c) of the definition of Permitted Acquisition has been satisfied, whether the condition in clause (b) of the definition of Trigger Date has been satisfied and compliance with clause 11.4(f)(ii), the Interest Coverage Ratio shall be greater than or equal to 4:00:1 and shall be calculated at the time set forth in this agreement.
- (c) **Reserve Tail Ratio.** The Borrower shall at all times maintain the Reserve Tail Ratio to be greater than or equal to 30% at all times.
- (d) **Minimum Tangible Net Worth.** The Borrower shall at all times maintain Tangible Net Worth in an amount greater than or equal to (i) \$6,000,000 plus (ii) 50% of the aggregate positive Net Income for each Fiscal Quarter beginning with the Fiscal Quarter ending on June 30, 2019. For the purpose of the foregoing, if the Net Income for a particular Fiscal Quarter is negative, the Net Income for such Fiscal Quarter shall be deemed to be zero, as at the last day of each Fiscal Quarter.
- (e) **Liquidity.** The Borrower shall cause the Liquidity to be in an amount equal to or greater than CAD\$10,000,000 at all times.

The Borrower shall measure each of the Leverage Ratio, Interest Coverage Ratio, Reserve Tail Ratio, Minimum Tangible Net Worth and Liquidity as at the end of each Fiscal Quarter commencing with the Fiscal Quarter ending immediately following the Closing Date; provided that such measurement shall be for reference only and failure to meet the thresholds set out in (a) through (e) above shall not constitute a Default or Event of Default prior to June 30, 2020.

11.3 Affirmative Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Prompt Payment.** The Borrower shall duly and punctually pay, or cause to be duly and punctually paid to the Finance Parties, all amounts payable by the Borrower under the Finance Documents to which it is a party at the times and places and in the currency and manner mentioned therein.
- (b) **Use of Proceeds.** The Borrower shall apply all of the proceeds obtained under the RT Facility to finance the general corporate purposes of the Borrower and its Subsidiaries, including the repayment of existing Indebtedness of the Obligor and to finance Permitted Acquisitions. The Borrower shall apply all of the proceeds obtained under the NRT Facility to refinance Indebtedness of the Obligor. The Borrower shall not, directly or, to the knowledge of the Borrower, indirectly, use the proceeds of the Credit Facilities, or lend, contribute or otherwise make available such proceeds to any Person, for the purpose of funding or facilitating any business of or with any Restricted Person or any Restricted Country, nor in any other manner, in each case as will result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any Person (including any Person participating in the transactions contemplated hereby, whether as Lender or otherwise).
- (c) **Insurance.** The Borrower shall, and shall cause each other Obligor to, maintain on an individual or aggregate basis, with financially sound and reputable insurers, insurance with respect to the properties and business of the Borrower and its Subsidiaries against loss, damage, risk or liability of the kinds customarily insured against by Persons carrying on a similar business. In each such policy with respect to the Obligor, the Borrower shall cause the Administrative Agent to be named as secured party or mortgagee and lender's loss payee in respect of property and casualty insurance and as additional insured in respect of liability insurance in a manner acceptable to the Administrative Agent, acting reasonably. The Borrower shall, and shall cause each other Obligor to, comply with all of the material provisions contained in all such insurance policies. All premiums for such insurance shall be paid by the Borrower or applicable Obligor when due and certificates of insurance and, if requested, photocopies of the policies shall be delivered to the Administrative Agent.
- (d) **Access to Senior Officers.** Upon the reasonable request of the Administrative Agent at reasonable intervals, the Borrower shall, and shall cause each other Obligor to, make available to the Administrative Agent, the Technical Agent, the Closure Plan Consultant and the Independent Technical Consultant their respective Senior Officers during regular business hours to answer questions concerning such Obligor's business and affairs.
- (e) **Reimbursement of Expenses.** The Borrower shall (i) reimburse each Agent, on presentation of a summary statement, for all reasonable and documented out-of-pocket costs, charges and expenses incurred by or on behalf of such Agent (including, without limitation, the reasonable and documented fees, disbursements and other charges of one primary counsel and one local or special counsel in each relevant jurisdiction to the Agents, the Independent Technical Consultant, the Closure Plan Consultant and any other consultants or advisors retained by any

Agent as well the reasonable costs of any engineering reports and environmental audits and studies as required by any Agent (including, for certainty, the Closure Plan), in each case as concerns any such other consultant or advisor with the approval of the Borrower prior to a Default that is continuing) in connection with all due diligence conducted by the Finance Parties with respect to the financing contemplated herein as well as the negotiation, preparation, execution, delivery, syndication, participation, administration and interpretation of the Finance Documents and the closing documentation ancillary to the completion of the transactions contemplated hereby and thereby and any amendments and waivers hereto and thereto (whether or not consummated or entered into), the charges of Intralinks and any lien search fees and lien registration fees, (ii) reimburse each Finance Party's agents or officers, on demand, for all reasonable out-of-pocket expenses of such agents or officers in connection with any visit of the nature referred to in Sections 11.3(f) and (k), and (iii) reimburse each Finance Party, on demand, for all reasonable out-of-pocket costs, charges and expense incurred by or on behalf of any of them (including the fees, disbursements and other charges of counsel) in connection with any Default or Event of Default or the enforcement of the Finance Documents. For the avoidance of doubt, the foregoing reimbursement covenant shall be effective regardless of whether Loans are advanced to the Borrower hereunder.

- (f) **Inspection of Assets and Operations.** Subject at all times to safety and security protocols in place at the Project, the Borrower shall, and shall cause each other Obligor to, permit representatives of the Administrative Agent, the Lenders, the Technical Agent, Closure Plan Consultant and the Independent Technical Consultant from time to time (provided that, if no Event of Default has occurred and is continuing or no site visit is required to assess a consent request, such inspections by the Lenders shall occur no more than once in any twelve month period) and representatives of the Finance Parties to inspect the Secured Assets and for that purpose to enter on any property which is owned and controlled by such Obligor and where any Secured Assets of such Obligor may be situated during business hours and, unless a Default has occurred and is continuing, upon reasonable notice.
- (g) **Corporate Existence.** The Borrower shall, and shall cause each other Obligor to, maintain its corporate existence and qualify and remain duly qualified to carry on business and own property in each jurisdiction where the nature of its business makes such qualification necessary.
- (h) **Conduct of Business.** The Borrower shall, and shall cause each other Obligor to, conduct its business in accordance with prudent industry practice in the case of similar businesses to such Obligor including with respect to the Project maintaining, at a minimum, local standards for a similar operation in a similar location and in such a manner so as to comply in all material respects with all Applicable Laws (other than Environmental Laws), the Closure Plan, the Mine Plan and all terms of the Transaction Documents, so as to observe and perform all its respective obligations under all material leases, licences, mining concessions

certificates and agreements necessary for the proper conduct of its business as it relates to the Project consistent with prudent mining practice. The Borrower shall, and shall cause each other Obligor to, perform all material obligations incidental to any trust imposed upon it by statute and shall ensure that any breaches of the said obligations and the consequences of any such breach shall be promptly remedied. The Borrower shall, and shall cause each other Obligor to, obtain and maintain all Authorizations necessary for the operation of its business (including, in the case of the Borrower, the Project) all in a manner consistent with standard industry good practice and as and when required by the Mine Plan and/or the Closure Plan.

- (i) **Taxes.** The Borrower shall, and shall cause each other Obligor to, 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 generally accepted accounting principles.
- (j) **Environmental Matters.** The Borrower shall, and shall cause each other Obligor to, conduct its business in such a manner so as to materially comply with all Environmental Laws. The Borrower shall promptly notify the Administrative Agent and provide copies upon receipt of all written claims, complaints or notices or relating to compliance with Environmental Laws received from an Official Body and shall proceed diligently to resolve any such claims, complaints or notices relating to material compliance with Environmental Laws and provide such information and certifications which the Administrative Agent may reasonably request from time to time to evidence compliance with this Section 11.3(j).
- (k) **Books and Records.** The Borrower shall, and shall cause each other Obligor to, keep proper books of account and records covering all its business and affairs on a current basis, make full, true and correct entries of its transactions in such books, set aside on its books from their earnings all such proper reserves as required by generally accepted accounting principles and permit representatives of the Administrative Agent, no more than once per Fiscal Quarter, to inspect such books of account, records and documents and to make copies therefrom during reasonable business hours and, unless a Default has occurred and is continuing upon reasonable notice and to discuss the affairs, finances and accounts of such Obligor with its auditors during reasonable business hours and upon reasonable notice.
- (l) **Maintenance of Secured Assets.** Subject at all times to exceptions set out in Section 11.4(c), the Borrower shall, and shall cause each other Obligor to, maintain, preserve, protect and keep:
 - (i) all of its material ownership, lease, use, licence and other interests in the Secured Assets as are necessary or advisable for it to be able to operate the

Project substantially in accordance with sound mining and business practice; and

- (ii) all of the Secured Assets owned by it in good repair, working order, and condition, ordinary wear and tear excepted (protected from theft, loss or damage), and make necessary and proper repairs, renewals, and replacements so that the business carried on in connection therewith may be properly conducted at all times, unless the continued maintenance of any of such Secured Assets is no longer necessary or economically desirable for the operation of the Project, such operation to be substantially in accordance with sound mining and business practice.
- (m) **Mining Payments.** The Borrower shall pay (and provide evidence thereof satisfactory to the Administrative Agent) all fees, royalties and other payments due to the applicable Official Bodies in respect of any Mining Claim and Lease in full at least 5 days before such payment is due.
- (n) **Risk Management Program.** At all times after implementation of the Risk Management Program, the Borrower shall comply therewith. The Borrower shall execute the Mandatory Gold Hedges. The Borrower shall comply with the Risk Management Program in all material respects from and as of the implementation thereof and in accordance with its terms.
- (o) **Title Opinion.** Within 60 days of the Closing Date, the Borrower shall deliver to the Administrative Agent an updated title opinion with respect to the mining leases and a registered ownership opinion in respect of the unpatented claims comprising the Project (or the portion of the Project for which the Finance Parties require such opinions from the Borrower) from Ontario counsel to the Borrower addressed to the Finance Parties or title insurance with respect to the Project, in each case, in form and substance satisfactory to the Finance Parties and their counsel.
- (p) **Guarantors.** Contemporaneously with the incorporation, formation or acquisition of, or any existing Subsidiary becoming a Material Subsidiary that is not yet a Guarantor, the Borrower shall cause such entity to comply with this Section 11.3(p).
 - (i) the Borrower shall cause such entity to duly execute and deliver to the Administrative Agent a Guarantee;
 - (ii) the Borrower shall deliver, or cause to be delivered to, the Administrative Agent, in form and substance satisfactory to the Administrative Agent:
 - (A) a duly certified copy of the constating documents of such entity;
 - (B) a certificate of status or good standing for such entity issued by the appropriate governmental body or agency of the jurisdiction in

which such entity is incorporated or formed (to the extent available in such jurisdiction);

- (C) a duly certified copy of the resolution of the board of directors of such entity authorizing it to execute, deliver and perform its obligations under each Credit Document to which such entity is a party and a duly certified copy of the resolution of the board of directors (if required under the constating documents of such entity) of such entity authorizing the pledge of all of its issued and outstanding Shares to the Administrative Agent and any subsequent disposition thereof by the Administrative Agent in realizing on the security therein constituted by the relevant Security Documents;
- (D) a certificate of an officer of such entity, in such capacity, setting forth specimen signatures of the individuals authorized to sign the Credit Documents to which such entity is a party;
- (E) Share certificates representing all of the issued and outstanding Shares of such entity, in each case duly endorsed in blank for transfer or attached to duly executed stock transfers and powers of attorney;
- (F) copies of insurance policies, riders and endorsements, insurance binders, certificates of insurance and statements of coverage with respect to the insurance referred to in Section 11.3(c);
- (G) an opinion of such entity's counsel addressed to the Lenders and the Administrative Agent, relating to the status and capacity of such entity, the due authorization, execution and delivery and the validity and enforceability of the Credit Documents to which such entity is a party in the jurisdiction of incorporation of such entity and in the Province of Ontario and such other matters as the Administrative Agent may reasonably request;
- (H) the Borrower shall cause such additional Security Documents or amendments to existing Security Documents to be executed and delivered to permit the pledge of the Shares of such entity;
- (I) the Administrative Agent and its counsel shall be satisfied, acting reasonably, that all necessary approvals, acknowledgements, directions and consents have been given and that all relevant laws have been complied with in respect of all agreements and transactions referred to herein; and
- (J) all documents and instruments shall have been properly registered, recorded and filed in all places which, searches shall have been conducted in all jurisdictions which, and deliveries of all consents,

approvals, acknowledgements, undertakings, directions, negotiable documents of title and other documents and instruments to the Administrative Agent shall have been made which, in the opinion of the Administrative Agent's counsel, acting reasonably, are desirable or required to make effective the Security created or intended to be created pursuant to this Section 11.3(p) and to ensure the perfection and the intended first-ranking priority of such Security (subject to Permitted Liens).

Upon compliance with this Section 11.3(p), such entity shall be deemed to constitute an Additional Guarantor.

- (q) **Employee Benefit Plans and Pension Plans.** The Borrower shall, and shall cause each Obligor to:
- (i) establish, maintain and operate (including the payment, withholding and remitting of all required contributions in a timely manner) all Employee Benefit Plans and Pension Plans so as to comply in all respects with all Applicable Laws and the respective requirements of the governing documents for such plans, except as individually and in the aggregate does not and would not reasonably be expected to have a Material Adverse Effect;
 - (ii) promptly and in any event with 10 Banking Days after the relevant event, deliver to the Administrative Agent an updated Schedule P if there are material changes to any Pension Plan with respect to information set out in such Schedule;
 - (iii) deliver to the Administrative Agent, promptly and in any event within 10 Banking Days after the relevant Obligor becoming aware of any Pension Event, a written notice setting forth the nature thereof and the action, if any, that any Obligor proposes to take with respect thereto; and
 - (iv) promptly and in any event within 10 Banking Days after request by the Administrative Agent, deliver to the Administrative Agent copies of any DB Pension Plan established after the date hereof by an Obligor whose Shares have been pledged to the Administrative Agent pursuant to the Security and related actuarial valuations or financial statements.
- (r) **Material Project Documents.** At all times, the Material Project Documents shall be in full force and effect, save and except for any Material Project Document which (i) has expired by its terms or (ii) is, within sixty (60) days of the termination or rescission thereof, replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Material Project Document, in form and substance acceptable to the Administrative Agent (on the instruction of the Majority Lenders).

- (s) **Subscription Agreement.** On or prior to December 31, 2019, the Borrower shall, in the aggregate, receive a minimum cash Equity contribution of \$5,000,000; provided that should the Borrower not be in receipt of such cash Equity contributions on December 31, 2019, the Borrower shall exercise its rights under Section 6.1 of the Subscription Agreement for the purpose of ensuring compliance with this Section 11.3(s).
- (t) **Reclamation, Rehabilitation and Remediation Reserves.** The Borrower shall ensure that, at all times, it maintains reclamation, rehabilitation and remediation reserves by way of Cash, letters of credit and/or surety bonds in an aggregate amount equal to or greater than the amount specified in its Closure Plan (the “**Remediation Reserve**”). If, at any time, should the Closure Plan disclose reclamation, rehabilitation and remediation obligations of the Obligors which, in the aggregate, is in excess of 15% of the Remediation Reserve at such time (such difference being the “**Remediation Shortfall**”), the Borrower shall, within forty-five (45) calendar days, increase the Remediation Reserve by an amount equal to the Remediation Shortfall and provide the Administrative Agent with evidence satisfactory to the Administrative Agent, acting reasonably, that the Borrower is in compliance with the first sentence of this Section 11.3(t).
- (u) **Access.** Subject to the Post-Closing Matters Agreement, the Borrower shall ensure that it has legal access to and from the Project at all times, including, without limitation, ensuring that the Wawa District Road Authorization Permit issued to it from time to time by the Ministry of Natural Resources and Forestry is renewed prior to the expiration thereof. Upon request, the Borrower shall promptly provide the Administrative Agent with a copy of the current Wawa District Road Authorization Permit issued to it from the Ministry of Natural Resources and Forestry.

11.4 Restrictive Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Liens.** The Borrower shall not, and shall not suffer or permit any other Obligor to, enter into or grant, create, assume or suffer to exist any Lien affecting any of its assets, property and undertaking, save and except for the Permitted Liens.
- (b) **Corporate Existence.** The Borrower shall not, and shall not suffer or permit any other Obligor to, take part in any amalgamation, merger, dissolution, winding up, corporate reorganization, capital reorganization or similar proceeding or arrangement or discontinue any businesses or change its jurisdiction of incorporation or formation; provided that save and except for dissolution, winding up or similar proceedings.
- (c) **Disposition of Assets.** The Borrower shall not, and shall not suffer or permit any other Obligor to, sell, transfer or otherwise dispose (by way of Sale Leaseback or

otherwise) of any of its assets other than sales, transfers or other dispositions (i) pursuant to Sale Leaseback transactions of the Obligors provided such transactions comply with paragraph (b) of the definition of Permitted Indebtedness, (ii) of inventory or Product disposed of in the ordinary course of business, including pursuant to customary offtake and refining arrangements currently in existence and entered into by the Obligors from time to time (iii) of worn out, unserviceable or obsolete equipment and (iv) of other assets of the Obligors the aggregate fair market value of which shall not exceed \$5,000,000 in any Fiscal Year and the proceeds of which are reinvested either in Cash Equivalents or in the operations of the Borrower within six months of the disposition thereof. Without limiting the generality of the foregoing, the Borrower shall not, and shall not suffer or permit any other Obligor to, sell, transfer or otherwise dispose of any Shares of the Obligors, which constitute Secured Assets.

- (d) **Risk Management Agreements.** The Borrower shall not, and shall not suffer or permit any other Obligor to, enter into (i) any Risk Management Agreement for speculative purposes, with any counterparty on a margined basis, or (ii) any Restricted Forward Sale Transaction. Notwithstanding the preceding sentence, the Borrower shall not be in breach of this Section 11.4(d) if, without its knowledge, it enters into a Derivatives Transaction with a Lender or Qualified Affiliate that, at the time of execution thereof, is not rated at least A- by S&P or A3 by Moody's.
- (e) **Amendments.** The Borrower shall not, and shall not suffer or permit any other Obligor to, amend its articles of incorporation, to restrict the ability to transfer the Shares of any Obligor (other than the Borrower) to the extent the Shares of such Obligor constitute Secured Assets. Without the prior written consent by the Administrative Agent (in the case of the Mine Plan) or the Majority Lenders (in all other instances), the Borrower shall not, and shall not suffer or permit any other Obligor to, make any material amendments to, waive compliance, consent or agree to any assignment, transfer or similar dealing with any party in any material respect or otherwise deviate materially from the material terms of, the Mine Plan or any Material Project Document provided that, for purposes of this Section 11.4(e), any amendment to the Mine Plan which provides for (1) a decrease in payable gold production which is less than 6% of the payable gold production disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent or (2) an increase in operating expenses for the Project which is less than 6% of the operating expenses disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent, shall not be deemed material.
- (f) **Distributions.** The Borrower shall not, and shall not suffer or permit any Obligor to, declare or pay any Distributions prior to the Trigger Date. From and following the Trigger Date, the Borrower shall not, and shall not suffer or permit any Obligor to, declare or pay any Distributions, except Distributions in respect of which the following conditions have been satisfied:

- (i) no Default or Event of Default exists at the time of payment of such Distribution or would arise immediately thereafter;
 - (ii) the covenants in Section 11.2 are in compliance on a *pro forma* basis after making the subject Distribution and the Borrower has delivered to the Administrative Agent a Compliance Certificate evidencing same; and
 - (iii) the aggregate amount of all Distributions made pursuant to this Section 11.4(f) shall not exceed \$2,000,000 in the aggregate in any Fiscal Year.
- (g) **Indebtedness.** The Borrower shall not, and shall not suffer or permit any other Obligor to, create, incur, assume or suffer to exist any Indebtedness other than Permitted Indebtedness.
- (h) **Investments.** The Borrower shall not, and shall not suffer or permit any other Obligor to, make any Investments prior to the Trigger Date. From and following the Trigger Date, the Borrower shall not, and shall not suffer or permit any Obligor to, make any Investments other than Permitted Investments.
- (i) **Acquisitions.** The Borrower shall not, and shall not suffer or permit any other Obligor to, make any Acquisitions prior to the Trigger Date. From and following the Trigger Date, the Borrower shall not, and shall not suffer or permit any other Obligor to, make any Acquisitions except Permitted Acquisitions.
- (j) **Transactions with Affiliates.** The Borrower shall not, and shall not suffer or permit any other Obligor to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates other than in the ordinary course of business at prices and on terms and conditions not less favourable to the relevant Obligor than could be obtained on an arm's length basis from unrelated third parties.
- (k) **Business Activities.** Except as provided by Section 11.4(h), the Borrower shall not, and shall not suffer or permit any other Obligor to, engage in any business activity other than mineral exploration, the development and operation of prospects for the mining of Product and other minerals in connection with the Project, or any activity incidental thereto.
- (l) **Partnerships.** Save and except in connection with a Permitted Investment, the Borrower shall not, and shall not suffer or permit any other Obligor to, directly or indirectly, be a member of, or a partner or participant in, any partnership, joint venture or syndicate.
- (m) **Pension Plan.** The Borrower shall not, and shall not suffer or permit any Obligor to, terminate or wind up in whole or in part or withdraw from a Canadian Pension Plan if:

- (i) there would be or would reasonably be expected to be a wind-up deficiency resulting in an obligation of an Obligor to pay or contribute in excess of \$10,000,000 in respect of such Canadian Pension Plan; or
- (ii) such termination, wind up or withdrawal would reasonably be expected to result in a Material Adverse Effect.
- (n) **[REDACTED]**
- (o) **Profit Sharing Arrangements.** The Borrower shall not and shall not suffer or permit any Obligor, to enter into or permit to exist any royalty, streaming or other profit sharing arrangement in respect of the Project, other than any such arrangement disclosed in Schedule Q.

11.5 Performance of Covenants by Administrative Agent

The Administrative Agent may, on the instructions of the Majority Lenders and upon notice by the Administrative Agent to the Borrower, perform any covenant of the Borrower under this agreement which the Borrower fails to perform or cause to be performed and which the Administrative Agent is capable of performing, including any covenants the performance of which requires the payment of money, provided that the Administrative Agent shall not be obligated to perform any such covenant on behalf of the Borrower and no such performance by the Administrative Agent shall require the Administrative Agent to further perform the Borrower's covenants or shall operate as a derogation of the rights and remedies of the Administrative Agent and the Lenders under this agreement or as a waiver of such covenant by the Administrative Agent. Any amounts paid by the Administrative Agent as aforesaid shall be reimbursed by the Lenders in their Pro Rata Shares and shall be repaid by the Borrower to the Administrative Agent on behalf of the Lenders on demand.

ARTICLE 12 CONDITIONS PRECEDENT TO OBTAINING CREDIT

12.1 Conditions Precedent to All Credit

The obligation of the Lenders to extend credit under either Credit Facility is subject to fulfilment of the following conditions precedent at the time such credit is extended:

- (a) no Default has occurred and is continuing or would arise immediately after giving effect to or as a result of such extension of credit;
- (b) the Borrower shall have complied with the requirements of Article 4, Article 5 or Article 6, as the case may be, in respect of the relevant credit; and
- (c) the representations and warranties of the Borrower contained in Section 10.1 shall be true and correct in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date such

credit is made available as if such representations and warranties were made on such date except to the extent the same expressly relate to an earlier date.

12.2 Conditions Precedent to Initial Extension of Credit

The obligation of the Lenders to extend credit under the NRT Facility on the Closing Date and the RT Facility for the first time is subject to fulfilment, on or prior June 14, 2019, of the following conditions precedent at the time such credit is extended:

- (a) the conditions precedent set forth in Section 12.1 have been fulfilled;
- (b) the relevant Credit Facility has not terminated pursuant to Section 2.4;
- (c) the Obligors shall have duly executed and delivered to the Agents the Credit Documents to which each is a party, in form and substance satisfactory to the Agents;
- (d) the Administrative Agent has received, in form and substance satisfactory to the Administrative Agent:
 - (i) a duly certified copy of the Borrower's most recent (x) audited annual financial statements together with the auditor's report thereon and (y) unaudited interim financial statements;
 - (ii) a duly certified copy of the articles of incorporation, articles of amalgamation or similar documents of each Obligor;
 - (iii) a certificate of status or good standing for each Obligor issued by the appropriate governmental body or agency of the jurisdiction in which such Obligor is incorporated;
 - (iv) a duly certified copy of the resolution of the board of directors of each Obligor authorizing it to execute, deliver and perform its obligations under each Credit Document to which such Obligor is a signatory and, in the case of each Obligor (other than the Borrower), authorizing (as far as it is concerned) the pledge of its Shares and any subsequent disposition thereof by the Administrative Agent in realizing on the security therein constituted by the relevant Security Documents;
 - (v) a certificate of an officer of each Obligor, in such capacity, (A) setting forth specimen signatures of the individuals authorized to sign the Credit Documents to which such Obligor is a signatory and (B) to the extent relevant, attaching true copies of the powers of attorney of the representatives acting on behalf of each Obligor, with sufficient capacity to represent each Obligor in the execution of the Credit Documents to which such Obligor is a party;
 - (vi) a Perfection Certificate signed by an officer of each Obligor;

- (vii) certificates representing all of the issued and outstanding Shares (to the extent such Shares are certificated) of the Obligors (other than the Borrower), duly endorsed in blank or accompanied by an executed stock transfer powers of attorney;
 - (viii) the Mine Plan;
 - (ix) the Closure Plan;
 - (x) certified copies of the Material Project Documents in effect as of the Closing Date, which Material Project Documents shall be satisfactory to the Lenders, Closure Plan Consultant and the Independent Technical Consultant, acting reasonably;
 - (xi) a schedule detailing all policies of insurance maintained in accordance with Section 11.3(c) and the coverage effected thereby, such evidence with respect to the adequacy of insurance cover stipulated pursuant to Section 11.3(c) as the Administrative Agent may require, endorsements to all such insurance policies signed by the issuers of such policies and acknowledging the interests of the Finance Parties in such policies as referred to in Section 11.3(c) and evidence reasonably satisfactory to it that all premiums (or deposits in connection therewith) required to be paid in order to ensure that the policies referred to in Section 11.3(c) are in full force and effect, have been paid and that all such policies are in full force and effect, in each case satisfactory to the Administrative Agent;
 - (xii) opinions of counsel to each Obligor addressed to the Finance Parties, relating to, *inter alia*, (i) the status and capacity of such Obligor, (ii) the due authorization, execution and delivery and (iii) the validity and enforceability of the Credit Documents to which such Obligor is a party in the jurisdiction of the governing law of the applicable Credit Documents, and such other matters as Administrative Agent may reasonably request;
 - (xiii) a provisional title opinion with respect to the mining leases and a registered ownership opinion in respect of the unpatented claims comprising the Project (or the portion of the Project for which the Finance Parties require such opinions from the Borrower) from Ontario counsel to the Borrower addressed to the Finance Parties or title insurance with respect to the Project, in each case, in form and substance satisfactory to the Finance Parties and their counsel; and
 - (xiv) requisite information to identify the Obligors under the applicable “know your client” legislation, delivered sufficiently in advance for each Lender to complete such identification.
- (e) the representations and warranties of the Obligors contained in Section 10.1 shall be true and correct in all respects on such date as if such representations and

warranties were made on such date (except where such representation or warranty is stated to be made as of a particular date);

- (f) there shall exist no pending or threatened (in writing) litigation, proceedings or investigations which (x) contest the consummation of the Credit Facilities or any part thereof or (y) would reasonably be expected to have a Material Adverse Effect;
- (g) nothing shall have occurred (nor shall any Lender become aware of any material facts not previously known) since December 31, 2018 which the Lenders shall determine, acting reasonably, is reasonably likely to have a Material Adverse Effect;
- (h) the Lenders, in consultation with the Independent Technical Consultant and the Closure Plan Consultant, the Administrative Agent's legal counsel and acting on the instructions of the Lenders, shall have completed and be satisfied with their financial, tax, legal, technical, insurance, social and environmental due diligence review relating to the Project and the Obligors, which environmental due diligence shall include a review of all environmental bonds or guarantees required by Applicable Law and an assessment of the Mine Plan and financial forecast;
- (i) the Administrative Agent and its counsel shall be satisfied, acting reasonably, that (i) all Project Authorizations necessary for the commissioning and operation of the Project as of the Closing Date and (ii) other Authorizations necessary for the consummation of the financing and security contemplated hereby have been obtained;
- (j) the Security Documents set forth in Schedule H shall have been properly executed and formalized, and, to the extent required pursuant to the terms of such Security Documents, the Security Documents (other than the Debenture), shall have been registered, recorded and filed in all places which, searches shall have been conducted in all jurisdictions which, and deliveries of all consents, approvals, directions, acknowledgements, undertakings, tripartite agreements and non-disturbance agreements contemplated herein, and all other actions taken which, in the opinion of the Administrative Agent's counsel, are required to make effective the Security created or intended to be created by the Obligors in favour of the Administrative Agent pursuant to such Security Documents and to ensure the perfection and the intended priority of the Security;
- (k) the Borrower shall have paid (or made arrangements satisfactory to the Administrative Agent to pay to the Agents and the Lenders) all fees and expenses (including, without limitation reasonable and documented legal fees of counsel to the Agents and fees and expenses of the Independent Technical Consultant and Closure Plan Consultant) required to be paid on or before the Closing Date;
- (l) the Administrative Agent has received satisfactory evidence that all other Indebtedness of the Obligors that is not Permitted Indebtedness has been repaid and cancelled and all Liens, registrations and filings attendant thereto shall have

been discharged and released or the Administrative Agent shall otherwise be satisfied with the arrangement for the repayment of such Indebtedness and release of such Liens;

- (m) the Lenders have received satisfactory evidence that the Borrower has received proceeds of at least \$10,000,000 from the issuance of Equity to ANR Investments B.V.;
- (n) the Administrative Agent has received a certified true copy of the Subscription Agreement duly executed and delivered by ANR Investments B.V. and the Borrower;
- (o) no Default or Event of Default has occurred and is continuing or would arise after giving effect to or as a result of the execution of this agreement.

12.3 Conditions Precedent to Execution of Mandatory Gold Hedge

The execution of the Mandatory Gold Hedge shall be subject to the fulfilment, on or prior to the day that is twenty (20) Banking Days following the Closing Date, of the following conditions precedent prior to or concurrent with such execution:

- (a) the conditions precedent set forth in Section 12.2 have been fulfilled;
- (b) the relevant Credit Facility has not terminated pursuant to Section 2.4;
- (c) the Borrower shall have duly executed and delivered to the Finance Parties the Qualified Risk Management Agreements required by the Risk Management Program, in form and substance satisfactory to the Agents;
- (d) a duly certified copy of the resolution of the board of directors of the Borrower authorizing it to execute, deliver and perform its obligations under each Qualified Risk Management Agreement;
- (e) certificate of an officer of the Borrower, in such capacity, (A) setting forth specimen signatures of the individuals authorized to sign the Qualified Risk Management Agreements and (B) to the extent relevant, attaching true copies of the powers of attorney of the representatives acting on behalf of the Borrower, with sufficient capacity to represent the Borrower in the execution of the Qualified Risk Management Agreements;
- (f) opinions of counsel to the Borrower addressed to the Finance Parties and their counsel, relating to, inter alia, (i) the status and capacity of the Borrower, (ii) the due authorization, execution and delivery and (iii) the validity and enforceability of the Qualified Risk Management Agreements in the jurisdiction of the governing law of the Qualified Risk Management Agreements and such other matters as Administrative Agent may reasonably request;
- (g) no Material Adverse Change shall have occurred since the Closing Date;

- (h) the Administrative Agent has received, in form and substance satisfactory to the Administrative Agent, certified copies of any Additional Material Project Documents entered into after the Closing Date together with all necessary acknowledgements, consents or tripartite agreements required in connection therewith by the Administrative Agent and its counsel, acting reasonably;
- (i) no Default or Event of Default has occurred and is continuing or would arise immediately after giving effect to or as a result of the execution of the Mandatory Gold Hedges;
- (j) the representations and warranties of the Obligors contained in Section 10.1 shall be true and correct in all respects on the date of the execution of the Mandatory Gold Hedge as if such representations and warranties were made on such date (except where such representations or warranty is stated to be made as of a particular date); and
- (k) the Borrower shall have paid (or made arrangements satisfactory to the Administrative Agent to pay) to the Agents and the Lenders all fees and expenses (including, without limitation reasonable and documented legal fees of counsel to the Agents and fees and expenses of the Independent Technical Consultant and Closure Plan Consultant) required to be paid on or before the date of the execution of the Mandatory Gold Hedges.

12.4 Waiver

The terms and conditions of Sections 12.1 and 12.2 are inserted for the sole benefit of the Administrative Agent and the Lenders, and the Lenders or the Majority Lenders, as applicable, may waive them in accordance with Section 14.14, in whole or in part, with or without terms or conditions, in respect of any extension of credit or the execution of the Mandatory Gold Hedges and the Discretionary Hedges, as applicable, without prejudicing their right to assert the terms and conditions of Sections 12.1 and 12.2 in whole or in part in respect of any other extension of credit.

ARTICLE 13 DEFAULT, REVIEW EVENTS AND REMEDIES

13.1 Events of Default

Upon the occurrence of any one or more of the following events, unless expressly waived in writing in accordance with Section 14.14:

- (a) the Borrower's failure to pay any amount pursuant to any of Section 9.1, 9.3 or 9.5 hereof or any Qualified Risk Management Agreement or to make any delivery pursuant to any Qualified Risk Management Agreement when due or, if such failure results from a failure of the banking system or technical error, within one Banking Day after such payment is due;

- (b) the failure of any Obligor to pay any amount due under the Finance Documents (other than amounts due pursuant to Section 9.1, 9.3 or 9.5 hereof or any Qualified Risk Management Agreement) within three Banking Days after the payment is due;
- (c) the commencement by any Obligor or by any other Person of proceedings for the dissolution, liquidation or winding up of any Obligor or for the suspension of operations of any Obligor (other than such proceedings commenced by another Person which are diligently defended and are discharged, vacated or stayed within thirty days after commencement);
- (d) if any Obligor at any time ceases or threatens to cease to carry on its business or is adjudged or declared bankrupt or insolvent or admits its inability to pay its debts generally as they become due or fails to pay its debts generally as they become due or makes an assignment for the benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property (or such a receiver or trustee is appointed for it or any part of its property), or commences (or any other Person commences) any proceedings relating to it under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect (other than such proceedings commenced by another Person which are diligently defended and are discharged, vacated or stayed within thirty days after commencement), or by any act indicates its consent to, approval of, or acquiescence in, any such proceeding for it or for any part of its property, or suffers the appointment of any receiver or trustee, sequestrator or other custodian;
- (e) if any representation or warranty made by any Obligor in any Finance Document proves to have been incorrect in any respect when made or furnished which, if capable of being cured, has not been remedied within 20 Banking Days after written notice to do so has been given by the Administrative Agent to the relevant Obligor;
- (f) if a writ, execution, attachment or similar process is issued or levied against all or any portion of the property of any Obligor in connection with any judgment against it in an amount of at least \$2,000,000 and such writ, execution, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within thirty days after its entry, commencement or levy;
- (g) any breach of any provision of Section 11.2 or Sections 11.3(b), (c), (g) (as it relates only to the maintenance of corporate existence) or any provision of Section 11.4;
- (h) the breach or failure of due observance or performance by any Obligor of any covenant or provision of any Finance Document (other than those previously referred to in this Section 13.1) where such breach or failure continues for 20 Banking Days after the earlier of (x) an Obligor becoming aware of such breach

or failure or (y) the Administrative Agent giving an Obligor notice of such breach or failure;

- (i) the breach or failure of due observance or performance by any Obligor of any material covenant or provision of any Material Project Document subject to any applicable grace periods therein;
- (j) if one or more encumbrancers, liens or landlords take possession of any part of the property of any Obligor or attempt to enforce their security or other remedies against such property and their claims remain unsatisfied for such period as would permit such property to be sold thereunder and such property which has been repossessed or is capable of being sold has an aggregate fair market value of at least \$2,000,000;
- (k) if an event of default under any one or more agreements, indentures or instruments, under which any Obligor has outstanding Indebtedness in an amount in excess of \$2,000,000 or under which another Person has outstanding Indebtedness in an amount in excess of \$2,000,000 which is guaranteed by any Obligor, shall happen (with all applicable grace periods having expired) and be continuing, or if any Indebtedness of such Obligor in an amount in excess of \$2,000,000 which is payable on demand is not paid on demand;
- (l) the expropriation, condemnation or confiscation of the Project or any part thereof other than any part that has a fair market value of less than \$2,000,000 and that is not material for access to, or operation of, the Project;
- (m) the termination, unenforceability, invalidity, expropriation or revocation of any Project Authorization (including, without limitation, any Mining Claim and Lease) where such termination, unenforceability, invalidity, expropriation or revocation would reasonably result in a material adverse effect on the construction, development or operation of the Project;
- (n) any one or more of the Finance Documents is determined by a court of competent jurisdiction not to be a legal, valid and binding obligation of the Obligor which is a party thereto, enforceable by any Finance Party against such Obligor and such Finance Document has not been replaced by a legal, valid, binding and enforceable document which is substantially equivalent in effect to such Finance Document, assuming such Finance Document had originally been legal, valid, binding and enforceable, in form and substance acceptable to the Administrative Agent, within 30 days of such determination, provided, however, that such grace period shall only be provided if such Obligor actively co-operates with the Administrative Agent to so replace such Finance Document;
- (o) the validity, enforceability or priority of any Finance Document is contested in any manner by any Obligor;

- (p) any Finance Document is terminated or rescinded by an Obligor (other than in accordance with the terms thereof) or any Obligor takes an action to terminate or rescind any Finance Document;
- (q) any Material Project Document is terminated or rescinded (other than pursuant to the expiry of its term) and such Material Project Document has not been replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Material Project Document, in form and substance acceptable to the Administrative Agent (on the instructions of the Majority Lenders), within 45 days of such termination or rescission, provided, however, that such grace period shall only be provided if the Borrower actively cooperates with the Administrative Agent to so replace such Material Project Document;
- (r) any Security Document does not constitute first ranking, priority security in the Secured Assets (subject to Permitted Liens);
- (s) a Material Adverse Change occurs;
- (t) the cessation of production at the Project for a period of 120 consecutive days;
- (u) if the Project is abandoned or placed on care and maintenance;
- (v) a Pension Event occurs and
 - (i) in the event of a wind up or termination of the relevant Canadian Pension Plan, there would be or would reasonably be expected to be a wind-up deficiency resulting in an obligation of an Obligor to pay or contribute in excess of \$25,000,000; or
 - (ii) it would reasonably be expected to result in a Material Adverse Effect; or
- (w) the occurrence of a Change of Control; or
- (x) a Remediation Shortfall persists for more than thirty (60) calendar days;

the Administrative Agent (with the approval and instructions of the Majority Lenders) may, by notice to the Borrower, terminate the Credit Facilities (provided, however, that the Credit Facilities shall automatically terminate, without notice of any kind, upon the occurrence of an event described in clause (c) or (d) above) and the Administrative Agent (with the approval and instructions of the Majority Lenders) may, by the same or further notice to the Borrower, declare all indebtedness of the Obligors to the Lenders pursuant to this agreement to be immediately due and payable whereupon all such indebtedness shall immediately become and be due and payable without further demand or other notice of any kind, all of which are expressly waived by the Borrower and the Security shall thereupon immediately become enforceable (provided, however, that all such indebtedness of the Borrower to the Lenders shall automatically become due and payable, without notice of any kind, upon the occurrence of an event described in clause (c) or (d) above and the Security shall thereupon immediately become enforceable).

13.2 Remedies Cumulative

The Borrower expressly agrees that the rights and remedies of the Agents and the Lenders under this agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Agent or any Lender of any right or remedy for a default or breach of any term, covenant or condition in this agreement does not waive, alter, affect or prejudice any other right or remedy to which such Agent or such Lender may be lawfully entitled for the same default or breach. Any waiver by the Administrative Agent with the approval of the Majority Lenders or all of the Lenders in accordance with Section 14.14 of the strict observance, performance or compliance with any term, covenant or condition of this agreement is not a waiver of any subsequent default and any indulgence by the Lenders with respect to any failure to strictly observe, perform or comply with any term, covenant or condition of this agreement is not a waiver of the entire term, covenant or condition or any subsequent default. No failure or delay by any Agent or any Lender in exercising any right shall operate as a waiver of such right nor shall any single or partial exercise of any power or right preclude its further exercise or the exercise of any other power or right.

13.3 Set-Off

In addition to any rights now or hereafter granted under Applicable Law, and not by way of limitation of any such rights, each Finance Party at any time that an Event of Default has occurred and is continuing is authorized without notice to the Borrower or to any other Person, any such notice being expressly waived by the Borrower, to set-off, appropriate and apply any and all deposits, matured or unmatured, general or special, and any other indebtedness at any time held by or owing by such Finance Party, as the case may be, to or for the credit of or the account of the Borrower against and on account of the obligations and liabilities of the Borrower which are due and payable to such Agent or such Lender, as the case may be, under the Finance Documents. Any Lender relying on the set-off in this Section 13.3 shall forthwith so advise the Administrative Agent in writing and the Administrative Agent shall then, in the case of any such Lender set-off or upon its own application of set-off pursuant to this Section 13.3, so advise the Lenders in accordance with Section 14.18.

ARTICLE 14 THE AGENTS

14.1 Appointment and Authorization of Agents

Each Finance Party hereby appoints and authorizes, and hereby agrees that it will require any assignee of any of its interests in the Credit Documents (other than the holder of a participation in its interests herein or therein) to appoint and authorize each Agent to take such actions as agent on its behalf and to exercise such powers under the Credit Documents as are delegated to such Agent by such Finance Party by the terms hereof, together with such powers as are reasonably incidental thereto. No Agent nor any of its directors, officers, employees or agents shall be liable to any of the Finance Parties for any action taken or omitted to be taken by it or them hereunder or thereunder or in connection herewith or therewith, except for its own gross negligence or wilful misconduct and each Finance Party hereby acknowledges that such Agent is entering into the provisions of this Section 14.1 on its own behalf and as agent and trustee for its directors, officers, employees and agents.

14.2 Interest Holders

Each Agent may treat each Lender set forth in Schedule A hereto or the person designated in the last notice delivered to it under Section 15.5 as the holder of all of the interests of such Lender under the Credit Documents.

14.3 Consultation with Counsel

Each Agent may consult with legal counsel selected by it as counsel for such Agent and the Finance Parties and shall not be liable for any action taken or not taken or suffered by it in good faith and in accordance with the advice and opinion of such counsel.

14.4 Documents

No Agent shall be under any duty to the Finance Parties to examine, enquire into or pass upon the validity, effectiveness or genuineness of the Credit Documents or any instrument, document or communication furnished pursuant to or in connection with the Credit Documents and each Agent shall, as regards the Finance Parties, be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

14.5 Any Agent as Finance Party

With respect to those portions of a Credit Facility made available by it, each Agent shall have the same rights and powers under the Credit Documents as any other Finance Party and may exercise the same as though it were not such Agent. Each Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with each Obligor and its Affiliates and Persons doing business with such Obligor and/or any of its Affiliates as if it were not such Agent and without any obligation to account to the Finance Parties therefor.

14.6 Responsibility of Agents

The duties and obligations of each Agent to the Finance Parties under the Credit Documents are only those expressly set forth herein. No Agent shall have any duty to the Finance Parties to investigate whether a Default or an Event of Default has occurred. Each Agent shall, as regards the Finance Parties, be entitled to assume that no Default or Event of Default has occurred and is continuing unless such Agent has actual knowledge or has been notified by the Borrower of such fact or has been notified by a Finance Party that such Finance Party considers that a Default or Event of Default has occurred and is continuing, such notification to specify in detail the nature thereof. In determining compliance with any condition hereunder to the extension of any credit hereunder that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to such extension of credit.

14.7 Action by Agents

Each Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it on behalf of the Finance Parties by and under this agreement; provided, however, that the Administrative Agent shall not exercise any rights under Section 13.1 or under the Guarantees or the Security Documents or expressed to be on behalf of or with the approval of the Majority Lenders without the request, consent or instructions of the Majority Lenders. Furthermore, any rights of the Administrative Agent expressed to be on behalf of or with the approval of the Majority Lenders shall be exercised by the Administrative Agent upon the request or instructions of the Majority Lenders. No Agent shall incur any liability to the Finance Parties under or in respect of any of the Credit Documents with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or wilful misconduct. Each Agent shall in all cases be fully protected in acting or refraining from acting under any of the Credit Documents in accordance with the instructions of the Majority Lenders and any action taken or failure to act pursuant to such instructions shall be binding on all Finance Parties. In respect of any notice by or action taken by any Agent hereunder, the Borrower shall at no time be obliged to enquire as to the right or authority of such Agent to so notify or act.

14.8 Notice of Events of Default

In the event that the Administrative Agent shall acquire actual knowledge or shall have been notified of any Default or Event of Default, the Administrative Agent shall promptly notify the Lenders and shall take such action and assert such rights under Section 13.1 of this agreement and under the other Credit Documents as the Majority Lenders shall request in writing and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Lenders shall fail for five Banking Days after receipt of the notice of any Default or Event of Default to request the Administrative Agent to take such action or to assert such rights under any of the Credit Documents in respect of such Default or Event of Default, the Administrative Agent may, but shall not be required to, and subject to subsequent specific instructions from the Majority Lenders, take such action or assert such rights (other than rights under Section 13.1 of this agreement or under the other Credit Documents and other than giving an express waiver of any Default or any Event of Default) as it deems in its discretion to be advisable for the protection of the Lenders except that, if the Majority Lenders have instructed the Administrative Agent not to take such action or assert such rights, in no event shall the Administrative Agent act contrary to such instructions unless required by law to do so.

14.9 Responsibility Disclaimed

No Agent shall be under any liability or responsibility whatsoever as agent hereunder:

- (a) to any Obligor or any other Person as a consequence of any failure or delay in the performance by, or any breach by, any Finance Party or Finance Parties of any of its or their obligations under any of the Credit Documents;

- (b) to any Finance Party or Finance Parties as a consequence of any failure or delay in performance by, or any breach by, any Obligor of any of its obligations under any of the Credit Documents; or
- (c) to any Finance Party or Finance Parties for any statements, representations or warranties in any of the Credit Documents or in any other documents contemplated hereby or thereby or in any other information provided pursuant to any of the Credit Documents or any other documents contemplated hereby or thereby or for the validity, effectiveness, enforceability or sufficiency of any of the Credit Documents or any other document contemplated hereby or thereby.

14.10 Indemnification

Within three Banking Days of written notice by an Agent to the Finance Parties of any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement of any nature whatsoever which may be imposed on or incurred by it, each Finance Party agrees to indemnify such Agent (to the extent not reimbursed by an Obligor) in their respective Pro Rata Shares from and against any and all such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any nature whatsoever which may be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of any of the Credit Documents or any other document contemplated hereby or thereby or any action taken or omitted by such Agent under any of the Credit Documents or any document contemplated hereby or thereby, except that no Finance Party shall be liable to any Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of such Agent.

14.11 Credit Decision

Each Lender represents and warrants to each Agent that:

- (a) in making its decision to enter into this agreement and to make its Pro Rata Share of the Credit Facilities available to the Borrower, it is independently taking whatever steps it considers necessary to evaluate the financial condition and affairs of the Obligors and that it has made an independent credit judgment without reliance upon any information furnished by such Agent; and
- (b) so long as any portion of the Credit Facilities is being utilized by the Borrower, it will continue to make its own independent evaluation of the financial condition and affairs of the Obligors.

14.12 Successor Agents

Subject to the appointment and acceptance of a successor Administrative Agent or Technical Agent, as applicable, as provided below, the relevant Agent may, with the prior written consent of the Borrower (which consent shall not be required for so long as a Default has occurred and is continuing), resign at any time by giving 30 days written notice thereof to the Borrower and the Lenders. Upon any such resignation, the Majority Lenders, with the prior

written consent of the Borrower (which consent shall not be required (x) if the successor Agent is an Affiliate or Subsidiary of such Agent on the Closing Date or (y) for so long as a Default has occurred and is continuing), shall have the right to appoint a successor Agent who shall be one of the Lenders unless none of the Lenders wishes to accept such appointment. If no successor Agent shall have been so appointed and shall have accepted such appointment by the time of such resignation, then the retiring Agent may, on behalf of the Finance Parties and with the prior written consent of the Borrower (which consent shall not be required for so long as a Default has occurred and is continuing), appoint a successor Agent which shall be a bank which has combined capital and reserves in excess of \$250,000,000. Subject to the appointment and acceptance of a successor Administrative Agent or Technical Agent, as applicable, as provided below, the relevant Agent shall, upon notice from the Majority Lenders and with the prior written consent of the Borrower (which consent shall not be required for so long as a Default has occurred and is continuing), resign at the time specified in the aforementioned notice. Upon any such resignation, the Majority Lenders, with the prior written consent of the Borrower (which consent shall not be required (x) if the successor Agent is an Affiliate or Subsidiary of such Agent on the date hereof or (y) for so long as a Default has occurred and is continuing), shall have the right to appoint a successor Agent who shall be one of the Lenders unless none of the Lenders wishes to accept such appointment. Upon the acceptance of any appointment as Agent hereunder by a successor Agent such successor Agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, duties and obligations of the retiring Agent (in its capacity as Agent but not otherwise in its capacity as a Finance Party) and the retiring Agent shall be discharged from its duties and obligations hereunder (in its capacity as Agent but not otherwise in its capacity as a Finance Party). After the resignation hereunder of any retiring Agent provisions of this Article 14 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

14.13 Delegation by Agents

With the prior approval of the Majority Lenders, any Agent shall have the right to delegate any of its duties or obligations hereunder as such Agent to any Affiliate of such Agent so long as such Agent shall not thereby be relieved of such duties or obligations.

14.14 Waivers and Amendments

- (a) Subject to Sections 14.14(b) and (c), any term, covenant or condition of any of the Credit Documents may only be amended with the prior consent of the Borrower and the Majority Lenders or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Majority Lenders and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation, so amended or waived (whether such amendment is executed or such consent or waiver is given before or after such failure), shall not be construed as a breach of such covenant, condition or obligation or as a Default or Event of Default.
- (b) Notwithstanding Section 14.14(a), without the prior written consent of each Lender, no such amendment or waiver shall directly:

- (i) increase the amount either Credit Limit or the amount of the Individual Commitment of any Lender with respect to any Credit Facility;
 - (ii) extend either Maturity Date or any other scheduled repayment of either Credit Facility pursuant to Section 9.1;
 - (iii) extend the time for the payment of interest on Loans, forgive any portion of principal thereof, reduce the stated rate of interest thereon or amend the requirement of *pro rata* application of all amounts received by the Administrative Agent in respect of the Credit Facilities;
 - (iv) change the currency of any payment due and payable by any Obligor hereunder or any other Credit Document;
 - (v) change the percentage of the Lenders' required to constitute the Majority Lenders or otherwise amend the definition of Majority Lenders;
 - (vi) reduce the stated amount or postpone the date for payment of any fees or other amount to be paid pursuant to Article 7 or Article 8 of this agreement;
 - (vii) release or discharge any Guarantee or, except as otherwise permitted pursuant to Sections 14.20, the Security Documents, in whole or in part except pursuant to disposition permitted or not restricted by Section 11.4(c); or
 - (viii) alter the terms of this Section 14.14.
 - (ix) permit any subordination of any of the Secured Obligations;
 - (x) amend the definitions of "**Applicable Rate**", "**Enforcement Date**", "**Exposure**", "**Finance Document**", "**Qualified Affiliate**", "**Qualified Risk Management Agreement**", "**Qualified Risk Management Lender**", "**Risk Management Agreement**", "**Risk Management Program**", "**Secured Obligations**" or "**Secured Obligations Termination Date**"; or
 - (xi) amend or waive Sections 11.2, 11.3(b), 12.1, 12.2, 14.21 or 14.24.
- (c) Notwithstanding Section 14.14(a), but subject to Section 14.14(e), without the prior written consent of each Qualified Risk Management Lender, no such amendment or waiver shall directly:
- (i) permit any subordination of any of the Secured Obligations;
 - (ii) except as otherwise permitted pursuant to Section 14.20, release or discharge any Guarantee or the Security Documents, in whole or in part;
 - (iii) amend or alter the terms of Section 14.14; or

- (iv) amend the definitions of “**Qualified Risk Management Agreements**”, “**Enforcement Date**”, “**Exposure**”, “**Finance Document**”, “**Finance Party**”, “**Qualified Affiliate**”, “**Qualified Risk Management Lender**”, “**Risk Management Agreement**” or “**Secured Obligations**”.
- (d) No amendment to or waiver of any provision hereof to the extent it affects the rights or obligations of any Agent shall be effective without the prior written consent of such Agent.
- (e) A Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender shall not be entitled to vote on, consent to, waive or veto any of the matters set forth in Section 14.14(c) unless specifically set forth in this Section 14.14(e) or unless such former Lender ceased to be a Lender on account of a request of the Borrower pursuant to Section 8.3. Notwithstanding any other provisions of this agreement, the Secured Obligations of each Qualified Risk Management Lender (including, for certainty, each Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender) shall at all times rank *pari passu* with the Secured Obligations of each other Finance Party and the Secured Obligations of the Finance Parties (including, for certainty, any Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender) shall be paid pro rata in accordance with their relative Exposures that are then due and payable, in each case regardless of any amendments made to this agreement after the date hereof. Notwithstanding any other provisions of this agreement, no amendment shall be made to this Section 14.14(e) without the written consent of each Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender and each other Finance Party.

14.15 Determination by Agents Conclusive and Binding

Any determination to be made by any Agent on behalf of or with the approval of the Lenders or the Majority Lenders under this agreement shall be made by such Agent in good faith and, if so made, shall be binding on all parties, absent manifest error. The Obligors are entitled to assume that any action taken by any Agent under or in connection with any Credit Document has been appropriately authorized by the Lenders or the Majority Lenders, as the case may be, pursuant to the terms hereof.

14.16 Adjustments among Lenders after Acceleration

- (a) The Lenders agree that, at any time after all indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 13.1 or after the cancellation or termination of the Credit Facilities, they will at any time or from time to time upon the request of any Lender through the Administrative Agent purchase portions of the availments made available by the other Lenders which remain outstanding, and make any other adjustments which may be necessary or appropriate, in order that the amounts of the availments made available by the respective Lenders which remain outstanding, as adjusted pursuant to this Section 14.16, will be in the same proportions as their respective

Pro Rata Shares thereof with respect to the Credit Facilities immediately prior to such acceleration, cancellation or termination.

- (b) The Finance Parties agree that, at any time after all Indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 13.1 or after the cancellation or termination of the Credit Facilities, the amount of any repayment made by the Borrower under this agreement, and the amount of any proceeds of the exercise of any rights or remedies of the Finance Parties under the Finance Documents, which are to be applied against amounts owing hereunder or thereunder as principal and/or other indebtedness then due and payable under any Finance Document, will be so applied in a manner such that to the extent possible, (i) the Exposure of each of the Finance Parties, after giving effect to such application, will be pro rata in accordance with the Finance Parties' relative Exposures that are then due and payable and (ii) the amount of credit outstanding under the Credit Facilities which is owing to each Lender, after giving effect to such application, will be pro rata in accordance with the Lenders' Pro Rata Shares of the Credit Facilities immediately prior to such acceleration, cancellation or termination.
- (c) For greater certainty, each Finance Party acknowledges and agrees that without limiting the generality of the provisions of Section 14.16(a) and (b), such provisions will have application if and whenever any Finance Party shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, compensation, or otherwise), other than on account of any monies owing or payable by the Borrower to it under the Finance Documents in excess of its pro rata share of payments on account of monies owing by the Borrower to all the Finance Parties thereunder.
- (d) The Borrower agrees to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Finance Parties pursuant to this Section 14.16.

14.17 Redistribution of Payment

If a Finance Party shall receive payment, at any time after all Indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 13.1 or after the cancellation or termination of the Credit Facilities, of a portion of the aggregate amount of Secured Obligations then due and payable by an Obligor to the Finance Party (whether by set-off, repayment, the proceeds of the exercise of any rights or remedies of the Finance Parties under the Finance Documents or otherwise) which is greater than the proportion received by any other Finance Party in respect of the aggregate amount of Secured Obligations then due and payable to it (having regard to the respective Exposures of the Finance Parties that are then due and payable), the Finance Party receiving such proportionately greater payment shall purchase a participation (which shall be deemed to have been done simultaneously with receipt of such payment) in that portion of the aggregate outstanding Secured Obligations due and payable to the other Finance Party or Finance Parties so that the respective receipts shall be pro rata to their respective participation in the Secured Obligations that are then due and payable; provided, however, that if all or part of such proportionately greater payment received

by such purchasing Finance Party shall be recovered from the Borrower, such purchase shall be rescinded and the purchase price paid for such participation shall be returned by such selling Finance Party or Finance Parties to the extent of such recovery, but without interest.

14.18 Distribution of Notices

Except as otherwise expressly provided herein, promptly after receipt by any Agent of any notice or other document which is delivered to such Agent hereunder on behalf of the Lenders, such Agent shall provide a copy of such notice or other document to each of the Lenders; provided, however, that a copy of any such notice delivered at any time during the continuance of an Event of Default shall be delivered by the relevant Agent to each of the Finance Parties.

14.19 Other Security Not Permitted

None of the Finance Parties shall be entitled to enjoy any Lien with respect to any of the Secured Assets other than the Security.

14.20 Discharge of Security

To the extent a sale or other disposition of the Secured Assets is permitted pursuant to the provisions hereof, the Finance Parties hereby authorize the Administrative Agent, at the cost and expense of the Borrower, to execute such discharges and other instruments which are necessary for the purposes of releasing and discharging the Security therein or for the purposes of recording the provisions or effect thereof in any office where the Security Documents may be registered or recorded or for the purpose of more fully and effectively carrying out the provisions of this Section 14.20.

14.21 Determination of Exposures

Concurrent with any request for any approval or instructions of the Majority Lenders and prior to any distribution of Cash Proceeds of Realization to the Finance Parties, the Administrative Agent shall request each Finance Party to provide to the Administrative Agent a written calculation of such Finance Party's Exposure, each such calculation to be certified true and correct by the Finance Party providing same. Each Finance Party shall so provide such calculation within two Banking Days following the request of the Administrative Agent. Any such calculation provided by a particular Finance Party shall, absent manifest error, constitute prima facie evidence of such Finance Party's Exposure at such time. With respect to each determination of the Exposure of the Finance Parties, the Administrative Agent shall promptly notify the Finance Parties. For the purposes of determining a particular Finance Party's Exposure:

- (a) the Exposure of a Finance Party under any Credit Documents shall be the aggregate amount (expressed in United States dollars) owing to such Finance Party thereunder on such date;
- (b) the Exposure of a Qualified Risk Management Lender in respect of Qualified Risk Management Agreements shall be measured as the net exposure of such Qualified

Risk Management Lender under all Qualified Risk Management Agreements with the Borrower to which such Qualified Risk Management Lender is a party, being the aggregate exposure of such Qualified Risk Management Lender thereunder less the aggregate exposure of the Borrower thereunder; the exposure of party to a Qualified Risk Management Agreement shall be, in the case of a Qualified Risk Management Agreement which has not been terminated as of such date, the total amount which would be owing to such party by the other party under such Qualified Risk Management Agreement in the event of the early termination as of such date of such Qualified Risk Management Agreement as a result of the occurrence of a default, event of default or termination event (however specified or designated) with respect to such party thereunder or, in the case of a Qualified Risk Management Agreement which has been terminated as of such date, the total amount which is owing to such party by the other party under such Qualified Risk Management Agreement, in each case expressed in United States dollars; and

- (c) the Exposure of any Agent, for the purposes of Section 14.24(b)(iii) and for no other purposes, shall not include the amounts distributed pursuant to Sections 14.24(b)(i) and (ii).

14.22 Decision to Enforce Security

Upon the Security becoming enforceable in accordance with its terms, the Administrative Agent shall promptly so notify each of the Finance Parties. Any Lender or any Qualified Risk Management Lender may thereafter provide the Administrative Agent with a written request to enforce the Security. Forthwith after the receipt of such a request, the Administrative Agent shall seek the instructions of the Majority Lenders as to whether the Security should be enforced and the manner in which the Security should be enforced. In seeking such instructions, the Administrative Agent shall submit a specific proposal to the Finance Parties. From time to time, any Lender or any Qualified Risk Management Lender may submit a proposal to the Administrative Agent as to the manner in which the Security should be enforced and the Administrative Agent shall submit any such proposal to the Finance Parties for approval of the Majority Lenders. The Administrative Agent shall promptly notify the Finance Parties of all instructions and approvals of the Majority Lenders. If the Majority Lenders instruct the Administrative Agent to enforce the Security, each of the Finance Parties agree to accelerate the Secured Obligations owed to it to the extent permitted under the relevant Finance Document and in accordance with the relevant Finance Document.

14.23 Enforcement

The Administrative Agent reserves the sole right to enforce, or otherwise deal with, the Security and to deal with the Obligors in connection therewith; provided, however, that the Administrative Agent shall so enforce, or otherwise deal with, the Security as the Majority Lenders shall instruct.

14.24 Application of Cash Proceeds of Realization

- (a) All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Administrative Agent and disposed of, or realized upon, by the Administrative

Agent in such manner as the Majority Lenders may approve so as to produce Cash Proceeds of Realization.

- (b) Subject to the claims, if any, of secured creditors of the Obligors whose security ranks in priority to the Security, all Cash Proceeds of Realization shall be applied and distributed, and the claims of the Finance Parties shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:
- (i) firstly, to the payment of all reasonable costs and expenses incurred by the Administrative Agent (including, without limitation, all legal fees and disbursements) in the exercise of all or any of the powers granted to it hereunder or under the Guarantees or the Security Documents and in payment of all of the remuneration of any Receiver and all costs and expenses properly incurred by such Receiver (including, without limitation, all legal fees and disbursements) in the exercise of all or any powers granted to it under the Guarantees or the Security Documents;
 - (ii) secondly, in payment of all amounts of money borrowed or advanced by the Administrative Agent or such Receiver pursuant to the Security Documents and any interest thereon;
 - (iii) thirdly, to the payment of the Secured Obligations of the Borrower (including holding as cash collateral to be applied against Secured Obligations of the Borrower which have not then matured) to the Finance Parties pro rata in accordance with their relative Exposures; and
 - (iv) the balance, if any, in accordance with Applicable Law.

14.25 Survival

The provisions of Article 8, Article 10, Article 11 and Article 14 and all other provisions of this agreement which are necessary to give effect to each of the provisions thereof shall survive until the Secured Obligations Termination Date.

ARTICLE 15 MISCELLANEOUS

15.1 Notices

All notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer of the addressee or sent by email or telefacsimile, charges prepaid, at or to the applicable party hereto at the address, email address (which email notice shall be sent with a “read receipt” request) or telefacsimile number, as the case may be, below or to such other address or addresses, email address or email addresses or telefacsimile number or numbers as any party hereto may from time to time designate to the other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Banking

Day and such delivery was made prior to 12:00 p.m. (New York time); otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of delivery. Any communication which is transmitted by email or telefacsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Banking Day and such transmission was made prior to 12:00 p.m. (New York time); otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of transmission. Any party sending a notice by telefacsimile or email shall, in order to constitute a valid notice hereunder, have received confirmation of receipt from the intended recipient's telecopier or email server.

In the case of the Borrower: Harte Gold Corp.
 [REDACTED]

With a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2
Attention: David Budd
Telefax: (604) 691-6120
Email: dbudd@casselsbrock.com

In the case of the Lenders: BNP Paribas
 [REDACTED]

In the case of the BNP Paribas
Administrative Agent: **[REDACTED]**

15.2 Severability

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

15.3 Counterparts

This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart by facsimile or electronic means shall be equally as effective as delivery of an original executed counterpart.

15.4 Successors and Assigns

This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

15.5 Assignment

- (a) Neither the Credit Documents nor the benefit thereof may be assigned by the Borrower. No Lender shall sell any participation pursuant to Section (b), nor make any assignment pursuant to Section (c), to an Obligor or any Affiliate thereof.
- (b) A Lender may at any time sell to one or more other persons (“**Participants**”) participating interests (each, a “**Participation**”) in any credit outstanding hereunder, any commitment of such Lender hereunder or any other interest of the Lender hereunder. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender’s obligations under this agreement to the Borrower shall remain unchanged, such Lender shall remain solely responsible for the performance thereof and the Obligors shall continue to be obligated to such Lender in connection with such Lender’s rights under this agreement. The Borrower agrees that if amounts outstanding under this agreement are due and unpaid, or shall have been declared to be or shall have become due and payable upon the occurrence of an Event of Default, or any Default which might mature into an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this agreement to the same extent as if the amount of its participating interest were owing directly to it as the relevant Lender under this agreement. The Borrower also agrees that each Participant shall be entitled to the benefits of Article 8 with respect to its participation hereunder and for the purposes of Article 8 such Participant shall be deemed to be a Lender to the extent of such participation, provided, that such Participant shall have complied with obligations of a Lender provided in Article 8 and that no Participant shall be entitled to receive any greater amount pursuant to such Article than the relevant Lender would have been entitled to receive in respect of the amount of the participation transferred by the relevant Lender to such Participant had no such transfer occurred.
- (c) With the prior written consent of the Administrative Agent and, so long as no Default shall have occurred and be continuing, the Borrower, a Lender may at any time sell all or any part of its rights and obligations under the Credit Documents (each, a “**Sale**”) to one or more Persons (“**Purchasing Lenders**”). Upon such sale, the relevant Lender shall, to the extent of such sale, be released from its obligations under the Credit Documents and each of the Purchasing Lenders shall become a party to the Credit Documents to the extent of the interest so purchased. Any such assignment by a Lender shall not be effective unless and until such Lender has paid to the Administrative Agent an assignment fee in the amount of \$3,500.00 for each Purchasing Lender, unless and until the Purchasing Lender has executed an instrument substantially in the form of Schedule C hereto whereby the Purchasing Lender has agreed to be bound by the terms of the Credit

Documents as a Lender and has agreed to a specific Individual Commitment with respect to a Credit Facility and a specific address, telefacsimile number and email address for the purpose of notices as provided in Section 15.1 and unless and until the requisite consents to such assignment have been obtained and unless and until a copy of a fully executed copy of such instrument has been delivered to each of the Administrative Agent and the Borrower. Upon any such assignment becoming effective, Schedule A hereto shall be deemed to be amended to include the Purchasing Lender as a Lender with the specific Individual Commitment with respect to such Credit Facility, address, telefacsimile number and email address as aforesaid and the Individual Commitment of the Lender making such assignment shall be deemed to be reduced by the amount of the Individual Commitment of the Purchasing Lender with respect to such Credit Facility. Notwithstanding the foregoing, no consent shall be required, nor shall any assignment fee be payable, where a Lender assigns all or any part of its rights and obligations hereunder to one or more of its Affiliates or pledges or assigns its rights hereunder to a Federal Reserve Bank of the United States, the Bank of Canada or the European Central Bank. For the purposes hereof, any required consent of the Borrower shall be deemed to be granted unless the Borrower shall have refused the requested consent in writing within five days of receiving a notice for such request pursuant to Section 15.1. Each Lender confirms that, at any time prior to the occurrence and continuance of an Event of Default, it shall not make an assignment pursuant to Section 15.5(c) to a competitor of the Borrower active in the mining industry.

- (d) On behalf of itself and the other Obligors, the Borrower authorizes the Agents and the Lenders to disclose to any Participant or Purchasing Lender (each, a “**Transferee**”) and any prospective Transferee or any professional advisor of any Transferee or prospective Transferee and authorizes each of the Lenders to disclose to any other Lender any and all financial information in their possession concerning the Obligors which has been delivered to them by or on behalf of any Obligor pursuant to this agreement or which has been delivered to them by or on behalf of any Obligor in connection with their credit evaluation of the Obligors prior to becoming a party to this agreement, so long as any such Transferee agrees not to disclose any confidential, non-public information to any Person other than its non-brokerage affiliates, employees, accountants or legal counsel, unless required by law and authorizes each of the Lenders to disclose to any other Lender and to any Person where disclosure is required by law, regulation, legal process or regulatory authority (for certainty under any circumstance and not solely in connection with assignment of rights).

15.6 Entire Agreement

This agreement and the agreements referred to herein and delivered pursuant hereto (including, without limitation, the Fee Letter) constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

15.7 Further Assurances

The Borrower shall, and shall cause each Guarantor to, from time to time and at all times hereafter, upon every reasonable request of the Administrative Agent, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the reasonable opinion of the Administrative Agent for more effectually implementing and carrying out the true intent and meaning of the Credit Documents or any agreement delivered pursuant hereto or thereto and such additional security, legal opinions, consents, approvals, acknowledgements, undertakings, non-disturbance agreements, directions and negotiable documents of title in connection with the property and assets of the Obligors, in form and substance satisfactory to the Administrative Agent, as the Administrative Agent may from time to time request, to ensure (i) that all Secured Assets are subject to a Lien in favour of the Administrative Agent and (ii) the intended first ranking priority of such Liens. The Borrower shall, and shall cause each Guarantor to, from time to time and at all times hereafter, upon every reasonable request of the any Lender, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the reasonable opinion of such Lender in order to allow such Lender to comply with any applicable “know your client” requirements.

15.8 Judgment Currency

- (a) If, for the purpose of obtaining or enforcing judgment against the Borrower in any court of any jurisdiction, it becomes necessary to convert into a particular currency (such currency being hereinafter in this Section 15.8 referred to as the “**Judgment Currency**”) an amount due in another currency (such other currency being hereinafter in this Section 15.8 referred to as the “**Indebtedness Currency**”) under this agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:
 - (i) the date of actual payment of the amount due, in the case of any proceeding in the courts of the Province of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or
 - (ii) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 15.8(a)(ii) being hereinafter in this Section 15.8 referred to as the “**Judgment Conversion Date**”).
- (b) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 15.8(a)(ii), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the relevant Obligor shall pay to the appropriate judgment creditor or creditors such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Indebtedness Currency which could have been purchased with

the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

- (c) Any amount due from the Borrower under the provisions of Section 15.8(b) shall be due to the appropriate judgment creditor or creditors as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this agreement.
- (d) The term “**rate of exchange**” in this Section 15.8 means the noon spot rate of exchange for Canadian interbank transactions applied in converting the Indebtedness Currency into the Judgment Currency published by the Bank of Canada for the day in question.

15.9 Currency Equivalents

Calculation of currency equivalents (for any amount, its “**Equivalent**”) on any day shall be based on the foreign exchange spot mid-rates for such day reported in The Wall Street Journal, Eastern Edition, or, if not so reported, on the mid-market foreign exchange spot closing rates for such day reported in the Financial Times, or, if not so reported, on spot foreign exchange mid-market rates for trading among banks in amounts of \$1,000,000 and more as quoted by or to the Administrative Agent.

15.10 Waivers of Jury Trial

EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT TO WHICH IT IS A PARTY AND FOR ANY COUNTERCLAIM THEREIN.

15.11 Confidentiality

- (a) Each Finance Party agrees to use commercially reasonable efforts to ensure that financial statements or other information relating to the Obligors which may be delivered to it pursuant to this agreement and which are not publicly filed or otherwise made available to the public generally will be treated confidentially by such Finance Party and that such financial statements or other information will not, except with the written consent of the Borrower, be distributed or otherwise made available by any Finance Party to any Person other than its Affiliates or its directors, officers, employees, authorized agents, counsel, auditors or other representatives (provided the other representatives have agreed or are under a duty to keep all information confidential) who that Finance Party considers appropriate to have such information. Each Finance Party is authorized to deliver a copy of any financial statements or any other information which may be delivered to it pursuant to this agreement, to (i) another Finance Party, (ii) any actual or potential Transferee provided the Transferee agrees to keep all such information confidential, (iii) any Official Body having jurisdiction over such Finance Party in order to comply with any applicable law, regulation or legal

process, (iv) any organization for league table purposes provided the information so provided is limited to that specific information required for such league table purposes and (v) to any insurer, insurance broker or reinsurer; provided, however, that the foregoing confidentiality provisions shall not apply to information which is already known to the relevant Finance Party at the time of disclosure or is lawfully obtained by such Finance Party after disclosure and that, as concerns clause (v), any such insurer, insurance broker or reinsurer agrees not to disclose any confidential, non-public information to any Person other than its Affiliates, employees, accountants or legal counsel, or unless required by law and that the information so provided to any such insurer, insurance broker or reinsurer is limited to that needed by it to effect the contemplated insurance or reinsurance and is otherwise customary in nature.

- (b) Subject to Section 15.11(a), (i) all publicity in connection with the Credit Facilities shall be managed by the Administrative Agent in consultation with the Borrower and (ii) no announcements regarding the Credit Facilities or any roles as arranger, lender or agent shall be made without the prior written consent of the Borrower and the Administrative Agent. For certainty, the Borrower may disclose this agreement and the contents hereof as required by Applicable Law.
- (c) Notwithstanding Section 15.11(a) and (b), the Administrative Agent reserves the right to provide to industry trade organizations such necessary and customary information in respect of the Credit Facilities as may be needed for inclusion in league table measurements. Further the Administrative Agent shall be permitted to use information related to the syndication and arrangement of the Credit Facilities in connection with marketing or other transactional announcements or updates subject to confidentiality obligations or disclosure restrictions reasonably requested by the Borrower.

This Section 15.11 supersedes and replaces any confidentiality agreements previously executed by any Obligor, on the one hand and BNP Paribas, on the other.

15.12 International Banking Facilities

Certain Lenders intend to book extensions of credit hereunder on the books and records of their respective international banking facilities, which will constitute an extension of credit within the meaning of Section 204.8(a)(3) of Regulation D. Accordingly, pursuant to Regulation D, the Borrower, a non-bank entity located outside of the United States, acknowledges that such Lenders have notified it that it is the policy of the FRB that extensions of credit by international banking facilities may be used only to finance operations outside of the United States of the Borrower or its Affiliates which are located outside the United States. The Borrower hereby agrees to comply with such policy.

15.13 AML Laws

- (a) The Obligors are in compliance with all anti-money laundering laws, rules, regulations and orders of jurisdictions applicable to the Obligors (collectively, “**AML Laws**”), including without limitation, the Patriot Act (as hereinafter

defined); (ii) to the knowledge of the Borrower, no investigation, action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator, involving any Obligor, with respect to AML Laws is currently pending or threatened; and (iii) the Borrower agrees to provide the Lenders with all information reasonably required by the Lenders to carry out the Lenders' obligations under applicable AML Laws and the Lenders' anti-money laundering policies and procedures.

- (b) Neither the Obligors nor, to the knowledge of the Obligors, any of their respective employees, directors, officers or agents, in each case, acting on any Obligor's behalf, have corruptly paid, offered or promised to pay, or authorized payment of any monies or a thing of value, directly or indirectly, to any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") or any foreign political party or official thereof or candidate for political office, for the purpose of obtaining or retaining business, or directing business to any Person, or obtaining any other improper advantage, in each case in violation of the FCPA, the UK Bribery Act of 2010 or the Corruption of Foreign Public Officials Act (Canada) and the rules and regulations promulgated thereunder (collectively, "**Anti-Corruption Laws**"), and to the knowledge of the Borrower, no investigation, action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator, involving any Obligor, with respect to Anti-Corruption Laws, is currently pending or threatened.
- (c) The Borrower shall, and shall cause the other Obligors to, maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, any Person that is an Affiliate of the Borrower, including the other Obligors, and, to the extent commercially reasonable, its agents, with Anti-Corruption Laws and applicable Sanctions.

15.14 USA Patriot Act

Each Lender subject to the Patriot Act (as hereinafter defined) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it is required to obtain, verify and record information that identifies the borrower, guarantor or grantor (the "**Loan Parties**"), which information includes the name and address of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act.

15.15 Contractual Recognition of Bail-In and No Fiduciary Duty

Notwithstanding any other term of any Credit Document or any other agreement, arrangement or understanding between the parties hereto, each party to this agreement acknowledges and accepts that any liability of any party to this agreement to any other party to this agreement under or in connection with the Credit Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Credit Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement on the date first written above.

HARTE GOLD CORP., as Borrower

By: *Rein Lehari*

Name: Rein Lehari

Title: CFO

By: *S. G. Roman*

Name: S. G. Roman

Title: President & CFO

BNP PARIBAS, as Administrative Agent

By: *Iskender Dildaev*

Name: Iskender Dildaev

Title: Vide President

By: *Carlos Urquiaga*

Name: Carlos Urquiaga

Title: Managing Director

BNP PARIBAS, as Technical Agent

By: *Iskender Dildaev*

Name: Iskender Dildaev

Title: Vice President

By: *Carlos Urquiaga*

Name: Carlos Urquiaga

Title: Managing Director

BNP PARIBAS, as Lender

By: *Iskender Dildaev*

Name: Iskender Dildaev

Title: Vice President

By: *Carlos Urquiaga*

Name: Carlos Urquiaga

Title: Managing Director

SCHEDULE A
LENDERS AND INDIVIDUAL COMMITMENTS

| Lenders | Individual Commitment |
|----------------|---|
| BNP Paribas | NRT Facility: \$52,500,000 RT Facility: \$20,000,000 |

**SCHEDULE B
COMPLIANCE CERTIFICATE**

TO: BNP Paribas, as Administrative Agent

I, _____, a [Senior Officer] of Harte Gold Corp. (the “Borrower”), hereby certify that:

1. I am a duly appointed [Senior Officer] of the Borrower named in the credit agreement made as of June 10, 2019, as amended (the “Credit Agreement”) between, *inter alia*, the Borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Lenders and BNP Paribas, as Technical Agent and as such I am providing this Certificate for and on behalf of the Borrower pursuant to the Credit Agreement.
2. I am familiar with and have examined the provisions of the Credit Agreement including, without limitation, those of Article 10, Article 11 and Article 13 therein.
3. To the best of my knowledge, information and belief and after due inquiry, no Default or Event of Default has occurred and is continuing.

As at or for the relevant period ending _____, the amounts and financial ratios as contained in Sections 11.2(a) – 11.2(e) of the Credit Agreement are as follows and detailed calculations thereof are attached hereto:

| | Actual Amount or Percentage | Required Amount or Percentage |
|--------------------------------|--|--|
| (a) Leverage Ratio | _____ | ≤[3.50]:11 |
| (b) Interest Coverage Ratio | _____ | ≥ 4:00:1 |
| (c) Reserve Tail Ratio | _____ | ≥ 30% |
| (d) Minimum Tangible Net Worth | _____ | ≥ \$<@> |
| (e) Liquidity | _____ | ≥ CAD\$10,000,000 |

4. Attached hereto is
 - (i) supplemental disclosure in respect of the Perfection Certificates to the extent mandated pursuant to Section 11.1(a)(iii); and
 - (ii) to the extent that the chart most recently provided is inaccurate, a chart setting out the corporate structure of the Borrower and indicating intercorporate share ownership and material mine ownership.

1 3.50:1 stepping down to 3.0:1 per section 11.2(a).

5. Unless the context otherwise requires, capitalized terms in the Credit Agreement which appear herein without definitions shall have the meanings ascribed thereto in the Credit Agreement.

DATED this _____ day of _____, _____.

(Signature)

(Name - please print)

(Title of Senior Financial Officer)

CALCULATION WORKSHEET

Following the definitions and calculations more fully defined in the Credit Agreement:

Leverage Ratio

| | | |
|-------------------------|----------|-------|
| Total Indebtedness | \$ _____ | (A) |
| Rolling EBITDA | \$ _____ | (B) |
| Leverage Ratio (Actual) | \$ _____ | (A:B) |

Leverage Ratio (Max. Permitted): [3.50]:1 / [3.0]:1

Compliance [Yes]/[No]

Interest Coverage Ratio

| | | |
|-----------------------------------|----------|-------|
| Rolling EBITDA | \$ _____ | (B) |
| Rolling Interest Expenses | \$ _____ | (C) |
| Interest Coverage Ratio (Actual): | \$ _____ | (C:D) |

Interest Coverage Ratio (Min. Permitted): 4.00:1

Compliance [Yes]/[No]

Tangible Net Worth

| | | |
|--|----------|-----|
| Tangible Net Worth (Actual) | \$ _____ | (E) |
| 50% of the aggregate positive Net Income for each Fiscal Quarter beginning with Fiscal Quarter ending on June 30, 2019 | \$ _____ | (F) |

Tangible Net Worth (Min. Required): \$6,000,000 + F:

Compliance [Yes]/[No]

Reserve Tail Ratio

Forecast production (from NRT Maturity Date (or, if monies have been applied to scheduled principal payments under the NRT Facility in inverse order of maturity pursuant to Section 9.1 and/or 9.2, then from the last scheduled principal payment under the NRT Facility which has not been prepaid in full) through Life of Mine)

| | | | |
|---|--------------|-------|----------|
| | G | _____ | ounces |
| Proven and Probable Reserves for the Life of Mine | H | _____ | ounces |
| Reserve Tail Ratio | G / H | _____ | % |

Compliance [Yes]/[No]

Liquidity

| | | |
|---|-----|----------|
| Unrestricted Cash and Cash Equivalents | I | _____ \$ |
| Readily saleable and insured Doré of the Borrower | J | _____ |
| Liquidity | I+J | _____ |

Liquidity (Min. Required): CAD\$10,000,000

Compliance [Yes]/[No]

SCHEDULE C
FORM OF ASSIGNMENT

Dated _____, 20__

Reference is made to the Credit Agreement made as of June 10, 2019, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties (in that capacity, the “**Administrative Agent**”) and BNP Paribas, as Technical Agent. Terms defined in the Credit Agreement are used herein as therein defined.

_____ (the “**Assignor**”) and _____ (the “**Assignee**”) agree as follows:

- (a) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a _____% interest in and to all of the Assignor’s rights and obligations under the Credit Agreement as it relates to the [NRT/RT] Facility as of the Effective Date (as defined below) (including, without limitation, such percentage interest in the Assignor’s Individual Commitment with respect to the [NRT/RT] Facility as in effect on the Effective Date, the credit extended by the Assignor under the [NRT/RT] Facility and outstanding on the Effective Date and the corresponding rights and obligations of the Assignor under all of the Credit Documents as it relates to the [NRT/RT] Facility).

- (b) The Assignor (i) represents and warrants that as of the date hereof its Individual Commitment with respect to the [NRT/RT] Facility is \$_____ (without giving effect to assignments thereof which have not yet become effective, including, but not limited to, the assignment contemplated hereby), and the aggregate outstanding amount of credit extended by it under the [NRT/RT] Facility is \$_____ (without giving effect to assignments thereof which have not yet become effective, including, but not limited to, the assignment contemplated hereby); (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any other instrument or document furnished pursuant thereto; (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Obligor or the performance or observance by the Obligors of any of their obligations under the Credit Documents or any other instrument or document furnished pursuant thereto; and (v) gives notice to the Administrative Agent and the Borrower of the assignment to the Assignee hereunder.

- (c) The effective date of this Assignment (the “**Effective Date**”) shall be the later of _____ and the date on which a copy of a fully executed copy of this Assignment has been delivered to the Borrower and the Administrative Agent in accordance with Section 15.5(c) of the Credit Agreement.
- (d) The Assignee hereby agrees to the specific Individual Commitment with respect to the [NRT/RT] Facility of \$_____ and to the address, email address and telefacsimile number set out after its name on the signature page hereof for the purpose of notices as provided in Section 15.1 of the Credit Agreement.
- (e) As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Credit Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Credit Documents that have been assigned to it pursuant to this Assignment and (ii) the Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Credit Documents.

The Assignee hereby expressly ratifies the power of attorney given in favour of the Agents under Article 14 of the Credit Agreement.

The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Documents for periods prior to the Effective Date directly between themselves.

This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

[ASSIGNOR]

By: _____
Title:

[ASSIGNEE]

By: _____
Title:

Address:

Attention: _____
Telefax: _____
Email: _____

Acknowledged and agreed to as of this _____ day of _____, 2019.
BNP PARIBAS, as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

²HARTE GOLD CORP.

By: _____
Name:
Title:

By: _____
Name:
Title:

² Consent of the Borrower not required if any Default has occurred and is continuing or where a Lender assigning to an Affiliate or assigning to a Federal Reserve Bank of the United States, the Bank of Canada or the European Central Bank.

**SCHEDULE D
FORM OF DRAWDOWN NOTICE**

TO: BNP Paribas, as Administrative Agent

Attention: [REDACTED]

Email: [REDACTED]

RE: Credit Agreement made as of June 10, 2019, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties and BNP Paribas, as Technical Agent

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably notifies you that it wishes to draw down under the [NRT/RT] Facility on [date of drawdown] as follows:

Loan Amount: _____

Type of Loan: [Prime Rate Loan/Base Rate Loan/LIBOR Loan]

If LIBOR, Interest Period: _____

No Default or Event of Default has occurred and is continuing nor will arise immediately after giving effect to or as a result of the extension of credit hereby requested and the undersigned hereby confirms the truth and accuracy of the representations and warranties set forth in Article 10 of the Credit Agreement in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date hereof except to the extent any such representation and warranty expressly relates solely to an earlier date.

All capitalized terms defined in the Credit Agreement and used herein shall have the meanings ascribed thereto in the Credit Agreement.

DATED the _____ day of _____, _____.

HARTE GOLD CORP.

By: _____

Name:

Title:

**SCHEDULE E
FORM OF ROLLOVER NOTICE**

TO: **BNP Paribas, as Administrative Agent**

Attention:
Telefax:

RE: Credit Agreement made as of June 10, 2019, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties and BNP Paribas, as Technical Agent

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably requests a rollover of outstanding credit under the [NRT/RT] Facility on [date of rollover] as follows:

| | |
|---|--------------|
| Maturity Date of Maturing LIBOR Loan | _____ |
| Principal Amount of Maturing LIBOR Loan | \$ |
| Portion Thereof to be Replaced | \$ |
| Interest Period of New LIBOR Loan | _____ months |

No Default or Event of Default has occurred and is continuing nor will arise immediately after giving effect to or as a result of the extension of credit hereby requested and the undersigned hereby confirms the truth and accuracy of the representations and warranties set forth in Article 10 of the Credit Agreement in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date hereof except to the extent any such representation and warranty expressly relates solely to an earlier date.

All capitalized terms defined in the Credit Agreement and used herein shall have the meaning ascribed thereto in the Credit Agreement.

HARTE GOLD CORP.

By: _____
Name:
Title:

**SCHEDULE F
FORM OF CONVERSION NOTICE**

TO: **BNP Paribas, as Administrative Agent**

Attention:

Telefax:

RE: Credit Agreement made as of June 10, 2019, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties and BNP Paribas, as Technical Agent

Pursuant to the terms of the Credit Agreement, the Borrower requests a conversion in the amount of [Cdn./US]\$ _____ under the _____ Facility on _____, _____. Such conversion will be in the form of a [Prime Rate Loan / Base Rate Loan / LIBOR Loan] [with an Interest Period/Term of _____, maturing on _____, _____.]

No Default or Event of Default has occurred and is continuing nor will arise immediately after giving effect to or as a result of the extension of credit hereby requested and the undersigned hereby confirms the truth and accuracy of the representations and warranties set forth in 10 of the Credit Agreement in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date hereof except to the extent any such representation and warranty expressly relates solely to an earlier date.

All capitalized terms defined in the Credit Agreement and used herein shall have the meaning ascribed thereto in the Credit Agreement.

DATED the _____ day of _____, 20____.

HARTE GOLD CORP.

By: _____

Name:

Title:

By: _____

Name:

Title:

**SCHEDULE G
CORPORATE STRUCTURE**

Nil.

SCHEDULE H
SECURITY DOCUMENTS

1. An Ontario law governed General Security Agreement dated as of the Closing Date and entered into by the Borrower and the Administrative Agent.
2. An Ontario law governed demand debenture (the “**Debenture**”) granted by the Borrower in favour of the Administrative Agent.

SCHEDULE I
QUALIFIED AFFILIATE INSTRUMENT OF ADHESION

TO: BNP Paribas, as Administrative Agent

AND TO: THE OTHER PARTIES TO THE CREDIT AGREEMENT REFERRED TO BELOW

Reference is made to the Credit Agreement made as of June 10, 2019, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties (in that capacity, the “**Administrative Agent**”) and BNP Paribas, as Technical Agent. Terms defined in the Credit Agreement are used herein as therein defined.

WHEREAS the Credit Agreement provides that an Affiliate of a Lender may become a Qualified Affiliate under the Credit Agreement if it executes this instrument and delivers it to the Administrative Agent;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby represents, warrants and covenants as follows:

1. By executing this instrument, the undersigned hereby covenants and agrees to be bound by the terms and conditions of the Credit Agreement as a Qualified Affiliate, including all amendments, supplements and additions thereto, deletions therefrom and restatements thereof, solely as relates to the terms and conditions set forth in Article 14 of the Credit Agreement.
2. The undersigned hereby acknowledges that it has been provided with a copy of the Credit Agreement.

DATED this _____ day of _____, _____.

**[INSERT NAME OF QUALIFIED
AFFILIATE]**

By: _____
Name:
Title:

**SCHEDULE J
APPLICABLE RATES**

| Level | Leverage Ratio | LIBOR Loan interest rate | Base Rate interest rate and Prime Rate interest rate | Standby Fee rate re: RT Facility |
|--------------|-----------------------|---------------------------------|---|---|
| I | ≤ 1.0x | 2.875% per annum | 1.875% per annum | 1.006% |
| II | >1.0x but ≤ 2.0 | 3.375% per annum | 2.375% per annum | 1.181% |
| III | >2.0 | 3.875% per annum | 2.875% per annum | 1.356% |

SCHEDULE K
MATERIAL PROJECT DOCUMENTS

Material Project Documents

1. Impact Benefits Agreement Between Harte Gold Corp. and Pic Mobert First Nation and Band Council Resolution dated April 28, 2018
2. Hydro One Connection Contract dated October 5, 2017
3. Construction Agreement for Mine Development and Trimming Project at the Sugar Zone Mine Between Harte Gold Corp. and Redpath Canada Limited dated May 1, 2018
4. Harte Gold Corp. Longhole Drilling and Blasting Contract with Foraco Canada Ltd. Dated July 4, 2018

SCHEDULE L
CAPITAL OF PLEDGED OBLIGORS

Nil.

**SCHEDULE M
PROJECT AUTHORIZATIONS**

| Grantor | Permits, Quotas, Allocations, Licenses, Franchises |
|--|---|
| Ministry of Energy, Northern Development and Mines | Sugar Zone Closure Plan (last amendment May 2019) |
| Ministry of Environment, Conservation and Parks | Sewage Environmental Compliance Approval 8479-B3QHJZ Air Environmental Compliance Approval 7924-BBLL6K Permit to Take Water 7466-AREGML (water wells) Permit to Take Water 8337-B3QJAH (mine dewatering) Permit to Take Water 1518-ASEGRK (drill water sources) |
| Ministry of Transportation | Encroachment Permit EC-2018-50S-00000030 V1 Land Use Permit 1526-1001416 (water discharge pipe) |
| Ministry of Natural Resources and Forestry | Land Use Permit 1524-1001682 (power line) Lakes and Rivers Improvement Act Location Approval WAWA- LOC-01-2017 |

SCHEDULE N RISK MANAGEMENT PROGRAM

I. SUMMARY

As part of the Risk Management Program, the Borrower shall execute mandatory derivative transactions (“**Mandatory Gold Hedges**”) covering gold price exposure for up to 85,000 ounces of its projected gold production until the Maturity Date to support a forward looking Debt Service Coverage Ratio of 1.40:1 based on a spot gold price assumption of US\$1,100/oz and a foreign exchange rate assumption of CAD/US\$1.275:1.

In addition to the Mandatory Gold Hedges, the Borrower may, after the date of execution of the Mandatory Gold Hedges, also execute discretionary derivative transactions related to its exposures to gold prices, interest rates, diesel prices and/or foreign exchange currency (“**Discretionary Hedges**”), subject to prior approval of Majority Lenders with respect to any such Discretionary Hedges to be entered into prior to the Completion Date. The Borrower and the Qualified Risk Management Lenders shall report the terms of each Derivatives Transaction under the Mandatory Gold Hedges and Discretionary Hedges to the Administrative Agent for monitoring purposes immediately following the execution of any such Derivatives Transaction that relates to a Mandatory Gold Hedge and within two Banking Days following the Trade Date of any such Derivatives Transaction that relates to a Discretionary Hedge.

Hedging counterparties shall be restricted to commercial Lenders and/or their affiliates, subject to a minimum ratings standard at the time of hedge execution of A-(S&P) or A3 (Moody’s) (each a “**Hedge Counterpart**” and collectively, the “**Hedge Counterparts**”). It is contemplated that the Hedge Counterparts shall provide hedging lines of a size and tenor sufficient to allow the Borrower to execute the Mandatory Gold Hedges.

Any Qualified Derivatives Transactions entered into in conformity with this Hedge Protocol shall:

- (a) be secured on a *pari passu* basis with the Credit Facilities;
- (b) not have any requirement to post collateral to cover mark-to-market changes; and
- (c) be documented under a Qualified Risk Management Agreement in the form of an ISDA agreement (master agreement and schedule) substantially in accordance with Schedule O which ISDA agreements (except as otherwise consented to by the Lenders) will in any event contain uniform provisions with respect to: (i) when Qualified Derivatives Transactions can be terminated both pre and post Credit Termination Date; (ii) set off being only amongst the Secured Obligations; (iii) netting of payment requests being only between Qualified Derivatives Transactions and (iv) a “Favored Nation” covenant that all Qualified Risk Management Agreements benefit from the same material terms and conditions.

II. HEDGE PROTOCOL

1. Mandatory Gold Hedge

Prior to the initial extension of credit under the Credit Facilities, the Borrower shall execute over a period of five Banking Days, Mandatory Gold Hedges (in the form of flat forwards or zero premium collars) covering not more than 85,000 oz. of gold forecast to be produced until the Maturity Date. The quantum of gold ounces required for the Mandatory Gold Hedges shall be sized to achieve a forward looking Debt Service Coverage Ratio of 1.40:1 based on a spot gold price assumption of US\$1,100/ounce and a foreign exchange rate assumption of CAD/US\$ 1.275:1. Transaction amounts shall be adjusted to ensure (i) the volume hedged is not more than 70% of forecast gold production in any Fiscal Quarter, (ii) the volume hedged in any Fiscal Quarter is not more than 100% of forecast gold production in the immediately preceding Fiscal Quarter.

Forecast quarterly gold production shall be based on the most recent, approved Base Case Financial Model.

2. Discretionary Hedges

(a) Gold Prices

At any time the aggregate Mandatory Gold Hedges and discretionary gold price hedges of a committed nature shall not exceed 70% of projected gold production, respectively, in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(b) Foreign Currency (Capital and Operating Costs)

At any time, discretionary foreign currency hedging of a committed nature with respect to capital and operating costs is not to exceed 80%, as concerns capital costs, or 70%, as concerns operating costs, of projected foreign currency capital and operating costs, respectively, in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(c) Interest Rates

At any time, discretionary interest rate hedging of a committed nature is not to exceed 75% of the projected outstanding balance of the Credit Facilities in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(d) Diesel Prices

At any time, discretionary diesel price hedging of a committed nature is not to exceed 50% of projected diesel consumption in any Fiscal Quarter,

with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

III. EXECUTION

1. Mandatory Hedges

Hedge execution shall be carried out by the Borrower on a live market / limit order basis with the Qualified Risk Management Lenders on a rotational basis in order to achieve hedge allocations, for each of the Mandatory Gold Hedges, equivalent to each Qualified Risk Management Lender's Hedge Allocation Share with respect to both hedge volumes and tenor (except where otherwise agreed by the Qualified Risk Management Lenders). The counterparties to the Mandatory Gold Hedges shall be the Lenders that have authorized hedging lines at the time of execution of the Mandatory Gold Hedges. "**Hedge Allocation Share**" means the percentage of the Individual Commitment of each Lender at the time of the execution of such Mandatory Gold Hedges to the aggregate Individual Commitments of all of the Lenders so authorized. Any Mandatory Hedges that otherwise would be allocated to a Lender who is not authorized to establish hedging lines shall be allocated by Administrative Agent, in its discretion, amongst the Lenders who are so authorized.

The realized hedged price will reflect the bid-market forward price of the execution provided by the Qualified Risk Management Lender at the time of the trade for the relevant Qualified Derivatives Transaction less an agreed hedge credit margin (the "**Hedge Margin**"). The Hedge Margin for the Mandatory Gold Hedges shall be 115 bps per annum applied to the notional value of the relevant Qualified Derivative Transaction using the mid-market forward price at the time of execution. Execution shall be coordinated directly by the Borrower and executed with each Qualified Risk Management Lender directly.

Discretionary Hedges

The Borrower shall offer any Discretionary Hedges to all of the Qualified Risk Management Lenders and shall allocate the same, at its discretion, to one or more of the Qualified Risk Management Lenders that have appropriate hedging lines available for this purpose.

**SCHEDULE O
COMMON HEDGING TERMS**

[NTD. Add to ISDA Master Schedule the following text: Note that the definition of “Qualified Risk Management Lender” in the Credit Agreement is the following:

“Qualified Risk Management Lender” means (x) any Person that enters into a Risk Management Agreement at a time when such Person is a Lender or (y) any Qualified Affiliate that enters into a Risk Management Agreement at a time when the Lender with which such Qualified Affiliate is affiliated is a Lender; provided, that in each case at the time of the execution of any Derivatives Transaction, such Lender or Qualified Affiliate, as the case may be, is rated at least A- by S&P or A3 by Moody’s.]

IN PARTICULAR, NOTE THE PROVISIO IMBEDDED IN THAT DEFINITION AND NOTE THAT THE CONSEQUENCES OF ANY DERIVATIVES TRANSACTIONS ENTERED INTO IN BREACH OF THAT PROVISIO WILL BE THAT DERIVATIVES TRANSACTION WILL BE UNGUARANTEED AND UNSECURED]

1. Termination Provisions.

(a) “*Specified Entity*” means in relation to Party A for the purpose of:

Section 5(a)(v), none

Section 5(a)(vi), none

Section 5(a)(vii), none

Section 5(b)(v), none

and in relation to Party B for the purpose of:

Section 5(a)(v), none

Section 5(a)(vi), none

Section 5(a)(vii), none

Section 5(b)(v), none

(b) The “**Events of Default**” in Sections 5(a)(ii) - (viii) will not apply to Party B prior to the Credit Termination Date. The following shall be added as a new Section 5(a)(ix):

(ix) **Acceleration of Credit Facilities.** The Administrative Agent notifies Party B, pursuant to Section 13.1 of the Credit Agreement, that all indebtedness of the Obligors to the Lenders under the Credit Facilities has become immediately

due and payable or such indebtedness automatically becomes due and payable pursuant to Section 13.1, whichever occurs first.

- (c) The “**Cross-Default**” provisions of Section 5(a)(vi) of this Agreement will apply to Party B subsequent to the Credit Termination Date but will not apply to Party A”.
- (d) “**Specified Indebtedness**” will have the meaning specified in Section 14 of this Agreement.
- (e) “**Threshold Amount**” means US\$2,000,000 or its equivalent in any other currency.
- (f) The “**Automatic Early Termination**” provisions of Section 6(a) will not apply to Party A and will not apply to Party B.
- (g) “**Termination Currency**” means United States Dollars (“**USD**”).
- (h) **Additional Termination Event** will apply. The following events shall each constitute an Additional Termination Event in respect of which, as concerns (1) below, Party B shall be the sole Affected Party:
 - (1) At any time the obligations of Party B under this Agreement cease to be secured on a pari passu basis with the other Secured Obligations.

For the purpose of Additional Termination Event (1), Party A, in its sole and unfettered discretion, may determine which Transactions are Affected Transactions. In any such Additional Termination Event, Party A shall be the Determining Party.

- (i) **Credit Event Upon Merger.** Subsequent to the Credit Termination Date, Credit Event Upon Merger shall apply to Party B.
- (j) **Offices.** The provisions of Section 10(a) will apply to this Agreement.
- (k) **Multibranch Party.** For the purpose of Section 10(b) of this Agreement:

Party A is a Multibranch Party. [NTD: **The BNPP ISDA Schedule will read “Party A is a Multibranch Party and may enter into a Transaction through its Paris Head Office, London and New York Offices and any other Office agreed to by the parties in a relevant Confirmation.”.]**

Party B is not a Multibranch Party.

- (l) **Calculation Agent.** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.

(m) **Credit Support Document.** Details of any Credit Support Document: the Guarantees and the Security Documents.

(n) **Credit Support Provider.**

Credit Support Provider means in relation to Party A: None

Credit Support Provider means in relation to Party B: Each other Obligor providing credit support for Party B's obligations hereunder to Party A under any Finance Document.

(o) **Governing Law; Jurisdiction.** Sections 13(a) and (b) of the Agreement shall be deleted and replaced with the following:

“(a) **Governing Law.** This Agreement as well as any claim or controversy arising out of or relating to this Agreement will be governed by and construed in accordance with the laws of the State of New York.

(b) **Jurisdiction.** Any suit, action, or proceedings relating to any dispute arising out of or connection with this Agreement (“**Proceedings**”), may be brought in the courts of the State of New York or the courts of the corporate domicile of each of the parties party to this Agreement in actions brought against it as a defendant and, by execution and delivery of this Agreement, each of the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. Furthermore, each party hereto hereby waives the right to any other jurisdiction to which it may be entitled by means of its present or future domicile. Each party irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party to the address prescribed by this Agreement, such service to become effective five Local Business Days after such mailing. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

(p) **Waiver of Trial by Jury.** Each of the parties hereby irrevocably waives, to the extent permitted by applicable law, any and all right to a trial by jury with respect to any Proceeding arising out of or relating to this Agreement or any Transaction.

(q) **Netting of Payments.** Multiple Transaction Payment Netting will not apply.

(r) “**Affiliate**” will have the meaning specified in Section 14 of this Agreement.

(s) **Absence of Litigation.** For the purpose of Section 3(c):

“**Specified Entity**” means in relation to Party A, None

“**Specified Entity**” means in relation to Party B, None

- (t) **No Agency.** The provisions of Section 3(g) will apply to this Agreement.
- (u) **Additional Representation** will apply. For the purpose of Section 3 of this Agreement, the following will constitute an Additional Representation:
 - (i) **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):
 - (1) **Non Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.
 - (2) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
 - (3) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
 - (v) **Recording of Conversations.** Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

2. **Other Provisions.**

- (a) **[Intentionally Deleted]**
- (b) **Set-off.** The first sentence of Section 6(f) is hereby deleted in its entirety and replaced with the following three sentences:

Any Early Termination Amount payable to one party (the “**Payee**”) by the other party (the “**Payer**”), in circumstances where there is a Defaulting Party or where there is one Affected Party in the case where either a Credit Event Upon Merger has occurred or any other Termination Event in respect of which any outstanding Transaction is an Affected Transaction has occurred, will, at the option of the Non-defaulting Party or the Non-affected Party, as the case may be (“**X**”) (and without prior notice to the Defaulting Party or the Affected Party, as the case may be), be reduced by its set-off against (i) any amounts then due and payable under this Agreement with respect to Qualified Derivatives Transactions and then Credit Outstanding that is outstanding in favour of Party A and (ii) after reduction under (i) if any, any other amounts (“**Other Amounts**”) payable by the Payee to the Payer (A) prior to the Credit Termination Date, arising under the Credit Agreement or this Agreement (to the extent, as concerns this Agreement, such amounts arise in connection with Qualified Derivatives Transactions), matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation and (B) after the Credit Termination Date, whether or not arising under the Credit Agreement, this Agreement, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation. Other Amounts in the remainder of this provision includes Credit Outstanding owing to Party A. Notwithstanding the provisions of this Section 6(f), if the Payer is Party A and there is Credit Outstanding owing to Party A at such time then Party A will reduce any Early Termination Amount payable by it by its set-off against the Credit Outstanding that is outstanding in favour of Party A. X will give prompt notice to the other party after any set-off effected under this Section.

Section 6(f) of this Agreement shall be further amended by adding the following sentence at the end thereof:

“Notwithstanding the provisions of Section 6(e) if the amount referred to therein is an amount payable by Party A to Party B then Party A shall have no obligation to pay any amount thereunder to Party B prior to the Credit Termination Date if the set-off against Credit Outstanding and Other Amounts contemplated in this Section 6(f) is stayed or ineffective for any reason or if the application by the Administrative Agent in accordance with the Credit Agreement of any such amount payable by Party A to Party B is stayed or ineffective for any reason, until such time as the stay is lifted or the set off otherwise becomes effective and the set off or application, as the case may be, is made.”

- (c) **Confirmations.** Any Specified Transaction (other than a repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction) into which the parties have entered or may enter and in respect of which confirming evidence does not expressly exclude the application of this Agreement shall be governed by this Agreement. Any such confirmation shall be a “**Confirmation**”, and any such transaction shall be deemed to constitute a Transaction for the purpose of this Agreement. In particular, it is agreed that where in terms of standard industry practice confirmation is by electronic

messaging system or SWIFT, such confirmation shall serve as a Confirmation irrespective of whether reference is made to this Agreement in such Confirmation.

- (d) **Section 14 - Definitions** is amended by the addition of the following term in alphabetical order:

“**Administrative Agent**” means BNP Paribas, as administrative agent for the Finance Parties under the Credit Agreement, and any successor thereto and any successor appointed pursuant to the Credit Agreement.

“**Credit Agreement**” means the credit agreement dated as of June 10, 2019 among, inter alia, Party B, as borrower, the Finance Parties and BNP Paribas, as administrative agent for the Finance Parties, as amended, modified, supplemented or replaced from time to time.

“**Credit Facilities**” has the meaning ascribed thereto in the Credit Agreement.

“**Credit Outstanding**” means, at any particular time, all credit outstanding under the Credit Agreement at such time.

“**Credit Termination Date**” means the date upon which the Credit Facilities is terminated, the Lenders have no further obligations to extent credit thereunder as of such date and all Credit Outstanding, interest, fees, costs, expenses and other amounts due and payable thereunder have been repaid in full in cash or by other applicable funds transfer in immediately available funds.

“**Finance Documents**” has the meaning ascribed thereto in the Credit Agreement.

“**Finance Parties**” has the meaning ascribed thereto in the Credit Agreement.

“**Guarantees**” has the meaning ascribed thereto in the Credit Agreement.

“**Lenders**” has the meaning ascribed thereto in the Credit Agreement.

“**Obligors**” has the meaning ascribed thereto in the Credit Agreement.

“**Qualified Derivatives Transaction**” has the meaning ascribed thereto in the Credit Agreement.

“**Qualified Risk Management Agreement**” has the meaning ascribed thereto in the Credit Agreement.

“**Qualified Risk Management Lenders**” has the meaning ascribed thereto in the Credit Agreement.

“**Security Documents**” has the meaning ascribed thereto in the Credit Agreement.

“**Secured Obligations**” has the meaning ascribed thereto in the Credit Agreement.

Additional Rights of Party A. Without limiting any term or provision in this Agreement, Party A and Party B hereby acknowledge and agree that (i) Party A is on the date hereof a Qualified Risk Management Lender and (ii) this Agreement and each Transaction entered into from time to time under this Agreement is and shall be, a Qualified Risk Management Agreement and a Financing Document provided Party A is a Qualified Risk Management Lender at the time such Transaction was entered into.

(e) ***Sharing of Security.*** Party A shall not be entitled to:

- (i) any guarantees of the obligations of Party B under this Agreement or any Transaction; or
- (ii) any security, including margin, to secure the obligations of Party B under this Agreement or any Transaction

except for (x) the Security Documents, (y) the Guarantees and (z) other guarantees and security held by Party A (or any other Finance Party or other Person) for the rateable benefit of the Finance Parties.

(f) ***Incorporation by Definition of Terms of Credit Agreement.*** Certain words and expressions defined in the Credit Agreement are expressly incorporated into this Agreement by reference. In the event of any conflict between the provisions of the Credit Agreement and this Agreement, this Agreement shall prevail.

(g) ***Protocol Covered Agreement.*** The parties hereby agree that this Agreement is deemed to be a “Protocol Covered Agreement” for purposes of the ISDA August 2012 Dodd Frank Protocol Agreement and the ISDA March 2013 Dodd Frank Protocol Agreement (the “**ISDA Protocols**”), the effect of which all provisions agreed in the ISDA Protocols are incorporated herein.

(h) ***Dodd Frank.*** The parties agree that, for the avoidance of doubt, for purposes of Section 5(b)(i) of the Agreement and any Transaction hereunder, “any applicable law” shall include the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “**Dodd-Frank Act**”), any rules and regulations promulgated thereunder or in connection with implementation thereof, and any similar law or regulation, without regard to Section 739 of the Dodd-Frank Act or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and the consequences specified herein and in the relevant Confirmation shall apply. Furthermore, nothing in Section 22(a)(5) of the Commodity Exchange Act, as amended by the Dodd-Frank Act, shall amend the terms of any Transaction hereunder relating to a termination event, force majeure, illegality, increased cost, regulatory change, or similar event based upon or arising from the enactment of the Dodd-Frank Act, any requirement thereunder or any amendment made thereby. The parties specifically

reserve the right to terminate, renegotiate, modify, amend or supplement any Transaction in accordance with the terms thereof.

- (i) ***Existing transactions and transactions not expressed to be subject to ISDA Master Agreement.*** The parties agree that every Derivatives Transaction between them (whether entered into prior, on or subsequent to the date of this Agreement) is a Transaction governed by this Agreement.
- (j) ***Commercially Reasonable Standards.*** Each party hereto shall make any determination and form any judgment and opinion required or permitted to be made by it under this Agreement or any Transaction in good faith and acting in a commercially reasonable manner.
- (k) ***Condition Precedent.*** The condition precedent in Section 2(a)(iii)(1) of this Agreement does not apply to a payment or delivery owing by a party if the other party shall have satisfied in full all of its payment and delivery obligations under Section 2(a)(i) of this Agreement and shall at the relevant time have no future payment or delivery obligations, whether absolute or contingent, under Section 2(a)(i).
- (l) ***Representations - Financial Information.*** Section 3(d) of this Agreement is amended by adding the following immediately before the end of the section:

“or, in the case of financial information, presents fairly, in all material respects, such financial information in accordance with generally accepted accounting principles”.
- (m) ***Most Favoured Lender Provision.***
 - (i) If at any time any other Qualified Risk Management Agreement contains any (x) financial, affirmative, negative or restrictive covenant, representation and warranty that is by its nature of general application, (y) representation and warranty that is by its nature of general application or (z) event of default and such covenant, representation and warranty or event of default is not contained in this agreement in substantially equivalent form or is more restrictive on any of Party B or any Credit Support Provider or would be more beneficial to the Qualified Risk Management Lender party to such other Qualified Risk Management Agreement than the analogous covenant, representation and warranty or event of default set forth herein (any such covenant, representation and warranty or event of default, an “**Additional Covenant**”), then Party B shall within ten Local Banking Days from the occurrence thereof provide written notice with respect to such Additional Covenant to Party A. Thereupon, unless waived in writing by Party A within ten Local Banking Days of Party A’s receipt of such notice, such Additional Covenant (including any necessary corresponding definitions) shall be deemed to be automatically incorporated into this Agreement, mutatis mutandis, as if set forth fully herein, without any further action required on the part of any

person, effective as of the date when such Additional Covenant became effective under such other Qualified Risk Management Agreement. Party B agrees that, if requested by Party A, Party B shall enter into such amendments to this Agreement as is necessary to reflect any such deemed Additional Covenants incorporated into this Agreement pursuant to the terms hereof.

- (ii) Any Additional Covenant incorporated into this Agreement pursuant to this Part 3 (m)(i) shall remain unchanged herein notwithstanding any subsequent termination of such other Qualified Risk Management Agreement or subsequent waiver of such covenant under such other Qualified Risk Management Agreement.
 - (iii) Certificates delivered to Party B pursuant to Part 3 (m)(i) shall include the information (including detailed calculations) required in order to establish whether Party B was in compliance during the quarterly or annual period covered by the applicable financial statements described in Part 3 (m)(i) with each financial covenant incorporated into this agreement pursuant to this Part 3 (m)(i).
- (n) ***Non-Qualified Derivatives Transaction.*** For certainty, any Derivatives Transaction entered into by Party A with Party B at a time when Party A is not a Qualified Risk Management Lender shall not constitute a Qualified Derivatives Transaction and these Common Hedging Terms, insofar as they relate to the Guarantees and Security Documents, shall not apply thereto.

**SCHEDULE P
PENSION PLANS**

Nil.

SCHEDULE Q
PROFIT SHARING AGREEMENTS

1. Up to 2.5% net smelter return royalty granted pursuant to the Option and Joint Venture Agreement in favour of the Vendors (as such term is defined in the Option Agreement) and Broad Horizons Royalty Trust
2. Up to 1.5% net smelter return royalty in favour of ANR Investments B.V. pursuant to the Subscription Agreement

**SCHEDULE R
EXCLUDED PROPERTY**

Nil.

EXHIBIT “H”

EXHIBIT "H"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

THIRD AMENDING AGREEMENT

THIS AGREEMENT dated as of the 18th day of November, 2021.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to an amended and restated credit agreement dated as of August 28, 2020, as amended by a first amending agreement dated December 11, 2020 and a second amending agreement dated June 8, 2021 (the “**Existing Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend the Existing Credit Agreement pursuant to this Agreement (the Existing Credit Agreement as amended by this Agreement, the “**Credit Agreement**”);

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

**ARTICLE 1
DEFINED TERMS**

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

**ARTICLE 2
AMENDMENTS TO CREDIT AGREEMENT**

2.1 Amendments.

(a) Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) the following new definitions of “**Forbearance Agreement**”, “**Insolvency Default**”, “**Over Advance Amount**”, “**Over Advance Limit**” and “**Over Advance Period**” are hereby added in alphabetical order:

“**Forbearance Agreement**” means the forbearance agreement dated July 30, 2021, as amended by a first amending agreement dated September 30, 2021, a second amending agreement dated October 15, 2021 and a third amending agreement dated October 29, 2021 entered into by the Borrower, the Lenders, BNP Paribas, as Qualified Risk Management Lender and the Agents (as the same may be amended, amended and restated, modified or changed from time to time).;

“**Insolvency Default**” means the occurrence of an Event of Default described in Section 13.1(c) or (d) but specifically excludes any Subject Default (as defined in the Forbearance Agreement) during the Forbearance Period (as defined in the Forbearance Agreement) to the extent any Subject Default is an Insolvency Default.;

“**Over Advance Amount**” means, as at a particular date, the sum of (A) the aggregate amount of new advances, if any, drawn under the RT Facility during the Over Advance Period and (B) all accrued but unpaid interest on the amount described in paragraph (A) of this definition.;

“**Over Advance Limit**” means \$2,000,000.; and

“**Over Advance Period**” means the period commencing on November 18, 2021 and ending on the earlier of (a) December 31, 2021 and (b) the occurrence of an Insolvency Default.;

(ii) the definition of “**Majority Lenders**” is hereby deleted in its entirety and replaced with the following:

“**Majority Lenders**” means, (i) subject to clause (ii), all of the Lenders at such time and (ii) at any time after the Credit Facilities Repayment Date, such group of Finance Parties which have aggregate Exposure in an

amount at least two thirds of the aggregate Exposure of all of the Finance Parties at such time.”;

- (iii) the definition of “**RT Credit Limit**” is hereby deleted in its entirety and replaced with the following:

““**RT Credit Limit**” means (a) at any time during the Over Advance Period, the sum of \$20,000,000 *plus* the Over Advance Limit and (b) at any time other than during the Over Advance Period, \$20,000,000 and in each case, as such amount may be reduced from time to time pursuant to Section 2.3.”;

- (b) the following new Section 9.7 is hereby added to the Credit Agreement:

“9.7 Over Advance Amount.

Notwithstanding anything to the contrary in Sections 3.8, 3.11, 7.2(b), 9.1, 9.2, 9.3, 9.5, 14.16, 14.17, 14.24 or any other provision of this Agreement, all repayments under the RT Facility or the NRT Facility (whether voluntary or mandatory) and all Cash Proceeds of Realization, shall be applied firstly, to any interest comprising the Over Advance Amount and secondly, to any principal comprising the Over Advance Amount, if any, and in each case in priority to any other payment or application of Cash Proceeds of Realization in respect of any Credit Facility. For greater certainty, it is the intent of the parties to this Agreement that the Over Advance Amount shall have priority over any amount paid or Cash Proceeds of Realization in payment of any other Credit Facility, whether on account of interest, principal or otherwise.”;

- (c) Section 14.12 is hereby deleted in its entirety and replaced with the following:

“14.12 Successor Agents

Any Agent may resign at any time by giving 30 days (or such shorter period as may be agreed to by the Agents, the Resigning Agent (as defined below), the Majority Lenders and a Purchasing Lender pursuant to a definitive agreement for the assignment of a Lender’s obligations under the Credit Documents) written notice thereof to the Borrower and the Lenders (such Agent herein referred to as the “Resigning Agent”). Upon any such resignation, the Majority Lenders, shall have the right to appoint a successor Agent who shall be one of the Lenders unless none of the Lenders wishes to accept such appointment. If no successor Agent shall have been so appointed and shall have accepted such appointment by the time of such resignation, then the Resigning Agent may, (a) without limitation of its rights under this Subsection 14.12, resign, whereupon (i) the Resigning Agent shall be discharged from its duties and obligations hereunder and under the other Finance Documents (except that in the case of any collateral security held by the Resigning Agent on behalf of the

Finance Parties under any of the Finance Documents, the Resigning Agent shall continue to hold such collateral security until such time as a replacement Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through the Resigning Agent shall instead be made by or to each Lender directly, until such time, if any, as the Majority Lenders appoint a replacement Agent as provided for above, or (b) on behalf of the Finance Parties, appoint a successor Agent. Upon the acceptance of any appointment as Agent hereunder by a successor Agent such successor Agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, duties and obligations of the Resigning Agent (in its capacity as the applicable Agent but not otherwise in its capacity as a Finance Party) and the Resigning Agent shall be discharged from any and all remaining duties and obligations hereunder (in its capacity as the applicable Agent but not otherwise in its capacity as a Finance Party) relating to the Resigning Agent's continued holding of collateral security or otherwise. After the resignation hereunder of any Resigning Agent provisions of this Article 14 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the applicable Agent.”

- (d) Section 14.14 is hereby amended as follows:
- (i) Section 14.14(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:
- “(c) Notwithstanding Section 14.14(a), but subject to Section 14.14(e), without the prior written consent of each Qualified Risk Management Lender, no such amendment or waiver shall directly:
- (i) permit any subordination of any of the Secured Obligations;
 - (ii) except as otherwise permitted pursuant to Section 14.20, release or discharge any Guarantee or the Security Documents, in whole or in part;
 - (iii) amend or alter the terms of Section 14.14;
 - (iv) amend or waive Sections 14.20, 14.21 or 14.24;
 - (v) amend, alter or waive the terms of the Intercreditor Agreement; or
 - (vi) amend the definitions of “Qualified Risk Management Agreements”, “Enforcement Date”, “Exposure”, “Finance Document”, “Finance Party”, “Qualified Affiliate”, “Qualified Risk Management Lender”, “Risk Management Agreement”, “Risk Management Program”, “Secured Obligations” or “Secured Obligations Termination Date”.”;
- (ii) Section 14.14(e) is deleted in its entirety and replaced with the following:

“(e) A Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender shall be entitled to vote on, consent to, waive or veto any of the matters set forth in Section 14.14(c). Notwithstanding any other provisions of this agreement, the Secured Obligations of each Qualified Risk Management Lender (including, for certainty, each Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender) shall at all times be secured by the Security and rank pari passu with the Secured Obligations of each other Finance Party and the Secured Obligations of the Finance Parties (including, for certainty, any Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender) shall be paid pro rata in accordance with their relative Exposures that are then due and payable, in each case regardless of any amendments made to this agreement after the date hereof. Notwithstanding any other provisions of this agreement, no amendment shall be made to this Section 14.14(e) without the written consent of each Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender and each other Finance Party.”;

- (e) **Schedule A.** Schedule A to the Credit Agreement is hereby deleted in its entirety and replaced with Schedule A attached hereto.

ARTICLE 3 CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT

3.1 Conditions Precedent. This Agreement shall not become effective until this Agreement shall have been executed and delivered by the parties hereto.

ARTICLE 4 MISCELLANEOUS

4.1 Conditions Precedent to Over Advance Amount. Notwithstanding Section 12.1 of the Credit Agreement, the obligation of the Lenders to extend the Over Advance Amount is only subject to fulfilment of the following conditions precedent at the time any portion of the Over Advance Amount is extended:

- (a) the Borrower shall have complied with the requirements of Article 4 of the Credit Agreement; and
- (b) the Forbearance Period (as defined in the Forbearance Agreement) has not ended.

4.2 Over Advance Amount. Notwithstanding anything to the contrary in any other Credit Document, any drawdown under the RT Facility during the Over Advance Period shall be by way of Base Rate Loans.

4.4 Qualified Risk Management Lender. The parties hereto acknowledge and agree that BNP Paribas is a “Qualified Risk Management Lender” under the Finance Documents.

4.5 Full Force and Effect. Except as expressly amended by this Agreement, all of the terms, covenants and conditions contained in the Existing Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Existing Credit Agreement shall be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Existing Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or future action on the part of the Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This Agreement constitutes a Credit Document.

4.6 Future References to the Credit Agreement. On and after the date of this Agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Existing Credit Agreement as amended hereby. The Existing Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

4.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

4.8 Inurement. 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 Conflict. If any provision of this Agreement is inconsistent or conflicts with any provision of the Existing Credit Agreement, the relevant provision of this Agreement shall prevail and be paramount. This Agreement shall not create any novation.

4.10 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this Agreement and to each and every provision hereof.

4.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This Agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this Agreement shall deliver original executed counterparts of this Agreement to each of the other parties to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

HARTE GOLD CORP.

By: Fraser Bouchier
Name:
Title:

By: Graham du Preez
Name:
Title:

BNP PARIBAS, as Administrative Agent

DocuSigned by:
By: Carlos Urquiaga
Name: Carlos Urquiaga
Title: Managing Director

DocuSigned by:
By: Brock Harris
Name: Brock Harris
Title: Managing Director

BNP PARIBAS, as Technical Agent

DocuSigned by:
By: Carlos Urquiaga
Name: Carlos Urquiaga
Title: Managing Director

DocuSigned by:
By: Brock Harris
Name: Brock Harris
Title: Managing Director

BNP PARIBAS, as Lender

DocuSigned by:

By: _____

Carlos Urquiaga

Name: _____

Carlos Urquiaga

Title: _____

Managing Director

DocuSigned by:

By: _____

Brock Harris

Name: _____

Brock Harris

Title: _____

Managing Director

SCHEDULE A
LENDERS AND INDIVIDUAL COMMITMENTS

| Lenders | Individual Commitment |
|----------------|--|
| BNP Paribas | NRT Facility: \$49,600,000 RT Facility: \$20,000,000* |

*During the Over Advance Period, the RT Facility shall be equal to the sum of \$20,000,000 and the Over Advance Limit.

SECOND AMENDING AGREEMENT

THIS AGREEMENT dated as of the 8th day of June, 2021.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to an amended and restated credit agreement dated as of August 28, 2020, as amended by a first amending agreement dated December 11, 2020 (the “**Existing Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend the Existing Credit Agreement pursuant to this Agreement (the Existing Credit Agreement as amended by this Agreement, the “**Credit Agreement**”);

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

**ARTICLE 1
DEFINED TERMS**

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

**ARTICLE 2
AMENDMENTS TO CREDIT AGREEMENT**

2.1 Amendments.

(a) Section 11.2(e) is hereby deleted in its entirety and replaced with the following:

“(e) **Liquidity.** (i) from and including June 8, 2021 to and including June 30, 2021, the Borrower shall cause Liquidity to be in an amount equal to or greater than CAD\$4,750,000 and (ii) at all times thereafter, the Borrower shall cause Liquidity to be in an amount equal to or greater than CAD\$10,000,000.”.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties. To induce the Lenders and the Agents to enter into this Agreement, the Borrower hereby represent and warrant to the Lenders and the Agents that:

- (a) the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement are true and correct on the date hereof as if made on the date hereof except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date); and
- (b) no Default has occurred and is continuing or would arise upon this Agreement becoming effective.

**ARTICLE 4
CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT**

4.1 Conditions Precedent. This Agreement shall not become effective until this Agreement shall have been executed and delivered by the parties hereto.

**ARTICLE 5
MISCELLANEOUS**

5.1 Full Force and Effect. Except as expressly amended by this Agreement, all of the terms, covenants and conditions contained in the Existing Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Existing Credit Agreement shall be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Existing Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or

future action on the part of the Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This Agreement constitutes a Credit Document.

5.2 Future References to the Credit Agreement. On and after the date of this Agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Existing Credit Agreement as amended hereby. The Existing Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.4 Inurement. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

5.5 Conflict. If any provision of this Agreement is inconsistent or conflicts with any provision of the Existing Credit Agreement, the relevant provision of this Agreement shall prevail and be paramount. This Agreement shall not create any novation.

5.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this Agreement and to each and every provision hereof.

5.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This Agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this Agreement shall deliver original executed counterparts of this Agreement to each of the other parties to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

HARTE GOLD CORP.

By: 

Name: Frazer Bouchier

Title: President & CEO

By: 

Name: Graham du Preez

Title: EVP & CFO

BNP PARIBAS, as Administrative Agent



By: _____

Name: Carlos Urquiaga

Title: Managing Director

By:



Name: Antonio Pichardo

Title: Director

BNP PARIBAS, as Technical Agent



By: _____

Name: Carlos Urquiaga

Title: Managing Director

By:



Name: Antonio Pichardo

Title: Director

BNP PARIBAS, as Lender



By: _____

Name: Carlos Urquiaga
Title: Managing Director

By:



Name: Antonio Pichardo
Title: Director

SECOND AMENDING AGREEMENT

THIS AGREEMENT dated as of the 8th day of June, 2021.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to an amended and restated credit agreement dated as of August 28, 2020, as amended by a first amending agreement dated December 11, 2020 (the “**Existing Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend the Existing Credit Agreement pursuant to this Agreement (the Existing Credit Agreement as amended by this Agreement, the “**Credit Agreement**”);

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

**ARTICLE 1
DEFINED TERMS**

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

**ARTICLE 2
AMENDMENTS TO CREDIT AGREEMENT**

2.1 Amendments.

(a) Section 11.2(e) is hereby deleted in its entirety and replaced with the following:

“(e) **Liquidity.** (i) from and including June 8, 2021 to and including June 30, 2021, the Borrower shall cause Liquidity to be in an amount equal to or greater than CAD\$4,750,000 and (ii) at all times thereafter, the Borrower shall cause Liquidity to be in an amount equal to or greater than CAD\$10,000,000.”.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties. To induce the Lenders and the Agents to enter into this Agreement, the Borrower hereby represent and warrant to the Lenders and the Agents that:

- (a) the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement are true and correct on the date hereof as if made on the date hereof except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date); and
- (b) no Default has occurred and is continuing or would arise upon this Agreement becoming effective.

**ARTICLE 4
CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT**

4.1 Conditions Precedent. This Agreement shall not become effective until this Agreement shall have been executed and delivered by the parties hereto.

**ARTICLE 5
MISCELLANEOUS**

5.1 Full Force and Effect. Except as expressly amended by this Agreement, all of the terms, covenants and conditions contained in the Existing Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Existing Credit Agreement shall be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Existing Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or

future action on the part of the Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This Agreement constitutes a Credit Document.

5.2 Future References to the Credit Agreement. On and after the date of this Agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Existing Credit Agreement as amended hereby. The Existing Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.4 Inurement. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

5.5 Conflict. If any provision of this Agreement is inconsistent or conflicts with any provision of the Existing Credit Agreement, the relevant provision of this Agreement shall prevail and be paramount. This Agreement shall not create any novation.

5.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this Agreement and to each and every provision hereof.

5.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This Agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this Agreement shall deliver original executed counterparts of this Agreement to each of the other parties to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

HARTE GOLD CORP.

By: 

Name: Frazer Bouchier

Title: President & CEO

By: 

Name: Graham du Preez

Title: EVP & CFO

BNP PARIBAS, as Administrative Agent



By: _____

Name: Carlos Urquiaga

Title: Managing Director

By:



Name: Antonio Pichardo

Title: Director

BNP PARIBAS, as Technical Agent



By: _____

Name: Carlos Urquiaga

Title: Managing Director

By:



Name: Antonio Pichardo

Title: Director

BNP PARIBAS, as Lender



By: _____

Name: Carlos Urquiaga
Title: Managing Director

By:



Name: Antonio Pichardo
Title: Director

FIRST AMENDING AGREEMENT

THIS AGREEMENT dated as of the 11 day of December, 2020.

BETWEEN:

BNP PARIBAS

(herein, in its capacity as administrative agent of the Lenders, called the “**Administrative Agent**”)

- and -

BNP PARIBAS

(herein, in its capacity as technical agent of the Lenders, called the “**Technical Agent**” and together with the Administrative Agent, the “**Agents**”)

- and -

BNP PARIBAS and certain other financial institutions from time to time party to the Credit Agreement

(herein, in their capacities as lenders to the Borrower, collectively called the “**Lenders**” and individually called a “**Lender**”)

- and -

HARTE GOLD CORP, a corporation incorporated under the laws of Ontario

(herein called the “**Borrower**”)

WHEREAS each of the Borrower, the Lenders and the Agents are party to an amended and restated credit agreement dated as of August 28, 2020 (the “**Existing Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend the Existing Credit Agreement pursuant to this Agreement (the Existing Credit Agreement as amended by this Agreement, the “**Credit Agreement**”);

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

**ARTICLE 1
DEFINED TERMS**

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement.

**ARTICLE 2
AMENDMENTS TO CREDIT AGREEMENT**

2.1 Amendments.

- (a) The definition of "Permitted Indebtedness" in Section 1.1 of the Existing Credit Agreement is hereby amended by deleting "and" at the end of clause (j), renumbering clause (k) to clause (l), and adding a new clause (k) as follows:

"(k) Indebtedness of the Obligors under credit card arrangements entered into between such Obligor and The Bank of Nova Scotia, not to exceed \$50,000, in the aggregate; and"; and

- (b) The definition of "Permitted Liens" in Section 1.1 of the Existing Credit Agreement is hereby amended by deleting "and" at the end of clause (u), renumbering clause (v) to clause (w), and adding a new clause (v) as follows:

"(v) Liens granted to The Bank of Nova Scotia by an Obligor to secure Indebtedness under clause (k) of the definition of "Permitted Indebtedness"; and".

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties. To induce the Lenders and the Agents to enter into this Agreement, the Borrower hereby represent and warrant to the Lenders and the Agents that:

- (a) the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement are true and correct on the date hereof as if made on the date hereof except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date); and
- (b) no Default, other than the Subject Default, has occurred and is continuing or would arise upon this Agreement becoming effective.

**ARTICLE 4
CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT**

4.1 Conditions Precedent. This Agreement shall not become effective until this Agreement shall have been executed and delivered by the parties hereto.

**ARTICLE 5
MISCELLANEOUS**

5.1 Full Force and Effect. Except as expressly amended by this Agreement, all of the terms, covenants and conditions contained in the Existing Credit Agreement and the other Finance Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments to the Existing Credit Agreement shall be limited precisely as provided for herein, and shall not be deemed to be an amendment to any other term or provision of the Existing Credit Agreement or the other Finance Documents, any other instrument referred to therein or herein or of any transaction or future action on the part of the Borrower which would require the consent of the Lenders under the Credit Agreement or any other document, instrument or agreement. This Agreement constitutes a Credit Document.

5.2 Future References to the Credit Agreement. On and after the date of this Agreement, each reference in the Credit Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Credit Agreement, and each reference in any related document to the “Credit Agreement”, “thereunder”, “thereof”, or words of like import referring to the Credit Agreement, shall mean and be a reference to the Existing Credit Agreement as amended hereby. The Existing Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.4 Inurement. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

5.5 Conflict. If any provision of this Agreement is inconsistent or conflicts with any provision of the Existing Credit Agreement, the relevant provision of this Agreement shall prevail and be paramount. This Agreement shall not create any novation.

5.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this Agreement and to each and every provision hereof.

5.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This Agreement may be duly executed by way of facsimile or electronic signature, however, any party so executing this Agreement shall deliver original executed counterparts of this Agreement to each of the other parties to this Agreement.

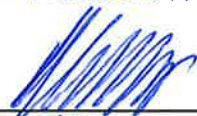
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

HARTE GOLD CORP.

By: 

Name: Fred Bourcier
Title: President & CEO

By: 

Name: Abraham da Prez
Title: EUP & CEO

BNP PARIBAS, as Administrative Agent



By: _____
Name: Antonio Pichardo
Title: Director



By: _____
Name: Carlos Urquiaga
Title: Managing Director

BNP PARIBAS, as Technical Agent



By: _____
Name: Antonio Pichardo
Title: Director



By: _____
Name: Carlos Urquiaga
Title: Managing Director

BNP PARIBAS, as Lender



By: _____
Name: Antonio Pichardo
Title: Director



By: _____
Name: Carlos Urquiaga
Title: Managing Director

HARTE GOLD CORP.
as Borrower

and

BNP PARIBAS
as Sole Lead Arranger

and

BNP PARIBAS
as Administrative Agent

and

BNP PARIBAS
as Documentation Agent

and

BNP PARIBAS
as Technical Agent

and

THE LENDERS
FROM TIME TO TIME PARTIES HERETO

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of August 28, 2020

FASKEN

Fasken Martineau DuMoulin LLP
Toronto, Ontario

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AMENDED AND RESTATED CREDIT AGREEMENT dated as of August 28, 2020 among Harte Gold Corp., a corporation incorporated under the laws of Ontario, as borrower (the “**Borrower**”), the lending institutions from time to time parties hereto as Lenders, BNP Paribas, as Administrative Agent and BNP Paribas, as Technical Agent.

WHEREAS pursuant to a credit agreement made as of June 10, 2019 between the Borrower, the lenders party thereto, the Administrative Agent and the Technical Agent (as amended to the date hereof, the “**Existing Credit Agreement**”), such lenders established certain credit facilities in favour of the Borrower;

AND WHEREAS the parties hereto wish to enter into this agreement in order to amend and restate the provisions of the Existing Credit Agreement without novation on and subject to the terms and conditions of this agreement for the purposes set forth herein, all with effect as of and from the Restatement Date;

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

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

The following defined terms shall for all purposes of this agreement, or any amendment, substitution, supplement, replacement, restatement or addition hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

“\$” denotes U.S. dollars.

“**Accommodation**” means any extension of credit by a Lender to the Borrower under this agreement.

“**Acquisition**” means:

- (a) if the acquisition is a share purchase, the Borrower acquires beneficial or legal control of Shares representing more than 50% of the ordinary voting power for the election of directors or other governing position (if no board of directors) or otherwise shall Control the entity being acquired immediately following the completion of such acquisition (but not before); or
- (b) if the acquisition is an asset purchase, all or substantially all of the assets of the vendor (or of a division or unit of the vendor) are being acquired.

“**Additional Guarantors**” means any Material Subsidiary of the Borrower which becomes a Guarantor pursuant to Section 11.3(p).

“**Additional Material Project Document**” shall mean any agreement entered into by, or on behalf of, any Obligor subsequent to the Restatement Date involving aggregate consideration payable to or by any Obligor of US\$3,000,000 or more in any one year period to the development, construction, management, operation or financing of the Project (other than documents relating to the Secured Obligations and the Subscription Agreement) and the production, transportation, processing and sale of Product produced at the Project or such other agreements in connection therewith which are, subject to the following sentence, designated in writing by the Administrative Agent to the Borrower as a “Material Project Document”, which designation shall take into consideration whether there is a readily available substitute for such agreement and whether the breach or termination of such agreement would reasonably be expected to result in a Material Adverse Change. If the Borrower, within five Banking Days of its receipt of any such written designation disputes such written designation by the sending of a written notice thereof to the Administrative Agent, the Borrower and the Majority Lenders shall consult with respect to the materiality of such other agreement during the ten Banking Day period following the Administrative Agent’s receipt of such written notice from the Borrower provided that, if the Majority Lenders thereafter reaffirm in writing to the Borrower the initial designation by the Administrative Agent, such other agreement shall constitute an Additional Material Project Document from the date of the Borrower’s receipt of such reaffirmation.

“**Additional Project Authorization**” shall mean any Authorization required by the Borrower subsequent to the Closing Date, necessary for the development, construction, management, operation or financing of the Project as contemplated by the Mine Plan or Closure Plan, and the production, transportation, processing and sale of Product produced at the Project.

“**Administrative Agent**” means BNP Paribas, in its capacity as Administrative Agent of the Finance Parties, and any successor thereto pursuant to Section 14.12.

“**Administrative Agent Account**” means account no. [REDACTED], wire transfer particulars for which account are set forth below:

[REDACTED]

or such other account as the Administrative Agent may notify the Borrower and the Lenders from time to time and designate as the “**Administrative Agent Account**”.

“**Affiliate**” means an affiliated body corporate and, for the purposes of this agreement, (i) one body corporate is affiliated with another body corporate if one such body corporate is the Subsidiary of the other or both are Subsidiaries of the same body corporate or each of them is Controlled by the same Person and (ii) if

two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other; for greater certainty for the purposes of this definition, “**body corporate**” shall include a chartered bank.

“**Agents**” means the Administrative Agent and the Technical Agent and “**Agent**” means either of the Agents.

“**Alternate Base Rate**” means, at any particular time, the greater of (a) the Base Rate at such time and (b) the Federal Funds Effective Rate plus 5/8 of 1% per annum at such time.

“**Appian**” means AHG (Jersey) Limited (or an Affiliate thereof).

“**Appian Documents**” has the meaning ascribed to the term “Loan Documents” in the Appian Facility Agreement.

“**Appian Facility Agreement**” means the credit agreement dated as of August 28, 2020 entered into by the Borrower and Appian.

“**Appian Financing Agreement**” means the financing agreement dated July 14, 2020, as amended August 28, 2020, between the Borrower and ANR Investments 2 B.V.

“**Appian Obligations**” means the indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by an Obligor to Appian, or remaining unpaid to Appian, under or in connection with the Appian Facility Agreement.

“**Applicable Law**” means all laws, statutes, ordinances, decrees, judgments, codes, standards, acts, orders, by-laws, rules, regulations, approvals, permits and requirements of all Official Bodies, in each case having the force of law and which now or hereafter may be lawfully applicable to and enforceable against any Obligor or its property or any part thereof.

“**Applicable Rate**” means, at any particular time, the aggregate of (a) the applicable interest rate margin expressed as a percentage per annum which is in effect at such time based upon the Leverage Ratio for the Fiscal Quarter that is the subject of the quarterly Compliance Certificate most recently delivered by the Borrower to the Administrative Agent, as set forth in the table in Schedule J hereto plus, (b) at all times during the continuance of an Event of Default, 2% per annum (in order to compensate the Lenders for the additional risk) provided that (i) changes in the Applicable Rate on account of a change in the Leverage Ratio shall be effective as of the first day of the calendar month next following the relevant date on which the Compliance Certificate was due pursuant to Section 11.1(a)(iii) (and, in respect of a Compliance Certificate in respect of last Fiscal Quarter of a Fiscal Year which is delivered after March 31, the Leverage Ratio as disclosed in such Compliance Certificate shall be used to set the Applicable Rate on the following May 1 with a retroactive adjustment, if necessary, to April 1 to

the extent the Leverage Ratio in such Compliance Certificate results in a different pricing level (whether higher or lower) from the Leverage Ratio otherwise in effect on April 1 of such year) (ii) changes to the Applicable Rate on account of an Event of Default shall be effective immediately upon the occurrence of such Event of Default and for the duration thereof and (iii) changes in the Applicable Rate shall apply, as at the effective dates of such changes, to Accommodations outstanding on such dates, but only for those portions of the terms of such Accommodations after the effective date of such changes, as provided above. Notwithstanding the foregoing, if the Borrower fails to deliver a Compliance Certificate to the Administrative Agent by the date required to do so under Section 11.1(a)(iii), the Leverage Ratio shall be deemed as from such date to be at Level III until such failure is cured, at which time the Applicable Rate shall be determined in accordance with the table set forth in the definition of Applicable Rate, but without any adjustments having retroactive effect.

“**Authorization**” means any authorization, licence, lease, right, permit, franchise, privilege, registration, direction, decree, consent, concession, claim, right, order, permission, approval, qualification or authority issued or provided by an Official Body, and any replacements thereof or amendments thereto.

“**Available RT Credit**” means, at any particular time, the amount, if any, by which the RT Credit Limit at such time exceeds the aggregate amount of credit outstanding under the RT Facility at such time.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers.

“**Bail-In Legislation**” means in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

“**Banking Day**” means any day, other than Saturday and Sunday, on which banks generally are open for business in Toronto, Ontario, New York, New York and, for the purposes of determining LIBOR, London, England.

“**Basel III**” means the comprehensive set of voluntary reform measures, developed by the Basel Committee on Banking Supervision, which establishes a regulatory framework on bank capital adequacy, stress testing and market liquidity risk.

“**Base Rate**” means the variable rate of interest per annum equal to the rate of interest determined by the Administrative Agent from time to time as its base rate for United States dollar loans made by the Administrative Agent in the United States from time to time, being a variable per annum reference rate of interest adjusted automatically upon change by the Administrative Agent, calculated on the basis of a year of 360 days.

“**Base Rate Loan**” means monies lent by the Lenders to the Borrower in United States dollars and upon which interest accrues at a rate referable to the Alternate Base Rate.

“**Canadian Pension Plan**” means a Pension Plan established, maintained or contributed to by any Obligor for such Obligor’s Canadian employees or former employees and that is a “registered pension plan” as such term is defined in the *Income Tax Act* (Canada), other than a pension plan or arrangement administered by an Official Body.

“**Capital Expenditures**” means, for any particular period and without duplication, those expenditures of the Borrower on a consolidated basis which would, in accordance with generally accepted accounting principles, be considered capital expenditures of the Borrower for such period (specifically including those financed through Capital Leases).

“**Capital Lease**”, as applied to any Person, shall mean any lease of any property (whether real, personal or mixed and including, without limitation, equipment) by that Person as lessee that, in conformity with generally accepted accounting principles, is, or is required to be, accounted for as a finance lease obligation on the balance sheet of that Person.

“**Cash**” means cash (including for certainty, deposits with financial institutions) and Cash Equivalents of the Borrower determined on a consolidated basis.

“**Cash Equivalents**” means (i) securities issued or directly and fully guaranteed or insured by the Canadian or United States government or any agency or instrumentality thereof with maturities of 12 months or less from the date of acquisition, (ii) certificates of deposit and time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any Lender with operations in Canada or the United States, (iii) repurchase obligations for underlying securities of the types described in clauses (i) and (ii) entered into with any financial institution meeting the qualifications specified in clause (ii) above; (iv) commercial paper rated A 1 or the equivalent thereof by Moody’s or S&P and in each case maturing within one year after the date of acquisition; (v) investment funds investing at least 95% of their assets in securities of the types described in clauses (i) to (iv) above; and (vi) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody’s or S&P with maturities of 12 months or less from the date of acquisition.

“**Cash Management Agreement**” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements between any Obligor, on the one hand, and any one of the Qualified Cash Management Lenders (for so long as the relevant financial institution remains a Lender hereunder), on the other.

“**Cash Proceeds of Realization**” means the aggregate of (i) all Proceeds of Realization in the form of cash and (ii) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization, in each case expressed in United States dollars.

“**Change of Control**” means, with respect to the Borrower, (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons “acting jointly or in concert” (as contemplated by the *Securities Act* (Ontario)), of Shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Shares of the Borrower or (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower, by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

“**Closing Date**” means June 10, 2019.

“**Closure Plan**” means the Initial Closure Plan and, thereafter, any amended or updated Closure Plan delivered by the Borrower to the Administrative Agent and which has been accepted in writing by the Administrative Agent, acting reasonably and in accordance with Section 1.21.

“**Closure Plan Consultant**” means the qualified consultant that the Lenders may appoint, in consultation with the Borrower, from time to time.

“**Code**” means the Internal Revenue Code of 1986 of the United States, as amended from time to time, and any successor statute and including all regulations issued under all such statutes.

“**Compliance Certificate**” means a compliance certificate, in the form attached as Schedule B and signed by a senior financial officer of the Borrower without personal liability, evidencing compliance with the terms of this agreement.

“**Contributing Lender**” shall have the meaning ascribed thereto in Section 3.3.

“**Control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting equity, by contract or otherwise and “**Controlled**” shall have a similar meaning.

“**CRD IV**” means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC.

“**Conversion Notice**” shall have the meaning ascribed thereto in Section 6.2.

“**Credit Documents**” means this agreement, the Fee Letter, the Guarantees, the Security Documents, the Perfection Certificates, the Post-Closing Matters

Agreement, the Intercreditor Agreement and all instruments, certificates and agreements executed and delivered by the Obligors in favour of the Finance Parties from time to time in connection with this agreement or any other Credit Document, but specifically excluding Risk Management Agreements and Cash Management Agreements.

“**Credit Facilities**” means the RT Facility and the NRT Facility and “**Credit Facility**” means either of the Credit Facilities.

“**Credit Excess**” means the RT Credit Excess or the NRT Credit Excess, as applicable.

“**Credit Limit**” means the RT Credit Limit or the NRT Credit Limit, as applicable.

“**Credit Facilities Repayment Date**” means the date on which all Secured Obligations owing by the Obligors to the Finance Parties or any of them, or remaining unpaid to the Finance Parties or any of them, under the Credit Facilities has been satisfied in full and the Credit Facilities have terminated pursuant to Section 2.4.

“**CRR**” means Regulation (EU) no. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012.

“**DB Pension Plan**” means (a) a Canadian Pension Plan with a “defined benefit provision” as such term is defined in the *Income Tax Act* (Canada), or (b) a Non-Canadian Pension Plan under which any defined benefits are payable.

“**Debenture**” has the meaning ascribed thereto in Schedule H.

“**Default**” means any event or circumstance which is, or which, with the passage of time, the giving of notice, or any combination of the foregoing, would be, an Event of Default; provided, however, the making of any offer that would, if consummated, result in a Change of Control shall not, in and of itself, constitute a Default.

“**Defaulting Lender**” shall have the meaning ascribed thereto in Section 3.3.

“**Derivative Exposure**” in relation to any Person (the “**relevant party**”) and any counterparty of the relevant party at any time means the net amount which would be payable by the relevant party to that counterparty, or by that counterparty to the relevant party, as the case may be, pursuant to all Risk Management Agreements entered into between them and in effect at that time if the transactions governed thereby were to be terminated as the result of the early termination thereof. If the Derivative Exposure would be payable by the relevant party to the counterparty of the relevant party at the relevant time of

determination, it is referred to herein as “**Out-of-the-Money Derivative Exposure**”.

“**Derivatives Transactions**” means one or more transactions that are or will be governed by a Risk Management Agreement.

“**Designated Account**” means, with respect to transactions in a particular currency, the account of the Borrower designated in writing to the Administrative Agent for the purposes of transactions in such currency under this agreement.

“**Discretionary Hedges**” shall have the meaning ascribed thereto in Schedule N.

“**Distribution**” means:

- (a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any Shares of the Borrower, other than a dividend declared, paid or set aside for payment by the Borrower which is payable in Shares of the Borrower;
- (b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any Shares of the Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for Shares of the Borrower, including, without limitation, options, warrants, conversion or exchange privileges and similar rights;
- (c) the payment or prepayment of interest or the repayment or prepayment of principal with respect to Indebtedness of the Borrower convertible into Shares of the Borrower; and
- (d) the payment by the Borrower of any royalty, consulting fee, management fee, guarantee fee, bonus or similar fee to its shareholders or any Affiliate of the Borrower (other than payments consistent with existing compensation for management in accordance with customary practice).

“**Doré**” means that form of precious metal ingot containing gold and other metals produced from the Project.

“**Drawdown Notice**” shall have the meaning ascribed thereto in Section 4.1.

“**EBITDA**” means, for any particular Fiscal Quarter, Net Income for such Fiscal Quarter:

- (a) plus (to the extent otherwise deducted) income and mining tax expenses for such Fiscal Quarter;
- (b) plus (to the extent otherwise deducted) Interest Expenses for such Fiscal Quarter;

- (c) minus (to the extent otherwise included) Interest Income for such Fiscal Quarter;
- (d) plus (to the extent otherwise deducted) any extraordinary or unusual losses and unrealized losses for such Fiscal Quarter;
- (e) minus (to the extent otherwise included) any extraordinary or unusual gains and unrealized gains for such Fiscal Quarter;
- (f) plus (to the extent otherwise deducted) any loss against book value or reserves incurred by an Obligor on the disposal or abandonment of any business or asset (not being a disposal made in the ordinary course of business) during such Fiscal Quarter or any discontinued operations;
- (g) minus (to the extent otherwise included) any gain over book value or reserves incurred by an Obligor on the disposal or abandonment of any business or asset (not being a disposal made in the ordinary course of business) during such Fiscal Quarter or any discontinued operations;
- (h) plus (to the extent otherwise deducted) depreciation of fixed assets and amortization of goodwill or intangible assets during such Fiscal Quarter;
- (i) plus (to the extent otherwise deducted) depletion expense during such Fiscal Quarter;
- (j) plus (to the extent otherwise deducted) the amount of capitalized expenditures during such Fiscal Quarter;
- (k) plus (to the extent otherwise deducted) other non-cash expenses deducted in calculating Net Income, including non-cash stock expenses relating to stock-based compensation, and unrealized losses incurred in connection with Risk Management Agreements during such Fiscal Quarter;
- (l) minus (to the extent otherwise included) any unrealized gains incurred in connection with Risk Management Agreements during such Fiscal Quarter;
- (m) plus (to the extent otherwise deducted) any losses from operations held for sale and any foreign exchange losses during such Fiscal Quarter;
- (n) minus (to the extent otherwise included) any gains from operations held for sale and any foreign exchange gains during such Fiscal Quarter;
- (o) minus (to the extent otherwise included) any non-cash income and gains; and
- (p) plus (to the extent otherwise deducted) any other non-cash expenses and losses.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“**Employee Benefit Plan**” means any employee benefit plan maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Obligor that is not a Pension Plan, including any profit sharing, savings, supplemental retirement, retiring allowance, severance, deferred compensation, welfare, bonus, incentive compensation, phantom stock, supplementary unemployment benefit plan or arrangement and any life, health, dental and disability plan or arrangements in which the employees or former employees of any Obligor participate or are eligible to participate, in each case whether funded or unfunded, insured or self-insured, registered or unregistered, but excluding all stock option or stock purchase plans.

“**Enforcement Date**” means:

- (a) at all times prior to the Credit Facilities Repayment Date, the date on which the Administrative Agent notifies the Borrower, pursuant to Section 13.1, that all indebtedness of the Obligors to the Lenders under the Credit Facilities has become immediately due and payable or on which such indebtedness automatically becomes due and payable pursuant to Section 13.1, whichever occurs first; or
- (b) on and at all times after the Credit Facilities Repayment Date, the date on which a Finance Party notifies an Obligor that all indebtedness of such Obligor to such Finance Party under the relevant Finance Document has become immediately due and payable or on which such indebtedness automatically becomes due and payable, whichever occurs first.

“**Environment**” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

“**Environmental Law**” means any Applicable Law that addresses, is related to or is otherwise concerned with environmental, health or safety issues, including any Applicable Law relating to any emissions, releases or discharges of Hazardous Materials into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, existence, treatment, storage, disposal, transport, handling, clean-up or control of Hazardous Materials, including the Equator Principles and the World Bank Environment, Health and Safety Guidelines for Mining and Milling, each as amended from time to time.

“**Equator Principles**” means those principles so entitled and described in “the ‘Equator Principles - June 2013’”. A financial industry benchmark for determining, assessing and managing environmental and social risk in Projects, and available at <http://www.equator->

principles.com/resources/equator_principles_III.pdf, as adopted in such form by certain financial institutions.

“Equity” means, at any particular time with respect to any Person, the amount which would in accordance with generally accepted accounting principles, be classified on the consolidated balance sheet of such Person at such time as shareholders’ equity of such Person at such time.

“Equivalent” shall have the meaning ascribed to such term in Section 15.9.

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor Person) from time to time.

“Event of Default” means any one of the events set forth in Section 13.1.

“Exchange Equivalent” means, as of any particular date, with reference to any amount (the “original amount”) expressed in a particular currency (the “original currency”), the amount expressed in another currency which would be required to buy the original amount of the original currency using the 4:30 pm (Toronto time) Bank of Canada spot rate quoted by the Administrative Agent for such date and for comparable amounts of such original currency.

“Excluded Property” means the assets, property and undertaking set out in Schedule R.

“Excluded Taxes” means, any of the following Taxes imposed on or with respect to any Finance Party or any other recipient (in each case, including any applicable lending office or branch thereof), required to be withheld or deducted from any payment to be made by or on account of any obligation of an Obligor hereunder: (a) income, branch profits or franchise Taxes imposed on (or measured by) its taxable income or capital, in each case (i) by a jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or is located or in which its principal office is located, or (ii) by reason of any connection between the jurisdiction (or any political subdivision thereof) imposing any such Tax and such recipient, other than any connection arising solely from such recipient having executed, delivered, become party to or performed its obligations under, or received payment under, or received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced, this agreement or any other Finance Document or sold or assigned an interest in any Loan or Finance Document; (b) any U.S. federal withholding tax imposed under FATCA; (c) Taxes attributable to such Finance Party’s failure to comply with Section 8.6(e); and (d) any Canadian withholding Taxes imposed under Part XIII of the *Income Tax Act* (Canada) by reason of (i) such Finance Party not dealing at arm’s length (for purposes of the *Income Tax Act* (Canada)) with the Obligor, or such payment is in respect of a debt or other obligation to pay an amount to a person with whom the Obligor is not dealing at arm’s length (for purposes of the *Income Tax Act* (Canada)), or (ii) such Finance Party being a “specified non-resident shareholder” (as defined in subsection 18(5) of the *Income*

Tax Act (Canada) of the Obligor, or not dealing at arm's length (for purposes of the *Income Tax Act* (Canada)) with a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada) of the Obligor except, for purposes of this paragraph (d), where an Event of Default has occurred and is continuing, or where the non-arm's length relationship arises as described in (i), or where the Finance Party is a "specified non-resident shareholder" or does not deal at arm's length with a "specified shareholder" as described in (ii), in each case, on account of the Finance Party having become a party to, received or perfected a security interest under or received or enforced any rights under or in respect of any Finance Document.

"Excess Cash Flow" means, for any Fiscal Quarter and calculated on a consolidated basis, aggregate EBITDA of the Borrower for such Fiscal Quarter less the aggregate of following amounts (without duplication): (i) Tax expenses of the Borrower paid in cash during such Fiscal Quarter; (ii) Capital Expenditures for such Fiscal Quarter, to the extent not financed by Permitted Indebtedness; (iii) Interest Expense paid in cash during such Fiscal Quarter; (iv) other documented fees and expenses payable in connection with any Permitted Indebtedness, paid in cash during such Fiscal Quarter; (v) scheduled principal payments made or required to be made in respect of Permitted Indebtedness during or in respect of such Fiscal Quarter; (vi) payments made under Capital Leases or Purchase Money Indebtedness during such Fiscal Quarter; (vii) an amount equal to any increase in working capital of the Borrower for such Fiscal Quarter and (viii) payments made by the Borrower with respect to its hedging activities under Risk Management Agreements.

"Existing Credit Agreement" is used with the defined meaning set forth in the recitals to this agreement.

"Exposure" means, with respect to a particular Finance Party at a particular time, the amount of the Secured Obligations owing to such Finance Party at such time, determined by such Finance Party in good faith in accordance with Section 14.21.

"FATCA" means Sections 1471 through 1474 of the Code as in effect on the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and, in each case, any current or future regulations or current official interpretations thereof.

"Federal Funds Effective Rate" means, for any particular day, the variable rate of interest per annum, calculated on the basis of a year of 360 days and for the actual number of days elapsed, equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York or, for any Banking Day on which such rate is not so published by the Federal Reserve Bank of New York, the average of the quotations for such day for such transactions received by the Administrative

Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

“**Fee Letter**” means the fee letter dated August 28, 2020 between BNP Paribas and the Borrower.

“**Finance Documents**” means the Credit Documents, the Qualified Risk Management Agreements and the Cash Management Agreements.

“**Finance Parties**” means the Agents, the Lenders, the Qualified Risk Management Lenders and the Qualified Cash Management Lenders.

“**Fiscal Quarter**” means any of the three-month periods ending on the last day of March, June, September and December in each year.

“**Fiscal Year**” means any of the twelve-month periods ending on the last day of December in each year.

“**Force Majeure**” shall mean an act of God, labour dispute and industrial action of any kind (including a strike, interruption, slowdown and other similar action on the part of organized labour), a lockout, act of the public enemy, war (declared or undeclared), civil war, sabotage, blockade, revolution, riot, insurrection, civil disturbance, terrorism, epidemic, cyclone, tidal wave, landslide, lightning, earthquake, flood, storm, fire, adverse weather conditions, expropriation, nationalization, acts of eminent domain, volcanic explosion, explosion, breakage or accident to machinery or equipment or pipe or transmission line or other facility, embargo, inability to obtain or delay in obtaining equipment, materials or transport, or any other event whether similar to the foregoing or not which is not within the reasonable control of the Borrower.

“**FRB**” means the Board of Governors of the Federal Reserve System of the United States of America.

“**Funding Date**” means the date of the initial extension of credit under the NRT Facility.

“**generally accepted accounting principles**” or “**GAAP**” means IFRS in effect in Canada from time to time.

“**Guarantees**” means the guarantees to be entered into by the Guarantors in favour of the Administrative Agent for the benefit of the Finance Parties, in form and substance satisfactory to the Administrative Agent, and pursuant to which each Guarantor shall guarantee all of the Secured Obligations of the other Obligors.

“**Guarantors**” means each Additional Guarantor.

“**Hazardous Materials**” means any waste or other substance that is hazardous, radioactive, toxic, a pollutant or a contaminant, or that is regulated, listed,

defined, designated, or classified, or otherwise determined to be, as such under or pursuant to any Environmental Law, including any mixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes thereof and asbestos or asbestos-containing materials and cyanide or cyanide-containing compounds.

“**IFRS**” means, at any given date, International Financial Reporting Standards, which include standard and interpretations adopted by the International Accounting Standards Board, applied on a consistent basis.

“**Indebtedness**” of any Person means, without duplication, (i) indebtedness of such Person for borrowed money or for the deferred purchase price of property and services, other than trade payables incurred in the ordinary course of business and payable in accordance with customary practices (but in any event less than 90 days), (ii) other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (iii) obligations of such Person under any Capital Lease, (iv) contingent obligations of such Person in respect of any letter of credit, bank guarantee or surety bond except to the extent collateralized by Cash or Cash Equivalents, (v) to the extent accelerated, the Out-of-the-Money Derivative Exposure of such Person, (vi) commodity loans, (vii) the amount of any upfront payment from any metal stream, pre-paid commodity hedge or pre-paid forward agreement for goods that have yet to be delivered, regardless of the accounting treatment of same, and (viii) the contingent obligations of such Person under any guarantee or other agreement assuring payment of any obligations of any Person of the type described in the foregoing clauses (i) to (vii). Notwithstanding the foregoing, any holdback required pursuant to Applicable Law shall not be considered Indebtedness for purposes this agreement.

“**Indemnified Liabilities**” shall have the meaning ascribed thereto in Section 8.5(a) or Section 8.5(b), as applicable.

“**Indemnified Parties**” shall have the meaning ascribed thereto in Section 8.5(a).

“**Indemnified Taxes**” means all Taxes other than Excluded Taxes.

“**Independent Technical Consultant**” means Hatch Advisory or such other independent technical consultant as the Lenders may appoint, in consultation with the Borrower, from time to time.

“**Individual Commitment**” means, with respect to a particular Lender and a particular Credit Facility, the amount set forth in Schedule A attached hereto, as reduced or amended from time to time pursuant to Sections 2.3, 8.3, 9.1, 9.2 and 15.5, as the Individual Commitment of such Lender with respect to such Credit Facility, provided that, upon the termination of a Credit Facility pursuant to Section 2.4, the Individual Commitment of each Lender with respect to such Credit Facility shall thereafter be equal to the amount of outstanding credit extended to the Borrower by such Lender under such Credit Facility immediately prior to the termination of such Credit Facility.

“Initial Closure Plan” means the closure plan for the Project completed by the Director of Mine Rehabilitation and dated May 3, 2019, which closure plan for the Project specifies, among other things, the estimated quantum of reclamation, rehabilitation and remediation obligations of the Borrower associated with the Project and the Cash, letters of credit and/or surety bonds that the Borrower shall maintain for such reclamation, rehabilitation and remediation obligations, in each case, in a form and as required by Applicable Law.

“Initial Mine Plan” means the life of mine development and operating plan for the Project completed by P&E Mining Consultants Inc. in connection with their Feasibility Study dated effective February 14, 2019, which life of mine development and operating plan for the Project has been approved by the Lenders in consultation with the Independent Technical Consultant.

“Intellectual Property” shall mean all issued patents and patent applications, industrial design registrations, trade-marks, registrations and applications therefor, trade-names and styles, logos, copyright registrations and applications therefor, all of the foregoing owned by or licensed to any Obligor and used in or necessary to the operation of its business.

“Intercreditor Agreement” means the intercreditor agreement dated August 28, 2020 among the Administrative Agent, for and on behalf of the Finance Parties, AHG (Jersey) Limited and the Borrower.

“Interest Coverage Ratio” means, for any particular Fiscal Quarter, the ratio of Rolling EBITDA for such Fiscal Quarter to Rolling Interest Expenses for such Fiscal Quarter.

“Interest Expenses” means, for any particular period, the aggregate amount which would, in accordance with generally accepted accounting principles, be classified on the combined statements of earnings of the Borrower and the Guarantors for such period as cash interest expenses and interest equivalents.

“Interest Income” means, for any particular period, the amount which would, in accordance with generally accepted accounting principles, be classified on the consolidated income statement of the Borrower for such period as interest accrued due to the Borrower during such period.

“Interest Period” means, in the case of any LIBOR Loan, the applicable period for which interest on such LIBOR Loan shall be calculated pursuant to Article 7.

“Investment” shall mean any advance, loan, extension of credit or capital contribution to, purchase of Shares, bonds, notes, debentures or other securities of, or any other investment made in, any Person but shall exclude (i) any Acquisition, (ii) any acquisition of tangible personal property, (iii) any capital or exploration expenditures, and (iv) accounts receivable arising from sales or services rendered in the ordinary course of business.

“**Knowledge of the Borrower**” means, at any particular time, (i) the conscious knowledge of the senior management of the Borrower and (ii) the senior mine manager or operations manager (general manager) at the Project.

“**LBMA**” means the London Bullion Market Association, the international trade association representing the London market for gold and silver bullion and any successor association.

“**Lenders**” means the individual financial institutions set out and described in Schedule A, as amended from time to time and “**Lender**” means any of the Lenders.

“**Leverage Ratio**” means, for any Fiscal Quarter, the ratio of (i) Total Indebtedness at the last day of such Fiscal Quarter to (ii) Rolling EBITDA for such Fiscal Quarter.

“**LIBOR**” means, in relation to any LIBOR Loan:

- (a) the applicable Screen Rate for dollars; or
- (b) (if no Screen Rate is available for the Interest Period of that LIBOR Loan) the Reference Bank Rate for U.S. dollars,

as of 11:00 a.m. (London, England time) on the second Banking Day before the requested Loan and for a period comparable to the Interest Period of that LIBOR Loan and, if any such rate is below zero, LIBOR shall be deemed to be zero.

“**LIBOR Loan**” means monies lent by the Lenders to the Borrower in United States dollars and upon which interest accrues at a rate referable to LIBOR (Reserve Adjusted).

“**LIBOR (Reserve Adjusted)**” means, for a particular Interest Period, the rate per annum, calculated on the basis of a year of 360 days, determined pursuant to the following formula (and rounded up to the nearest 1/16 of 1%):

$$\text{LIBOR (Reserve Adjusted)} = \frac{\text{LIBOR for such Interest Period}}{1 - \text{LIBOR Reserve Percentage for such Interest Period}}$$

LIBOR (Reserve Adjusted) for any Interest Period for LIBOR Loans will be determined by the Administrative Agent on the basis of the LIBOR Reserve Percentage in effect on, and the applicable rates furnished to and received by the Administrative Agent, two Banking Days before the first day of such Interest Period.

“**LIBOR Reserve Percentage**” means, for a particular Interest Period, the reserve percentage (expressed as a decimal) equal to the maximum aggregate reserve requirements (including all basic, emergency, supplemental, marginal and other

reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) specified under regulations issued from time to time by the FRB and then applicable to assets or liabilities consisting of and including “Eurocurrency Liabilities”, as currently defined in Regulation D of the FRB, having a term approximately equal or comparable to such Interest Period.

“**Lien**” means any deed of trust, mortgage, charge, hypothec, assignment, pledge, lien, vendor’s privilege, vendor’s right of reclamation, security interest, deemed trust or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by operation of law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation (including any agreement to give any of the foregoing).

“**Life of Mine**” shall mean the period during which Proven and Probable Reserves of the Project are planned to be extracted in part or in full and the Project is to be operated in accordance with the Mine Plan.

“**Liquidity**” means, at any particular time, the aggregate of (i) the Unrestricted Cash at such time and (ii) the readily saleable and insured Doré of the Borrower.

“**Loan**” means Prime Rate Loans, Base Rate Loans and LIBOR Loans.

“**London Good Delivery**” means the standards and specifications for gold and silver bullion that is accepted for trading on the London bullion market as established and published from time to time by the LBMA.

“**Majority Lenders**” means, (i) subject to clause (ii), such group of Lenders (and, if there are less than three Lenders, all of the Lenders) whose Individual Commitments aggregate at least two-thirds of the aggregate amount of the Individual Commitments of all of the Lenders at such time and (ii) at any time (x) after the Enforcement Date or (y) after the Credit Facilities Repayment Date, such group of Finance Parties which have aggregate Exposure in an amount at least two thirds of the aggregate Exposure of all of the Finance Parties at such time.

“**Mandatory Gold Hedges**” shall have the meaning ascribed thereto in Schedule N.

“**Market Disruption Event**” means:

- (a) at or about 11:00 a.m. (London, England time) on the second Banking Day before the requested LIBOR Loan for the relevant Interest Period, the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Administrative Agent to determine LIBOR for United States dollars and Interest Period; or
- (b) before close of business in London, England on the second Banking Day before the requested LIBOR Loan for the relevant Interest Period, the Administrative Agent receives notification from at least two Lenders

(whose Pro Rata Share in a LIBOR Loan exceed in aggregate 30% of that LIBOR Loan) that the cost to it of obtaining matching deposits in the London interbank market would be in excess of LIBOR.

“Material Adverse Change” means any change of circumstances or event (or series of changes or events) which causes a Material Adverse Effect.

“Material Adverse Effect” means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) on:

- (a) the business, operations, properties, assets, prospects or condition (financial or otherwise) of the Obligor and the Project, taken as a whole;
- (b) the ability of any Obligor to perform its material obligations in any material respect under the Transaction Documents to which it is a party and, for the purposes of the definition of “Material Adverse Change” only, taken as a whole, subject always to any replacement rights with respect to Material Project Documents as set forth herein; or
- (c) the ability of any Finance Party to enforce its material rights in any material respect under the Finance Documents and, for the purposes of the definition of **“Material Adverse Change”** only, taken as a whole.

“Material Project Documents” shall mean collectively, the agreements listed in Schedule K hereto and, after the execution and delivery of this agreement, each Additional Material Project Document and any replacement of any thereof.

“Maturity Date” means the NRT Facility Maturity Date and the RT Maturity Date or any of them, as the context may require.

“Material Subsidiary” means each present and future Subsidiary of the Borrower that (i) has a direct or indirect ownership interest in the Project and/or (ii) has assets, determined on an unconsolidated basis and excluding all intra-Obligor items and Investments in any Obligor, in excess of \$2,500,000 in the aggregate.

“Mine Plan” means, as of the Restatement Date, the Initial Mine Plan and, thereafter, the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent which, subject to Section 11.1(a)(iv)(B), has been approved in writing by the Administrative Agent, on behalf of and on the instructions of the Majority Lenders, in consultation with the Independent Technical Consultant, in each case, acting reasonably.

“Mining Claims and Leases” means the mining claims, mining concessions and mining leases set out in Schedule 5 to the Borrower’s Perfection Certificate, as the same may be amended, modified, supplemented or replaced from time to time in accordance with the provisions hereof.

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor by merger or consolidation to its business.

“**Net Income**” means, for any particular period, the amount which would, in accordance with generally accepted accounting principles, be classified on the consolidated income statement of the Borrower for such period as the net income of the Borrower excluding any extraordinary items.

“**Non-Canadian Pension Plan**” shall mean any plan, fund or other similar program that (a) is established or maintained outside Canada by any Obligor primarily for the benefit of employees of such Obligor residing outside Canada, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not a Canadian Pension Plan.

“**Non-FATCA Compliant Lender**” means any Lender hereunder who is in breach of its obligations under FATCA.

“**NRT Credit Excess**” means, as at a particular date, the amount, if any, by which the amount of credit outstanding under the NRT Facility as at the close of business on such date exceeds the NRT Credit Limit as at the close of business on such date.

“**NRT Credit Limit**” means \$46,911,750, as such amount may be reduced from time to time pursuant to Section 2.3.

“**NRT Facility**” shall have the meaning ascribed thereto in Section 2.1(b).

“**NRT Maturity Date**” means June 30, 2025.

“**Obligors**” means the Borrower and the Guarantors.

“**Official Body**” means any federal, national, state or municipal government or government of any political subdivision thereof, or any agency, public registry, authority, board, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury, mediator, arbitrator or referee, whether foreign or domestic, in each case with jurisdiction applicable to any Obligor.

“**Option and Joint Venture Agreement**” means the option and joint venture agreement dated July 10, 1998 among the Borrower, Corona Gold Corporation, John E. Ternowsky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer I. Belisle, Broad Horizons Trust and Broad Horizons Inc., as amended, restated, supplemented or otherwise modified from time to time.

“**Other Taxes**” shall have the meaning ascribed thereto in Section 8.6(b).

“**Out-of-the-Money Derivative Exposure**” has the meaning given to it in the definition of “**Derivative Exposure**”.

“**Participant**” shall have the meaning ascribed thereto pursuant to Section 15.5.

“**Participation**” shall have the meaning ascribed thereto pursuant to Section 15.5.

“**Payment**” shall have the meaning ascribed thereto in Section 8.6(a).

“**Pension Event**” means any of the following: (i) the termination or wind-up in whole or in part of a Canadian Pension Plan, (ii) the occurrence of any circumstance or event that would provide any basis for a governmental authority to take steps to cause the termination or wind-up, in whole or in part, of any Canadian Pension Plan, the issuance of a notice (or a notice of intent to issue such a notice) to terminate in whole or in part any Canadian Pension Plan or the receipt of a notice of intent from a governmental authority to require the termination in whole or in part of any Canadian Pension Plan, revoking the registration of same or appointing a new administrator of such a plan, (iii) the withdrawal of an Obligor from a Canadian Pension Plan or the receipt by an Obligor of notice requiring or threatening to require the withdrawal of an Obligor from a Canadian Pension Plan, (iv) the failure to make any required contribution or payment to a Canadian Pension Plan when due unless such failure is (A) promptly remedied and (B) cannot, after so being remedied, be reasonably be expected to have a Material Adverse Effect, or (v) the occurrence of any circumstance or event related to a Non-Canadian Pension Plan that could reasonably be expected to have a Material Adverse Effect.

“**Pension Plan**” means any Canadian Pension Plan or Non-Canadian Pension Plan.

“**Perfection Certificate**” means, in respect of each Obligor, the certificate of a Senior Officer of such Obligor, addressed to the Administrative Agent, in form and substance satisfactory to the Administrative Agent and pursuant to which certain factual matters relating to such Obligor and the Secured Assets of such Obligor are certified true and correct in all material respects, together with all schedules and exhibits attached thereto or referred to therein, as the same may be updated from time to time pursuant to Section 11.1(a).

“**Period End Date**” means the last day of an Interest Period.

“**Permitted Acquisition**” means any Acquisition with respect to which:

- (a) the business of the entity being acquired is, (in the case of an Acquisition of Shares) or the assets being acquired are used in or relate to, (in the case of an asset Acquisition) a business engaged in the exploration or mining of base or precious metals or such other line of business as is substantially similar, ancillary or related thereto or a reasonable extension thereof;
- (b) no Default or Event of Default exists at the time of such proposed Acquisition and no Default or Event of Default would exist immediately after the implementation of any such proposed Acquisition;

- (c) each covenant set out in Section 11.2 would be met, on a pro forma basis, immediately after giving effect to the implementation of any such Acquisition;
- (d) the assets acquired are situate in, or the entity acquired is incorporated or otherwise formed in, a Permitted Jurisdiction;
- (e) the Acquisition does not constitute a hostile takeover (being, for the avoidance of doubt, a takeover bid of the target company that the board of directors of such company does not support); and
- (f) the total cash consideration paid by any Obligor per any single Acquisition shall not exceed \$10,000,000 and the total cash consideration paid for all Acquisitions, collectively, shall not exceed \$25,000,000 during the six (6) year period commencing on the Closing Date.

“Permitted Acquisition Indebtedness” means any Indebtedness resulting from a Permitted Acquisition which existed prior to, and not in contemplation of, the Permitted Acquisition and any Indebtedness incurred upon and following the Permitted Acquisition pursuant to any commitment which existed prior to, and not in contemplation of, the Permitted Acquisition.

“Permitted Acquisition Risk Management Agreements” means any Risk Management Agreements relating to a Permitted Acquisition which existed prior to, and not in contemplation of, the Permitted Acquisition and all transactions entered into prior to the date of the Permitted Acquisition with respect to such Risk Management Agreement as such transactions may be assigned or novated from time to time.

“Permitted Appian Distributions” means:

- (a) prepayments of principal with respect to Indebtedness under the Appian Facility Agreement using the proceeds received by the Borrower from an equity issuance of the Borrower, provided that any such prepayment that is mandatorily required to be prepaid shall not exceed 35% of the net proceeds of any equity issuance;
- (b) payment of principal with respect to Indebtedness under the Appian Facility Agreement at its scheduled maturity provided that (x) no Event of Default exists at the time of such payment or would arise immediately thereafter and (y) the covenants in Section 11.2 are in compliance on a pro forma basis after making such payment and the Borrower has delivered to the Senior Agent a compliance certificate evidencing same;
- (c) other payments which constitute Permitted Subordinated Debt Payments (as defined in the Intercreditor Agreement) and are permitted in accordance with the terms of the Intercreditor Agreement;

- (d) royalty payments by the Borrower pursuant to the Appian Royalty and the Additional Royalty (as each such term is defined in the Appian Financing Agreement); and
- (e) payments by the Borrower pursuant to Section 4.7(c) of the Appian Financing Agreement.

“Permitted Indebtedness” means any one or more of the following:

- (a) the Secured Obligations;
- (b) Indebtedness of the Obligor outstanding under Capital Leases or Purchase Money Indebtedness, provided that, at any particular time, the aggregate amount of such Indebtedness shall not exceed \$5,000,000;
- (c) unsecured Indebtedness of an Obligor to another Obligor;
- (d) trade payables and other accrued liabilities incurred by the Obligor in the ordinary course of their respective business;
- (e) Indebtedness incurred in connection with reclamation or remediation obligations of the Obligor;
- (f) Indebtedness relating to the following:
 - (i) mortgage in favour of [REDACTED] in respect of PIN 31082 – 0234 LT, PCL 11183 SEC AWS; pt farm location CK77 Hunt Pt 1 1R6484, White River ON;
 - (ii) mortgage in favour of [REDACTED] in respect of PIN 31082 – 0219 LT, PCL 4508 SEC AWS; Pt farm location CK74 Hunt as in LT50340, White River ON; and
 - (iii) mortgage in favour of [REDACTED] in respect of PIN 31082 – 0218 LT, PCL 4507 SEC AWS; Pt farm location CK74 Hunt as in LT50339, White River ON

and any renewals of the foregoing.

- (g) contingent obligations of an Obligor under any guarantee or other agreement assuring payment of any of (a) through (e) above;
- (h) Permitted Acquisition Indebtedness and Indebtedness under Permitted Acquisition Risk Management Agreements;
- (i) Indebtedness initially in the maximum aggregate principal amount of \$28,000,000, together with Increases (as defined in the Appian Facility Agreement), in each case incurred by the Borrower under the Appian Facility Agreement, provided (x) the proceeds of such Increases shall be

used by the Borrower solely for the purposes of prepaying or meeting debt service obligations under this agreement, (y) the aggregate amount of such Increases together with the aggregate principal amount of any Indebtedness incurred pursuant to clause (j) below shall not at any time exceed \$20,000,000 and (z) that such Indebtedness at all times is subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

- (j) other Indebtedness provided such Indebtedness is (v) with a lender acceptable to the Administrative Agent, acting reasonably, provided in any event that such lender shall not be a vulture fund or any entity that deals primarily in distressed debt, (w) used by the Borrower solely for the purposes of prepaying or meeting debt service obligations under this agreement, (x) on terms and conditions substantively similar to the Indebtedness under the Appian Facility Agreement, (y) at all times subordinated to the Secured Obligations pursuant to satisfactory intercreditor arrangements agreed between the parties based on the terms of the Intercreditor Agreement, and (z) at no time shall the aggregate of Increases (as defined in the Appian Facility) together with the aggregate principal amount of any Indebtedness incurred pursuant to this clause (j) exceed \$20,000,000; and
- (k) any other Indebtedness of the Obligors permitted in writing by the Administrative Agent, acting on the instructions of the Majority Lenders.

“Permitted Investments” means:

- (a) an Investment by an Obligor in Cash;
- (b) an Investment by an Obligor in another Obligor;
- (c) an Investment relating to the repurchase of any portion of the net smelter return royalty granted pursuant to the Option and Joint Venture Agreement; and
- (d) other Investments in or relating to the business of mining not exceeding \$2,000,000 in the aggregate for the period from the Closing Date to the NRT Maturity Date;

provided, in each case, no Default or Event of Default exists or would exist at the time of making any such Investment and immediately after making any such Investment.

“Permitted Jurisdictions” means Canada, the United States of America and Mexico, and **“Permitted Jurisdiction”** means any of the Permitted Jurisdictions.

“Permitted Liens” means any one or more of the following with respect to the property and assets of the Obligors:

- (a) the Security;
- (b) Liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (c) the Lien of any judgment or award rendered or the Lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (d) Liens and charges incidental to construction or current operations (including, without limitation, carrier's, warehousemen's, mechanics', materialmen's and repairmen's Liens) which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (e) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including, without limitation, rights of way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other persons which in the aggregate do not materially impair the usefulness, in the operation of the business of any Obligor, of the property subject to such restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons;
- (f) the right reserved to or vested in any Official Body by the terms of any lease, licence, franchise, grant or permit acquired by any Obligor or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) any Lien resulting from the deposit of cash or securities (i) in connection with bids, leases, performance bonds, contracts, tenders or expropriation proceedings, or (ii) to secure workers' compensation, surety or appeal bonds, letters of credit, costs of litigation when required by law and public and statutory obligations, or (iii) in connection with the discharge of Liens or claims incidental to construction and mechanics', warehouseman's, carriers' and other similar liens or construction and mechanics' and other similar Liens arising in the ordinary course of business;
- (h) security given to a public utility or other Official Body when required by such utility or other Official Body in connection with the operations of any Obligor, all in the ordinary course of business;

- (i) the restrictions, exceptions, reservations, limitations, provisos and conditions, if any, expressed in any original patents or grants from the Crown or other Official Body, and any statutory and common law limitations, exceptions, reservations and qualifications;
- (j) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the use of the property for the purpose for which it is held;
- (k) applicable municipal and other Official Body restrictions affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and will not materially impair the use of the property for the purpose for which it is held;
- (l) Liens on concentrates or minerals or the proceeds of sale of such concentrates or minerals arising or granted pursuant to a processing or refining arrangement entered into in the ordinary course and upon usual market terms, securing only the payment of the Borrower's portion of the fees, costs and expenses attributable to the processing of such concentrates or minerals under any such processing or refining arrangement, but only insofar as such Liens relate to obligations which are at such time not past due or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP;
- (m) Liens securing Indebtedness arising under clause (b) of the definition of Permitted Indebtedness (but only to the extent such Liens are limited to the relevant equipment and/or asset);
- (n) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given to an Obligor in accordance with Applicable Law or which although filed or registered, relate to obligations not due and delinquent;
- (o) the extension, renewal or refinancing of any Permitted Lien, provided that the amount so secured does not exceed the original amount secured immediately prior to such extension, renewal or refinancing and the Lien is not extended to any additional property;
- (p) first Lien cash collateral to secure Indebtedness under clause (e) of the definition of "Permitted Indebtedness";
- (q) Liens that on assets acquired by any Obligor which existed prior to, and not in connection with or in contemplation of, any Permitted Acquisition;

- (r) Liens securing Indebtedness under clause (f) of the definition of “Permitted Indebtedness”;
- (s) Liens consisting of royalties set out in Schedule Q hereto;
- (t) Liens granted to Appian by the Obligors to secure the payment and performance of the Appian Obligations provided such Liens at all times rank, pursuant to the Intercreditor Agreement, subordinate to the Liens granted to the Finance Parties by the Obligors;
- (u) Liens granted to secure Indebtedness under clause (j) of the definition of “Permitted Indebtedness” provided such Liens at all times rank, pursuant to satisfactory intercreditor arrangements agreed between the parties based on the terms of the Intercreditor Agreement, subordinate to the Liens granted to the Finance Parties by the Obligors; and
- (v) any other Liens permitted in writing by the Administrative Agent, acting on the instructions of the Majority Lenders.

“**Person**” means any natural person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

“**Post-Closing Matters Agreement**” means the post-closing matters agreement dated as of the Closing Date entered into by the Borrower in favour of the Administrative Agent.

“**PPSA**” means the *Personal Property Security Act* (Ontario), as amended.

“**Prepayment Notice**” shall have the meaning ascribed thereto in Section 9.3.

“**Prime Rate**” means the variable rate of interest per annum equal to the rate of interest determined by the Administrative Agent from time to time as its prime rate for Canadian dollar loans made by the Administrative Agent in Canada from time to time, being a variable per annum reference rate of interest adjusted automatically upon change by the Administrative Agent calculated on the basis of a year of 365 days or 366 days in the case of a leap year. If at any time the Prime Rate is less than zero, the Prime Rate shall be deemed to be zero.

“**Prime Rate Loan**” means monies lent by the Lenders to the Borrower hereunder in Canadian dollars and upon which interest accrues at a rate referable to the Prime Rate.

“**Pro Rata Share**” means:

- (a) when used with reference to a particular Credit Facility at any particular time and with respect to a particular Lender, the ratio of the Individual Commitment of such Lender with respect to such Credit Facility at such

time to the aggregate of the Individual Commitments of all of the Lenders with respect to such Credit Facility at such time; and

- (b) when used without reference to a particular Credit Facility at any particular time and with respect to a particular Lender, the ratio of the aggregate Individual Commitments of such Lender with respect to both of the Credit Facilities at such time to the aggregate of the Individual Commitments of all of the Lenders with respect to both of the Credit Facilities at such time.

“Proceeds of Realization” means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Secured Assets or received from an Obligor pursuant to a Credit Document or from Appian pursuant to the Intercreditor Agreement, in each case (i) after any Enforcement Date, (ii) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any Obligor (or any other arrangement or marshalling of the Secured Assets that is similar thereto) or (iii) upon the enforcement of, or any action taken with respect to this agreement, the Guarantees or the Security Documents. For greater certainty, insurance proceeds derived as a result of the loss or destruction of any of the Secured Assets or cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Secured Assets shall not constitute Proceeds of Realization prior to the Enforcement Date.

“Product” means the Borrower’s present and future right, title and interest in and to all gold and other saleable metals and minerals mined, extracted or derived from the Project in whatever form or state of processing.

“Project” means, collectively, all properties, assets and other rights (including, without limitation, with respect to electricity, water, access and land), whether real or personal, tangible or intangible, now owned or leased or hereafter acquired by or for the benefit of the Borrower which assets are used or intended for use in or forming part of the project for the development of the Sugar Zone property located in Ontario, Canada, approximately 80 km east of the Hemlo gold camp and 24 km north of White River off the Trans-Canada Highway (#17), including for such purposes all real estate and plant, property and equipment associated therewith and all concessions, mining claims, mining leases and Authorizations related thereto.

“Project Authorizations” shall mean, collectively, the Authorizations necessary for the construction, operation, development, financing and management of the Project and the production, transportation, processing and sale of Product produced at the Project being, as of the Restatement Date, the Authorizations listed in Schedule M hereto and, after the Restatement Date, each Additional Project Authorization and any replacement of any thereof.

“Proven and Probable Reserves” shall mean the aggregate of the Proven Mineral Reserves and Probable Mineral Reserves of Product for the Project, as such terms are defined in and measured in accordance with the Canadian Institute

of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves Definition Guidelines for the grade and contained amount of Product scheduled for extraction, and demonstrated to be mineable at a profit at a stated metal price.

“Purchase Money Indebtedness” means Indebtedness assumed by any Obligor as part of, or issued or incurred by such Obligor to pay or provide funds to pay, all or a part of the purchase price of any equipment or other tangible personal property hereafter or previously acquired by such Obligor.

“Qualified Affiliate” means an Affiliate of a Lender who has executed and delivered to the Administrative Agent an instrument of adhesion in the form set forth in Schedule I.

“Qualified Cash Management Lender” means (x) any Person that enters into a Cash Management Agreement at a time when such Person is a Lender or (y) any Qualified Affiliate that enters into a Cash Management Agreement at a time when the Lender with which such Qualified Affiliate is affiliated is a Lender.

“Qualified Derivatives Transaction” means one or more transactions that are or will be governed by a Qualified Risk Management Agreement.

“Qualified Risk Management Agreement” means a Risk Management Agreement between the Borrower and a Qualified Risk Management Lender.

“Qualified Risk Management Lender” means (x) any Person that enters into a Risk Management Agreement at a time when such Person is a Lender or (y) any Qualified Affiliate that enters into a Risk Management Agreement at a time when the Lender with which such Qualified Affiliate is affiliated is a Lender ; provided, that in each case at the time of the execution of any Derivatives Transaction, such Lender or Qualified Affiliate, as the case may be, is rated at least A- by S&P or A3 by Moody’s.

“Receiver” means a receiver, receiver and manager or other Person having similar powers or authority appointed by the Administrative Agent or by a court at the instance of the Administrative Agent in respect of the Secured Assets or any part thereof.

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) for the relevant Interest Period as supplied to the Administrative Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the London interbank market.

“Reference Banks” means the principal London office of the Administrative Agent or such other banks as may be appointed by the Administrative Agent in consultation with the Borrower.

“Regulation D” means Regulation D of the FRB.

“**Release**” means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

“**Reserve Tail Ratio**” means, as of any particular date, the ratio expressed as a percentage of (A) the then current forecasted production from the Project of the aggregate of ounces of gold from the NRT Maturity Date (or, if monies have been applied to scheduled principal payments under the NRT Facility in inverse order of maturity pursuant to Section 9.1 and/or 9.2, then from the last scheduled principal payment under the NRT Facility which has not been prepaid in full) through the remainder of the mine divided by (B) the total Proven and Probable Reserves for the aggregate of ounces of gold forecast to be produced from the Project for the Life of Mine. For the purposes of this definition, production of Product shall be calculated utilizing the Proven and Probable Reserves verified and accepted by the Independent Technical Consultant.

“**Resolution Authority**” means any body which has authority to exercise any Write-Down and Conversion Powers.

“**Restatement Date**” shall mean the date on which the Administrative Agent has confirmed to the other parties hereto that the conditions to closing set out in Section 12.2 have been satisfied and/or waived by the Lenders.

“**Restraint**” shall have the meaning ascribed thereto in Section 8.2(a).

“**Restricted Countries**” means, at any particular time, any country noted as a ‘sanctioned country’ on the list issued, published and maintained by any of the U.S. Office of Foreign Assets Control of the U.S. Department of Treasury or the US Department of State, the United Nations Security Council, the Parliament of Canada (including Global Affairs Canada), the European Union, and/or any present or future member state thereof and/or the United Kingdom’s Her Majesty’s Treasury.

“**Restricted Forward Sale Transaction**” means an agreement by a Person to sell forward a quantity of metal or other commodity where payment therefor is made, in whole or in part, prior to the date on which such metal or commodity was mined or extracted by such Person.

“**Restricted Persons**” means persons named on any sanctions lists issued, published and maintained by one of the Swiss State Secretariat for Economic Affairs, the United Nations, the European Union, the United States Office of Foreign Assets Control and/or the Canadian government.

“**Risk Management Agreements**” means each present or future agreement which evidences any commodity hedging transaction, whether pre-paid or not (including all Restricted Forward Sale Transactions), commodity loans, pre-paid commodity forward purchase agreements, spot or forward foreign exchange transaction, interest rate swap transaction, currency swap transaction, forward rate transaction,

rate cap transaction, rate floor transaction, rate collar transaction, and any other exchange or rate protection transaction, any combination of such transactions or any option with respect to any such transaction entered into by Borrower on the one hand and a Qualified Risk Management Lender.

“**Risk Management Program**” means the risk management program agreed upon between the Borrower and the Lenders attached hereto as Schedule N.

“**Rolling EBITDA**” means, for any Fiscal Quarter,

- (a) the aggregate amount of EBITDA for such Fiscal Quarter and for the three immediately preceding Fiscal Quarters; and
- (b) any Rolling Permitted Acquisition EBITDA for such Fiscal Quarter

“**Rolling Interest Expenses**” means for any Fiscal Quarter, the aggregate Interest Expenses for such Fiscal Quarter and the three immediately preceding Fiscal Quarters.

“**Rolling Permitted Acquisition EBITDA**” means, for any Fiscal Quarter as concerns any Permitted Acquisition or any other asset acquisition if such asset acquisition is accounted for in accordance with generally accepted accounting principles on a proportionate or consolidated accounting basis with respect to which four Fiscal Quarter ends or less have occurred since the date of the completion of such Permitted Acquisition or other asset acquisition,

- (a) for the Fiscal Quarter during which such date occurs (the “**Initial Fiscal Quarter**”), EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter multiplied by a fraction the numerator of which is the number of days in the Initial Fiscal Quarter and the denominator of which is the number of days remaining in the Initial Fiscal Quarter following the completion of such Permitted Acquisition or other asset acquisition (such product, the “**Initial Fiscal Quarter EBITDA**”) multiplied by four;
- (b) for the first Fiscal Quarter following the Initial Fiscal Quarter, the aggregate of EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter and the Initial Fiscal Quarter EBITDA multiplied by two;
- (c) for the second Fiscal Quarter following the Initial Fiscal Quarter, the aggregate of EBITDA attributable to such Permitted Acquisition or other asset acquisition during such Fiscal Quarter and the immediately preceding Fiscal Quarter and the Initial Fiscal Quarter EBITDA multiplied by 4/3; and
- (d) for the third Fiscal Quarter following the Initial Fiscal Quarter, the aggregate of EBITDA attributable to such Permitted Acquisition or other

asset acquisition during such Fiscal Quarter and the two immediately preceding Fiscal Quarters and the Initial Fiscal Quarter EBITDA.

“**RT Credit Excess**” means, as at a particular date, the amount, if any, by which the amount of credit outstanding under the RT Facility as at the close of business on such date exceeds the RT Credit Limit as at the close of business on such date.

“**RT Credit Limit**” means \$20,000,000, as such amount may be reduced from time to time pursuant to Section 2.3.

“**RT Facility**” shall have the meaning ascribed thereto in Section 2.1(a).

“**RT Maturity Date**” means June 30, 2022.

“**S&P**” means Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw Hill Companies Inc. and its successors.

“**Sale Leaseback**” shall mean any transaction or series of related transactions pursuant to which any Obligor (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property.

“**Sanctions**” means economic or financial sanctions or trade embargos imposed, administered or enforced from time to time by virtue of any country being a Restricted Country.

“**Screen Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other Person which takes over the administration of that rate) for the relevant Interest Period displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

“**Secured Assets**” means:

- (a) all of the present and future assets, property and undertaking of each Obligor (other than Excluded Property); and
- (b) any and all proceeds of any of the foregoing.

For certainty, the Secured Assets shall cease to be Secured Assets to the extent such assets are sold or otherwise disposed of in a manner in which is permitted, or otherwise not prohibited, by any relevant Credit Document.

“**Secured Obligations**” shall mean all indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by any of the Obligors to any of the Finance Parties, or remaining unpaid to any of the Finance Parties, under or in connection with any of the Finance Documents

and Secured Obligations of a particular Obligor shall mean all indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by such Obligor to any of the Finance Parties, or remaining unpaid to any of the Finance Parties, under or in connection with any of the Finance Documents to which such Obligor is a party. For certainty, “**Secured Obligations**” shall include interest accruing subsequent to the filing of, or which would have accrued but for the filing of, a petition for bankruptcy, in accordance with and at the rate (including any rate applicable upon any Default or Event of Default to the extent lawful) specified herein, whether or not such interest is an allowable claim in such bankruptcy proceeding.

“**Secured Obligations Termination Date**” means the date on which all Secured Obligations of the Obligors (other than those provisions which by their terms survive the termination of the Finance Documents) have been permanently paid in full and the Finance Parties have no commitments to provide credit to any Obligor under any Finance Document.

“**Security**” means the collateral security constituted by the Security Documents.

“**Security Documents**” means the security documents which, in the reasonable opinion of the Administrative Agent, are required to be entered into from time to time by each Obligor in favour of the Administrative Agent in order to grant to the Administrative Agent a Lien on the Secured Assets as continuing collateral security for the payment and performance of the Secured Obligations of such Obligor, such security documents to be in form and substance satisfactory to the Administrative Agent and to include, without limitation, the security documents described in Schedule H hereto.

“**Senior Officer**” means any of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, any Executive Vice President and any other senior officer of the relevant Obligor, acceptable to the Administrative Agent.

“**Shares**”, as applied to the shares of any corporation or other entity, means the shares or other ownership interests of every class whether now or hereafter authorized, regardless of whether such shares or other ownership interests shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding-up of such corporation or other entity.

“**Subscription Agreement**” means the subscription, standby commitment and facility agreement dated June 6, 2019 and entered into by the Borrower and ANR Investments B.V.

“**Subsidiary**” means, with respect to any Person, any corporation, company or other similar business entity (including, for greater certainty, a chartered bank) of which more than fifty per cent (50%) of the outstanding Shares or other equity interests (in the case of Persons other than corporations) having ordinary voting

power to elect a majority of the board of directors or the equivalent thereof of such corporation, company or similar business entity (irrespective of whether at the time Shares of any other class or classes of the Shares of such corporation, company or similar business entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person.

“**Tangible Net Worth**” means, at any particular time, the amount of Equity (including intercompany indebtedness amongst the Obligor(s)) at such time less the aggregate of the amounts, at such time, which would, in accordance with generally accepted accounting principles, be classified upon the consolidated balance sheet of the Borrower as goodwill and intangible assets; provided, however, the calculation thereof shall be made exclusive of any unrealized gains or losses under or in connection with any metal price Risk Management Agreement.

“**Taxes**” means all taxes, royalties, assessments, fees, rates, levies, imposts, deductions, dues, duties 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 Official Body (including a federal, state, provincial, municipal or foreign Official Body), and whether disputed or not.

“**Technical Agent**” means BNP Paribas, in its capacity as Technical Agent, and any successors thereto appointed pursuant to Section 14.12.

“**Total Indebtedness**” means, at any particular time, the aggregate Indebtedness of the Borrower on a consolidated basis provided that Indebtedness under the Appian Facility Agreement shall be excluded from the calculation of “Total Indebtedness”.

“**Trade Date**” means, with respect to a particular Derivatives Transaction, the date of the execution of such Derivatives Transaction.

“**Transaction Documents**” means the Finance Documents and the Material Project Documents and “**Transaction Document**” means any of the Transaction Documents.

“**Trigger Date**” means the date on which the Administrative Agent, acting reasonably, has confirmed to the other parties hereto that the following conditions have been satisfied and/or waived by the Lenders:

- (a) the Project processes run of mine ore (excluding low grade stock piles) and such processing operates at an average of 800 tonnes throughput rate per day for a consecutive sixty (60) day period;
- (b) the Borrower is in *pro forma* compliance with each covenant set forth in Section 11.2; and

(c) no Default or Event of Default exists at such time.

Once the Administrative Agent has so confirmed with respect to the above, the Trigger Date shall be satisfied for all purposes under and pursuant to this Agreement.

“**Unrestricted Cash**” means, at any particular time, the aggregate of all Cash of the Obligors at such time which (A) is not listed on the Borrower’s consolidated balance sheet as restricted cash (or other designation of similar effect) and (B) which is subject to a Lien pursuant to the Security Documents.

“**U.S.**” and “**United States**” means the United States of America.

“**U.S. Dollar Equivalent**” means the relevant Exchange Equivalent in U.S. Dollars of any amount of another currency.

“**U.S. Dollars**” means the lawful currency of the United States of America.

“**Write-Down and Conversion Powers**” means in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail- In Legislation Schedule.

1.2 Other Usages

References to “this agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this agreement and not to any particular Article, Section or other subdivision of this agreement. Any references herein to any agreements or documents shall mean such agreements or documents as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof. Any reference herein to any provision of any law or regulation (including, for certainty, the Equator Principles and the World Bank Environment, Health and Safety Guidelines for Mining and Milling) shall be a reference to that provision as amended, supplemented, replaced or re-enacted.

1.3 Plural and Singular

Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.4 Headings

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

1.5 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of the United States.

1.6 Applicable Law and Submission to Jurisdiction

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any legal action or proceeding with respect to this agreement may be brought in the courts of the Province of Ontario or the courts of the corporate domicile of each of the parties party to this agreement in actions brought against it as a defendant and, by execution and delivery of this agreement, each of the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. Furthermore, each party hereto hereby waives the right to any other jurisdiction to which it may be entitled by means of its present or future domicile. Each party irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party to the address prescribed by Section 15.1, such service to become effective five Banking Days after such mailing.

1.7 Time of the Essence

Time shall in all respects be of the essence of this agreement.

1.8 Non-Banking Days

Subject to Section 7.4(c), whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Banking Day, such payment shall be made or such action shall be taken on the next succeeding Banking Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest and fees, if any, thereon.

1.9 Consents and Approvals

Whenever the consent or approval of a party hereto is required in a particular circumstance, unless otherwise expressly provided for therein, such consent or approval shall not be unreasonably withheld or delayed by such party.

1.10 Amount of Credit.

Any reference herein to the amount of credit outstanding under the Credit Facilities shall mean, at any particular time:

- (a) in the case of a Prime Rate Loan, the U.S. Dollar Equivalent of the principal amount thereof; and
- (b) in the case of a LIBOR Loan or a Base Rate Loan, the principal amount thereof.

1.11 Schedules

Each and every one of the schedules which is referred to in this agreement and attached to this agreement shall form a part of this agreement.

1.12 Extension of Credit

For the purposes hereof, each drawdown, rollover and conversion shall be deemed to be an extension of credit to the Borrower hereunder.

1.13 Accounting Terms – GAAP

All accounting terms not specifically defined in this agreement shall be interpreted in accordance with GAAP.

1.14 Change in Accounting Policies

Whereas the Borrower may adopt new accounting policies from time to time, whereby such adoption is compelled by accounting or regulatory bodies having jurisdiction or at its own discretion, and whereas these accounting changes may result in a material change in the calculation of the financial covenants or financial covenant thresholds or terms used in this agreement or any other Finance Document then the Borrower, the Administrative Agent and the Lenders agree to enter into good faith negotiations in order to amend such provisions of this agreement or such other Finance Document, as applicable, so as to equitably reflect such accounting changes with the desired result that the criteria for evaluating the Borrower's financial condition, financial covenants, financial covenant thresholds or terms used in this agreement or any other Finance Document shall be the same after such accounting changes as if such accounting changes had not been made; provided, however, that the agreement of the Majority Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. If the Borrower and the Majority Lenders cannot agree upon the required amendments immediately prior to the date of implementation of any accounting policy change, then all calculations of financial covenants, financial covenant thresholds or terms used in this agreement or any other Finance Document shall be prepared and delivered without reflecting the accounting policy change.

1.15 Paramountcy

In the event of any conflict or inconsistency between the provisions of this agreement and the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall prevail and be paramount. In the event of any other conflict or inconsistency between the provisions of this agreement and the provisions of any other Finance Document, the provisions of this agreement shall prevail and be paramount. If any covenant, representation, warranty or event of default contained in any other Finance Document is in conflict with or is inconsistent with a provision of this agreement relating to the same specific matter, such covenant, representation, warranty or event of default shall be deemed to be amended to the extent necessary to ensure that it is not in conflict with or inconsistent with the provision of this agreement relating to the same specific matter.

1.16 Successors and Permitted Assigns of Parties

Any reference in this agreement to a party to this agreement shall include the successors and permitted assigns of such party.

1.17 Meaning of Include

The words “include”, “includes” and “including”, when used in this agreement, shall be deemed to be followed by the phrase “without limitation”.

1.18 Rule of Construction

The Credit Documents have been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of the Credit Documents.

1.19 Knowledge of the Borrower

Any reference herein “to the knowledge of the Borrower” shall mean to the knowledge of any Senior Officer of the Borrower.

1.20 Permitted Liens

For the avoidance of doubt, any reference to a Permitted Lien shall not serve to subordinate or postpone any Lien created by any Security Document to such Permitted Lien.

1.21 Closure Plan.

The parties to this Agreement agree that, without limitation to the rights of the Administrative Agent and the Lenders contained herein, the Closure Plan delivered by the Borrower to Administrative Agent from time to time, shall be accepted by the Administrative Agent and the Lenders (without the consultation of a Closure Plan Consultant), absent manifest error and provided that the Closure Plan has been prepared and determined, in the opinion of the Administrative Agent and Lenders, acting reasonably, in accordance with Applicable Law and consistent with good mining practices.

**ARTICLE 2
CREDIT FACILITIES**

2.1 Establishment of the Credit Facilities

Subject to the terms and conditions hereof, the Lenders hereby establish in favour of the Borrower:

- (a) a revolving term credit facility (the “**RT Facility**”) in the aggregate amount of the RT Credit Limit; and
- (b) a non-revolving term credit facility (the “**NRT Facility**”) in the aggregate amount of the NRT Credit Limit.

2.2 Lenders' Commitments

Subject to the terms and conditions hereof, the Lenders severally agree to extend credit to the Borrower from time to time provided that the aggregate amount of credit extended by each Lender under a particular Credit Facility shall not at any time exceed the Individual Commitment of such Lender with respect to such Credit Facility and further provided that, subject to Section 9.5, the aggregate amount of credit outstanding under a particular Credit Facility shall not at any time exceed the Credit Limit with respect to such Credit Facility. All credit requested under a Credit Facility shall be made available to the Borrower contemporaneously by each Lender that has an Individual Commitment with respect to such Credit Facility. Such Lender shall provide to the Administrative Agent its Pro Rata Share of each credit, whether such credit is extended by way of drawdown, rollover or conversion. No Lender shall be responsible for any default by any other Lender in its obligation to provide its Pro Rata Share of any credit nor shall the Individual Commitment of any Lender with respect to a Credit Facility be increased as a result of any such default of another Lender in extending credit under such Credit Facility. The failure of any Lender to make available to the Borrower its Pro Rata Share of any credit under a Credit Facility shall not relieve any other Lender of its obligation hereunder to make available to the Borrower its Pro Rata Share of such credit.

2.3 Reduction of Credit Limits

The Borrower may, from time to time and at any time, by notice in writing to the Administrative Agent but without penalty, permanently reduce the RT Credit Limit in whole or in part to the extent it is not being utilized. The amount of the RT Credit Limit will not be permanently reduced by any prepayment or repayment under the RT Facility pursuant to Section 9.2 or 9.5 but will be reduced at the time of and by the amount of any repayment of the RT Facility pursuant to Section 9.1(a). The amount of the NRT Credit Limit will be permanently reduced at the time of and by the amount of any prepayment or repayment under the NRT Facility pursuant to Section 9.1(b), 9.2 or 9.5 and any reduction of the NRT Facility pursuant to Section 9.3. On the Funding Date, the amount of the NRT Credit Limit will be permanently reduced to an amount equal to the amount of the credit extended to the Borrower under the NRT Facility on the Funding Date. Any repayment of outstanding credit which forms part of any conversion from one type of credit to another type of credit under Article 6 or of any rollover under Article 5 shall not cause any reduction in the amount of the relevant Credit Limit. Upon any reduction of a Credit Limit, the Individual Commitment of each Lender with respect to the relevant Credit Facility shall thereupon be reduced by an amount equal to such Lender's Pro Rata Share of the amount of such reduction of such Credit Limit.

2.4 Termination of Credit Facilities

A Credit Facility shall terminate upon the earliest to occur of:

- (a) the applicable Maturity Date;
- (b) the termination of such Credit Facility in accordance with Section 13.1; and
- (c) the date on which, pursuant to Section 2.3, the relevant Credit Limit has been permanently reduced to zero.

Upon the termination of a Credit Facility, the right of the Borrower to obtain any credit under such Credit Facility and all of the obligations of the Lenders to extend credit under such Credit Facility shall automatically terminate.

ARTICLE 3 GENERAL PROVISIONS RELATING TO CREDITS

3.1 Types of Credit Availments

Subject to the terms and conditions hereof, the Borrower may obtain credit under the Credit Facilities by way of one or more Prime Rate Loans, Base Rate Loans and LIBOR Loans. Any extension of credit under any Credit Facility shall be in a minimum amount of \$1,000,000 and in multiples of \$1,000,000.

3.2 Funding of Loans

Each Lender shall make available to the Administrative Agent at the Administrative Agent Account its Pro Rata Share of the principal amount of each Loan to the Borrower prior to 10:00 a.m. (New York time) on the date of the extension of credit. The Administrative Agent shall, upon fulfilment by the Borrower of the terms and conditions set forth in Article 12, make such funds available to the Borrower by 3:00 p.m. (New York time) on the date of the extension of credit by wire transfer of immediately available funds to the Designated Account. Unless the Administrative Agent has been notified by a Lender at least one Banking Day prior to the date of the extension of credit that such Lender will not make available to the Administrative Agent its Pro Rata Share of such Loan, the Administrative Agent may assume that such Lender has made such portion of the Loan available to the Administrative Agent on the date of the extension of credit in accordance with the provisions hereof and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent has made such assumption, to the extent such Lender shall not have so made its Pro Rata Share of the Loan available to the Administrative Agent, such Lender agrees to pay to the Administrative Agent, forthwith on demand, such Lender's Pro Rata Share of the Loan and all reasonable costs and expenses incurred by the Administrative Agent in connection therewith together with interest thereon at the then prevailing interbank rate for each day from the date such amount is made available to the Borrower until the date such amount is paid or repaid to the Administrative Agent; provided, however, that notwithstanding such obligation, if such Lender fails so to pay, the Borrower shall, without prejudice to any rights that the Borrower might have against such Lender, repay such amount to the Administrative Agent forthwith after demand therefor by the Administrative Agent. The amount payable by each Lender to the Administrative Agent pursuant hereto shall be set forth in a certificate delivered by the Administrative Agent to such Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall constitute prima facie evidence of such amount payable. If such Lender makes the payment to the Administrative Agent required herein, the amount so paid shall constitute such Lender's Pro Rata Share of the Loan for purposes of this agreement and shall entitle the Lender to all rights and remedies against the Borrower in respect of such Loan.

3.3 Failure of Lender to Fund Loan

If any Lender (a “**Defaulting Lender**”) fails to make available to the Administrative Agent its Pro Rata Share of any Loan under a Credit Facility as required and the Administrative Agent has not funded pursuant to Section 3.2, the Administrative Agent shall forthwith give notice of such failure by such Defaulting Lender to the Borrower and the other Lenders and such notice shall state that any Lender may make available to the Administrative Agent all or any portion of the Defaulting Lender’s Pro Rata Share of such Loan (but in no way shall any other Lender or the Administrative Agent be obliged to do so) in the place and stead of the Defaulting Lender. If more than one Lender gives notice that it is prepared to make funds available in the place and stead of a Defaulting Lender in such circumstances and the aggregate of the funds which such Lenders (herein collectively called the “**Contributing Lenders**” and individually called the “**Contributing Lender**”) are prepared to make available exceeds the amount of the advance which the Defaulting Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its pro rata share of such advance based on the Contributing Lenders’ relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place and stead of a Defaulting Lender in such circumstances, then the Defaulting Lender shall pay to any Contributing Lender making the funds available in its place and stead, forthwith on demand, any amount advanced on its behalf together with interest thereon at the then prevailing interbank rate for each day from the date of advance to the date of payment, against payment by the Contributing Lender making the funds available of all interest received in respect of the Loan from the Borrower. In addition to interest as aforesaid, the Borrower shall pay all amounts owing by the Borrower to the Defaulting Lender hereunder (with respect to the amounts advanced by the Contributing Lenders on behalf of the Defaulting Lender) to the Contributing Lenders until such time as the Defaulting Lender pays to the Administrative Agent for the Contributing Lenders all amounts advanced by the Contributing Lenders on behalf of the Defaulting Lender.

3.4 Timing of Credit Availments

No Loan may have a maturity date later than the applicable Maturity Date.

3.5 Inability to Fund LIBOR Loan in the United States

If a Lender determines in good faith, which determination shall be final, conclusive and binding on the Borrower, and the Administrative Agent notifies the Borrower that (i) adequate and fair means do not exist for ascertaining the interest rate on the basis provided in the definition of LIBOR, (ii) the making or continuation of LIBOR Loans in the United States has been made impracticable by the occurrence of a contingency (other than a mere increase in rates payable by such Lender to fund the advance) which materially and adversely affects the funding of the advances at any interest rate computed on the basis of LIBOR, or by reason of a change since the date hereof in any Applicable Law or government regulation, guideline or order (whether or not having the force of law but, if not having the force of law, one with which a responsible commercial bank would comply) or in the interpretation thereof by any Official Body affecting such Lender or any relevant financial market, which results in LIBOR no longer representing the effective cost to such Lender of deposits in such market for a relevant Interest Period, or (iii) any change to present law or any future law, regulation, order, treaty or official

directive (whether or not having the force of law but, if not having the force of law, one with which a responsible commercial bank would comply) or any change therein or any interpretation or application thereof by any Official Body has made it unlawful for such Lender to make or maintain or give effect to its obligations in respect of LIBOR Loans in the United States as contemplated herein, then

- (a) the right of the Borrower to obtain any credit in United States dollars by way of LIBOR Loans, shall be suspended until such Lender determines, acting reasonably, that the circumstances causing such suspension no longer exist and such Lender so notifies the Borrower;
- (b) if any credit in United States dollars by way of LIBOR Loans is not yet outstanding, any applicable Drawdown Notice requesting a drawdown by way of LIBOR Loan shall be cancelled and the advance requested therein shall not be made; provided the Borrower may, during the period of such suspension, issue subsequent Drawdown Notices requesting the extension of credit by way of Prime Rate Loans or Base Rate Loans; and
- (c) if any LIBOR Loan is already outstanding at any time when the right of the Borrower to obtain credit by way of LIBOR Loans is suspended, it shall be converted on the last day of the Interest Period applicable thereto (or on such earlier date as may be required to comply with any Applicable Law) to a Base Rate Loan in the principal amount equal to the principal amount of such LIBOR Loan.

3.6 Alternative Basis of Interest or Funding

If a Market Disruption Event occurs LIBOR for the relevant Interest Period shall be the rate at which the Administrative Agent could borrow funds in the London interbank market at the time of such Market Disruption Event.

3.7 Time and Place of Payments

Unless otherwise expressly provided herein, the Borrower shall make all payments pursuant to this agreement or pursuant to any document, instrument or agreement delivered pursuant hereto by deposit to the Administrative Agent Account before 12:00 noon (New York time) on the day specified for payment. Any payment received after 12:00 noon (New York time) on the day specified for such payment shall be deemed to have been received before 12:00 noon (New York time) on the immediately following Banking Day. The Borrower hereby irrevocably authorizes the Administrative Agent to debit any of its bank accounts maintained by the Administrative Agent (if any) from time to time for any payments due and payable to the Finance Parties under the Credit Documents. The Administrative Agent shall debit such bank account(s) for any payments due and payable to Lenders under the Credit Documents prior to 12:00 noon (New York time) on the day specified for such payment.

3.8 Remittance of Payments

Forthwith after the receipt by the Administrative Agent of any payment of principal, interest, fees or other amounts for the benefit of the Lenders pursuant to Section 3.7, the Administrative Agent shall, subject to Sections 3.2, 3.3 and 8.3 remit to each Lender, in immediately available funds, such Lender's Pro Rata Share of such payment (except to the extent such payment results from a Loan with respect to which a Lender had failed, pursuant to Section 3.2, to make available to the Administrative Agent its Pro Rata Share and, where the Administrative Agent or any other Lender has made funds available in the place and stead of a Defaulting Lender); provided that if the Administrative Agent, on the assumption that it will receive, on any particular date, a payment of principal (including, without limitation, a prepayment), interest, fees or other amount under a Credit Facility, remits to each Lender its Pro Rata Share of such payment and the Borrower fails to make such payment, each Lender agrees to repay to the Administrative Agent, forthwith on demand, to the extent that such amount is not recovered from the Borrower on demand and after reasonable efforts by the Administrative Agent to collect such amount (without in any way obligating the Administrative Agent to take any legal action with respect to such collection), such Lender's Pro Rata Share of the payment made to it pursuant hereto together with interest thereon at the then prevailing interbank rate for each day from the date such amount is remitted to the Lenders until the date such amount is paid or repaid to the Administrative Agent, the exact amount of the repayment required to be made by the Lenders pursuant hereto to be as set forth in a certificate delivered by the Administrative Agent to each Lender, which certificate shall constitute prima facie evidence of such amount of repayment.

3.9 Evidence of Indebtedness

The Administrative Agent shall maintain accounts wherein the Administrative Agent shall record the amount of credit outstanding, each payment of principal and interest on account of each Loan, and all other amounts becoming due to and being paid to the Lenders or the Administrative Agent hereunder, including commitment or other fees. The Administrative Agent's accounts constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower pursuant to this agreement.

3.10 Notice Periods

Each Drawdown Notice, Rollover Notice, Conversion Notice, Prepayment Notice and change in Designated Account shall be given to the Administrative Agent:

- (a) prior to 12:00 noon (New York time) on the third Banking Day prior to the date of any voluntary prepayment pursuant to Section 9.2;
- (b) prior to 12:00 noon (New York time) on the fourth Banking Day prior to any drawdown of, rollover of, conversion into or conversion of a LIBOR Loan;
- (c) prior to 12:00 noon (New York time) on the first Banking Day prior to the date of any other drawdown, rollover or conversion; and

(d) prior to 12:00 noon (New York time) on the fourth Banking Day prior to the modification, addition, elimination or substitution of any Designated Account together with sufficient wire transfer particulars as may be reasonably requested by the Administrative Agent.

3.11 **Administrative Agent's Discretion to Allocate.**

Notwithstanding the provisions of Section 3.3 with respect to the funding of Loans in accordance with each relevant Lender's Pro Rata Share, the Administrative Agent shall be entitled to reallocate the funding or reimbursement obligations among the Lenders in order to ensure, to the greatest extent practicable, that after such funding the aggregate amount of credit extended hereunder by each Lender coincides with such Lender's Pro Rata Share of the aggregate amount of credit extended under each Credit Facility by all of the Lenders, provided that no such allocation shall result in the aggregate amount of credit extended under a particular Credit Facility by any Lender exceeding such Lender's Individual Commitment with respect to such Credit Facility.

ARTICLE 4 DRAWDOWNS

4.1 Drawdown Notice

Subject to Sections 3.1, 3.5 and 3.6 and provided that all of the applicable conditions precedent set forth in Article 12 have been fulfilled by the Borrower or waived by the Lenders as provided in Section 14.14, the Borrower may, from time to time, obtain credit hereunder by giving to the Administrative Agent an irrevocable notice in substantially the form of Schedule D hereto ("**Drawdown Notice**") in accordance with Section 3.10 and specifying, as applicable:

- (a) the applicable Credit Facility;
- (b) the date the credit is to be obtained; and
- (c) the principal amount of the Loan (and in the case of a LIBOR Loan the applicable Interest Period).

ARTICLE 5 ROLLOVERS

5.1 LIBOR Loans

Subject to the terms and conditions hereof and provided that the Borrower has, by giving notice to the Administrative Agent in accordance with Section 5.2, requested the relevant Lenders to continue to extend credit by way of LIBOR Loans to replace all or a portion of an outstanding LIBOR Loan as it matures, each relevant Lender shall, on the maturity of such LIBOR Loan, continue to extend credit to the Borrower by way of a LIBOR Loan (without a further advance of funds to the Borrower) in the principal amount equal to such Lender's Pro Rata Share of the principal amount of the matured LIBOR Loan.

5.2 **Rollover Notice**

The notice to be given to the Administrative Agent pursuant to Section 5.1 (“**Rollover Notice**”) shall be irrevocable, shall be given in accordance with Section 3.10, shall be substantially in the form of Schedule E hereto and shall specify:

- (a) the applicable Credit Facility;
- (b) the maturity date of the maturing LIBOR Loan;
- (c) the principal amount of the maturing LIBOR Loan and the portion thereof to be replaced; and
- (d) the Interest Period or Interest Periods of the replacement LIBOR Loans.

ARTICLE 6 CONVERSIONS

6.1 **Converting Loan to Other Type of Loan**

Subject to the terms and conditions hereof and provided that the Borrower has, by giving notice to the Administrative Agent in accordance with Section 6.2, requested the relevant Lenders to convert all or a portion of an outstanding Loan into another type of Loan, each relevant Lender shall, on the date of conversion (which, in the case of the conversion of all or a portion of an outstanding LIBOR Loan, shall be the date on which the LIBOR Loan matures), continue to extend credit to the Borrower by way of the type of Loan into which the outstanding Loan or a portion thereof is converted in the aggregate principal amount equal to such Lender’s Pro Rata Share of the principal amount of the Loan being converted or the Exchange Equivalent thereof.

6.2 **Conversion Notice**

The notice to be given to the Administrative Agent pursuant to Section 6.1 (“**Conversion Notice**”) shall be irrevocable, shall be given in accordance with Section 3.10, shall be substantially in the form of Schedule F hereto and shall specify:

- (a) the applicable Credit Facility;
- (b) the type of Loan to be converted;
- (c) the date on which the conversion is to take place;
- (d) the principal amount of the Loan or the portion thereof which is to be converted;
- (e) the type and amount into which the outstanding Loan is to be converted; and
- (f) if an outstanding Loan is to be converted into a LIBOR Loan, the applicable Interest Period of the new LIBOR Loan.

6.3 Absence of Notice

Subject to the terms and conditions hereof, in the absence of a Rollover Notice or Conversion Notice within the appropriate time periods referred to herein, a maturing LIBOR Loan shall be automatically converted to a LIBOR Loan with an Interest Period of 30 days as though a notice to such effect had been given in accordance with Section 6.2.

6.4 Conversion After Default

If a Default has occurred and is continuing at 12:00 noon (New York time) on the fourth Banking Day prior to the maturity date of a LIBOR Loan, subject to Section 3.5, such LIBOR Loan shall automatically convert to a Base Rate Loan on its maturity date as though a notice to such effect had been given in accordance with Section 6.2.

ARTICLE 7 INTEREST AND FEES

7.1 Interest Rates

The Borrower shall pay to the Administrative Agent on behalf of the Lenders, in accordance with Section 3.7, interest on the outstanding principal amount from time to time of each Loan, and on the amount of overdue interest thereon from time to time, at the rate per annum equal to:

- (a) the Prime Rate plus the Applicable Rate in the case of each Prime Rate Loan;
- (b) the Alternate Base Rate plus the Applicable Rate in the case of each Base Rate Loan; and
- (c) LIBOR plus the Applicable Rate in the case of each LIBOR Loan.

7.2 Calculation and Payment of Interest

- (a) Interest on the outstanding principal amount from time to time of each Loan and on the amount of overdue interest thereon from time to time shall accrue from day to day from and including the date on which credit is obtained by way of such Loan or the date on which such payment of overdue interest was due, as the case may be, to but excluding the date on which such Loan or such overdue interest, as the case may be, is repaid in full (both before and after maturity and as well after as before judgment) and shall be calculated on the basis of the actual number of days elapsed divided by 365 or 366 in the case of a leap year (in the case of a Prime Rate Loan or Base Rate Loan) or divided by 360 days (in the case of a LIBOR Loan); and
- (b) Accrued interest shall be paid,
 - (i) in the case of interest on Prime Rate Loans and Base Rate Canada Loans, monthly in arrears on the last Banking Day of each calendar month; and

- (ii) in the case of interest on LIBOR Loans, on each Period End Date, provided that, in the case of an Interest Period of a duration longer than three months, accrued interest shall be paid no less frequently than every three months from the first day of such Interest Period during the term of such Interest Period and on the date on which such LIBOR Loans are otherwise required to be repaid.

7.3 General Interest Rules

- (a) For the purposes hereof and any other Credit Document, whenever interest is calculated on the basis of a year of 360, 365 or 366 days, each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360, 365 or 366, respectively.
- (b) The amount of the interest or fees payable under this agreement shall not exceed the maximum rate permitted by Applicable Law. Where the amount of such interest or such fees is greater than such maximum rate, the amount shall be reduced to the highest rate which may be recovered in accordance with the applicable provisions of Applicable Law.
- (c) The parties agree that all interest in this agreement will be calculated using the nominal rate method and not the effective rate method, and that the deemed re-investment principle shall not apply to such calculations. In addition, the parties acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates.
- (d) Interest on each Loan and on overdue interest thereon shall be payable in the currency in which such Loan is denominated during the relevant period.
- (e) If the Borrower fails to pay any principal, interest, fee or other amount of any nature payable by it to the Administrative Agent or the Lenders hereunder or under any document, instrument or agreement delivered pursuant hereto on the due date therefor, the Borrower shall pay to the Administrative Agent or the Lenders, as the case may be, interest on such overdue amount in the same currency as such overdue amount is payable from and including such due date to but excluding the date of actual payment (as well after as before judgment) at the rate per annum, calculated and compounded monthly, which is equal to:
 - (i) the Alternate Base Rate plus the aggregate of the Applicable Rate (being the highest rate of interest payable pursuant to Section 7.1) and 2% per annum in the case of overdue amounts denominated in U.S. dollars; and
 - (ii) the Prime Rate plus the aggregate of the Applicable Rate (being the highest rate of interest payable pursuant to Section 7.1) and 2% per annum in the case of all other overdue amounts.

Such interest on overdue amounts shall become due and be paid on demand made by the Administrative Agent.

7.4 Selection of Interest Periods

With respect to each LIBOR Loan, the Borrower shall specify in the Drawdown Notice, Rollover Notice or Conversion Notice, the duration of the Interest Period provided that:

- (a) subject to paragraph 7.4(d) below, Interest Periods shall have a duration of one, two or three months or such shorter or longer period as the Borrower and the Lenders may otherwise agree (subject to availability and to the aggregate number of Interest Periods with different dates outstanding under the Credit Facilities being not more than five (5));
- (b) the first Interest Period for a LIBOR Loan shall commence on and include the day on which credit is obtained by way of such LIBOR Loan and each subsequent Interest Period applicable thereto shall commence on and include the date of the expiry of the immediately preceding Interest Period applicable thereto;
- (c) if any Interest Period would end on a day which is not a Banking Day, such Interest Period shall be extended to the next succeeding Banking Day unless such next succeeding Banking Day falls in the next calendar month, in which case such Interest Period shall be shortened to end on the immediately preceding Banking Day; and
- (d) no Period End Date shall be permitted to occur after the applicable Maturity Date.

7.5 Standby Fees

Upon the last Banking Day of each Fiscal Quarter and upon the termination of the RT Facility pursuant to Section 2.4, the Borrower shall pay to the relevant Lenders in accordance with Section 3.7, in arrears, a standby fee on the applicable Available RT Credit, calculated and accruing daily from the Closing Date, at the rate per annum, calculated on the basis of a year of 365 days or 366 days in the case of a leap year, equal to the Applicable Rate during such period. Notwithstanding the foregoing, standby fees shall cease to accrue on the unfunded portion of the Individual Commitment of any Lender with respect to the RT Facility while it is a Defaulting Lender.

ARTICLE 8 RESERVE, CAPITAL, INDEMNITY AND TAX PROVISIONS

8.1 Conditions of Credit

The obtaining or maintaining of credit hereunder shall be subject to the terms and conditions contained in this Article 8.

8.2 Change of Circumstances

- (a) If, with respect to any type of credit, the introduction or adoption of any law, regulation, guideline, request or directive (whether or not having the force of law but, if not having the force of law, one which any Lender is complying with as it pertains to its business generally) of any Official Body (inclusive of, without limitation, (x) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith regardless of when enacted, adopted or issued and (y) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) regardless of when enacted, adopted or issued or the United States regulatory authorities, in each case pursuant to Basel III, CRD IV or CRR or any law or regulation that implements or applies Basel III, CRD IV or CRR, collectively hereinafter referred to as a “**Restraint**”) or any change therein or in the application thereof to the Borrower or to any Lender or in the interpretation or administration thereof or any compliance by any Lender therewith:
- (i) prohibits or restricts extending or maintaining such type of credit or the charging of interest or fees in connection therewith, the Borrower agrees that such Lender shall have the right to comply with such Restraint, shall have the right to refuse to permit the Borrower to obtain such type of credit and shall have the right to require, at the option of the Borrower, the conversion of such outstanding credit to another type of credit to permit compliance with the Restraint or repayment in full of such credit together with accrued interest thereon on the last day on which it is lawful for such Lender to continue to maintain and fund such credit or to charge interest or fees in connection therewith, as the case may be; or
 - (ii) shall impose or require any reserve, liquidity, special deposit requirements or Tax (excluding Excluded Taxes), shall establish an appropriate amount of capital to be maintained by such Lender or shall impose any other requirement or condition which results in an increased cost to such Lender of extending or maintaining a credit or obligation hereunder or reduces the amount received or receivable by such Lender with respect to any credit under this agreement or reduces such Lender’s effective return hereunder or on its capital or causes such Lender to make any payment or to forego any return based on any amount received or receivable hereunder, then, on notification to the Borrower by such Lender, the Borrower shall pay immediately to such Lender such amounts as shall fully compensate such Lender for all such increased costs, reductions, payments or foregone returns which accrue up to and including the date of receipt by the Borrower of such notice and thereafter, upon demand from time to time, the Borrower shall pay such additional amount as shall fully compensate such Lender for any such increased or imposed costs, reductions, payments or foregone returns. Such Lender shall notify the Borrower of any actual increased or imposed costs, reductions, payments or foregone

returns forthwith on becoming aware of same and shall concurrently provide to the Borrower a certificate of an officer of such Lender setting forth the amount of compensation to be paid to such Lender and the basis for the calculation of such amount. Notwithstanding this Section 8.2(a)(ii), the Borrower shall not be liable to compensate such Lender for any such cost, reduction, payment or foregone return occurring more than 90 days before receipt by the Borrower of the aforementioned notification from such Lender; provided, however, that the aforementioned limitation shall not apply to any such cost, reduction, payment or foregone return of a retroactive nature.

- (b) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to seek additional amounts from the Borrower pursuant to Section 8.2(a), it will use reasonable efforts to make, fund or maintain the affected credit of such Lender through another lending office or take such other actions as it deems appropriate, in its sole discretion, if as a result thereof the additional moneys which would otherwise be required to be paid in respect of such credit pursuant to Section 8.2(a), would be reduced and if, as determined by such Lender in its sole discretion, the making, funding or maintaining of such affected credit through such other lending office or the taking of such other actions would not otherwise adversely affect such credit or such Lender and would not, in such Lender's sole discretion, be commercially unreasonable.

8.3 Failure to Fund as a Result of Change of Circumstances

If any Lender requests compensation under Section 8.2(a), if the Borrower is required to pay any additional amount to any Lender or any Official Body pursuant to Section 8.6, if any Lender is a Defaulting Lender or if a Lender becomes a Non-FATCA Compliant Lender, then the Borrower may, at its sole expense (including the processing and recording fee contemplated by Section 15.5(c)), upon notice to such Lender and the Administrative Agent, require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 15.5), all its interests, rights and obligations under this agreement and the other Finance Documents to an assignee that shall assume such obligations (which assignee may be, another Lender, if a Lender accepts such assignment); provided that (a) if such assignee is not otherwise a Lender, the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and the other Finance Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), and (c) in the case of any such assignment resulting from a claim for compensation under Section 8.2(a) or payments required to be made pursuant to Section 8.6, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment cease to apply.

8.4 Indemnity Relating to Credits

Within five Banking Days of receipt by the Borrower of written notice from the Administrative Agent (which notice shall be accompanied by a detailed calculation of the amount to be paid by the Borrower), the Borrower shall pay to the Administrative Agent such amount or amounts as will compensate the Administrative Agent or the Lenders for any loss, cost or expense incurred by them:

- (a) in the liquidation or redeposit of any funds acquired by the Lenders to fund or maintain any portion of a LIBOR Loan as a result of:
 - (i) the failure of the Borrower to borrow or make repayments on the dates specified under this agreement or in any notice from the Borrower to the Administrative Agent (provided that if any notice specifies the repayment of a LIBOR Loan at any time other than on its Period End Date, then the Borrower shall be responsible for any loss, costs or expenses referred to above); or
 - (ii) the repayment or prepayment of any amounts on a day other than the payment dates prescribed herein or in any notice from the Borrower to the Administrative Agent (provided that if any notice specifies the repayment of a LIBOR Loan at any time other than on its Period End Date, then the Borrower shall be responsible for any loss, costs or expenses referred to above); or
- (b) in converting United States dollars into Canadian dollars or Canadian dollars into United States dollars as a result of the failure of the Borrower to make repayments of outstanding credit hereunder in the currency in which such outstanding credit was denominated.

Notwithstanding the foregoing, a Defaulting Lender shall not be entitled to rely on this provision and, for clarity, the Borrower shall not be required to indemnify a Lender for any cost or expense pursuant to this Section 8.4 if such cost or expense is incurred while such Lender is a Defaulting Lender.

8.5 Indemnity for Transactional and Environmental Liability

- (a) The Borrower hereby agrees to indemnify and hold each Agent, each Lender and each of their respective Affiliates, shareholders, officers, directors, employees, and agents (collectively, the “**Indemnified Parties**”) free and harmless from and against any and all claims, demands, actions, causes of action, suits, losses, costs, charges, liabilities and damages, and expenses in connection therewith (irrespective of whether such Indemnified Party is a party to the action for which indemnification hereunder is sought), and including, without limitation, reasonable legal fees and out of pocket disbursements and amounts paid in settlement which are approved by the Borrower (collectively in this Section 8.5(a), the “**Indemnified Liabilities**”), incurred or suffered by, or asserted against, the Indemnified Parties or any of them as a result of, or arising

out of, or relating to (i) the extension of credit contemplated herein, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any credit extended hereunder, (iii) any actual or threatened investigation, litigation or other proceeding relating to any credit extended or proposed to be extended as contemplated herein or (iv) the execution, delivery, performance or enforcement of the Finance Documents and any instrument, document or agreement executed pursuant hereto or thereto, except for any such Indemnified Liabilities that a non-appealable court of competent jurisdiction determined arose on account of the relevant Indemnified Party's breach of any Finance Document or Applicable Law or gross negligence or wilful misconduct.

- (b) Without limiting the generality of the indemnity set out in the preceding clause (a), the Borrower hereby further agrees to indemnify and hold the Indemnified Parties free and harmless from and against any and all claims, demand, actions, causes of action, suits, losses, costs, charges, liabilities and damages, and expenses in connection therewith, including, without limitation, reasonable and documented legal fees and out of pocket disbursements and amounts paid in settlement which are approved by the Borrower, of any and every kind whatsoever paid (collectively in this Section 8.5(b), the “**Indemnified Liabilities**”), incurred or suffered by, or asserted against, the Indemnified Parties or any of them for, with respect to, or as a direct or indirect result of, (i) the presence on or under, or the Release from, any real property legally or beneficially owned (or any estate or interest which is owned), leased, used or operated by any Obligor of any Hazardous Material (or previously owned, leased, used or operated) and (ii) any other violation of or liability pursuant to an Environmental Law with respect to any Obligor, and regardless of whether caused by, or within the control of, such Obligor, except for any such Indemnified Liabilities that a non-appealable court of competent jurisdiction determined arose on account of the relevant Indemnified Party's breach of any Finance Document or Applicable Law or gross negligence or wilful misconduct.
- (c) All obligations provided for in this Section 8.5 shall survive indefinitely the permanent repayment of the outstanding credit hereunder and the termination of this agreement. The obligations provided for in this Section 8.5 shall not be reduced or impaired by any investigation made by or on behalf of any Agent or any of the Lenders.
- (d) The Borrower hereby agrees that, for the purposes of effectively allocating the risk of loss placed on the Borrower by this Section 8.5, each Agent and each Lender shall be deemed to be acting as the agent or trustee on behalf of and for the benefit of their respective shareholders, officers, directors, employees and agents.
- (e) If, for any reason, the obligations of the Borrower pursuant to this Section 8.5 shall be unenforceable, the Borrower agrees to make the maximum contribution to the payment and satisfaction of each obligation that is permissible under applicable law.

- (f) The indemnity under this Section 8.5 shall not apply to any matters specifically dealt with in Sections 8.2, 8.4, 8.6 or 11.3(e).

8.6 Payments Free and Clear of Taxes

- (a) Any and all payments made by an Obligor hereunder or under any other Credit Document (any such payment being hereinafter referred to as a “**Payment**”) to or for the benefit of a Finance Party shall be made without set-off or counterclaim, and free and clear of, and without deduction or withholding for, or on account of, any and all present or future Taxes, except to the extent that such deduction or withholding is required by law or the administrative practice of any Official Body. If an Obligor shall be so required to deduct or withhold any Taxes from or in respect of any Payment made to or for the benefit of the relevant Finance Party, the relevant Obligor shall:
 - (i) promptly notify the Administrative Agent of such requirement;
 - (ii) to the extent such Taxes are Indemnified Taxes, the amount payable by the Obligor to the Administrative Agent to which the relevant Finance Party is otherwise entitled will be increased as necessary so that, after all deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section 8.6(a)) are made, such relevant Finance Party will receive an amount (free and clear of, and net of, any such Indemnified Taxes, whether assessable against such Obligor or such Finance Party) equal to the full amount such Finance Party would have received had no such deduction or withholding been required, and the Obligor will pay such full amount to the Administrative Agent;
 - (iii) make such deduction or withholding;
 - (iv) pay to the relevant Official Body in accordance with Applicable Law the full amount of Taxes required to be deducted or withheld (including such deductions and withholdings applicable to additional amounts payable under this Section 8.6(a)), within the time period required by Applicable Law; and
 - (v) as promptly as possible thereafter, forward to such Finance Party an original official receipt (or a certified copy), or other documentation acceptable to such Finance Party, acting reasonably, evidencing such payment to such Official Body.
- (b) In addition, each Obligor agrees to pay to the relevant Official Body in accordance with Applicable Law any and all present or future stamp or documentary taxes or excise or property taxes, charges or levies of a similar nature, which arise from any Payment or from the execution, delivery or registration of, or otherwise with respect to, the Credit Documents and the

transactions contemplated hereby or thereby (any such amounts being hereinafter referred to as “**Other Taxes**”).

- (c) Each Obligor hereby indemnifies and holds harmless each Finance Party, on an after-Taxes basis, for the full amount of Taxes and Other Taxes, interest, penalties and other liabilities, levied, imposed or assessed against (and whether or not paid directly by) such Finance Party and for all expenses, resulting from or relating to such Obligor’s failure to:
 - (i) remit to such Finance Party the documentation referred to in Section 8.6(a)(v); or
 - (ii) pay any Taxes or Other Taxes when due to the relevant Official Body (including, without limitation, any Indemnified Taxes imposed by any Official Body on amounts payable under this Section 8.6);

whether or not such Taxes or Other Taxes were correctly or legally assessed by the relevant Official Body, provided such Taxes, Other Taxes, interest, penalties or other liabilities, as applicable, would not have been levied, imposed or assessed had such failure not occurred. Any Finance Party who pays any Taxes or Other Taxes, shall promptly notify the relevant Obligor of such payment, provided, however, that failure to provide such notice shall not detract from, or compromise, the obligations of the relevant Obligor under this Section 8.6. Payment pursuant to this indemnification shall be made within 30 days from the date the relevant Finance Party makes written demand therefor accompanied by a certificate as to the amount of such Taxes or Other Taxes and the calculation thereof, which calculation shall be *prima facie* evidence of such amount.

- (d) If the Borrower determines in good faith that a reasonable basis exists for contesting any Indemnified Taxes for which a payment has been made under this Section 8.6, the relevant Finance Party shall, if so requested by the Borrower, cooperate with the applicable Obligor in challenging such Taxes at the applicable Obligor’s expense and provided always that such cooperation is not, in such Finance Party’s reasonable judgment, burdensome or otherwise affects its tax affairs.
- (e) Any Finance Party that is entitled to an exemption from or reduction of withholding Taxes under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any applicable tax treaty or convention, with respect to Payments shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law (if any) as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Finance Party, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law (if any) or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent

to determine whether or not such Finance Party is subject to withholding or information reporting requirements. Notwithstanding the foregoing, no Finance Party shall be required to deliver any documentation pursuant to this Section 8.6(e) that such Finance Party is not legally able to deliver.

- (f) Each Obligor also hereby indemnifies and holds harmless each Finance Party, on an after-Taxes basis, for any additional taxes on net income that such Finance Party may be obliged to pay as a result of the receipt of amounts paid by or on behalf of such Obligor under this Section 8.6.
- (g) Additional amounts payable under Section 8.6(a) have the same character as the Payments to which they relate.
- (h) The Obligors' obligations under this Section 8.6 shall survive without limitation the termination of the Credit Facilities and this agreement and all other Credit Documents and the permanent repayment of the outstanding credit and all other amounts payable hereunder and thereunder.
- (i) If any Finance Party or the Administrative Agent, as applicable, receives a refund of, or credit for, Taxes for which a payment has been made by the Borrower under this Section 8.6, which refund or credit in the good faith judgment of such Finance Party or the Administrative Agent, as the case may be, is attributable to the Indemnified Taxes giving rise to such payment made by the Borrower, then such Finance Party or the Administrative Agent, as the case may be, shall reimburse the Borrower for such amount (if any, but not exceeding the amount of any payment made under this Section 8.6 that gives rise to such refund or credit), net of out-of-pocket expenses of such Finance Party or the Administrative Agent, as the case may be, which the Administrative Agent or Finance Party, as the case may be, determines in its absolute discretion will leave it, after such reimbursement, in no better or worse position than it would have been in if such Indemnified Taxes had not been exigible. The Borrower, upon the request of the Administrative Agent or any Finance Party, agrees to repay the Administrative Agent or such Finance Party, as the case may be, any portion of any such refund or credit paid over to the Borrower that the Administrative Agent or such Finance Party, as the case may be, is required to pay to the relevant Official Body and agrees to pay any interest, penalties or other charges paid by the Administrative Agent or Finance Party, as the case may be, as a result of or related to such payment to such Official Body. Neither the Administrative Agent nor any Finance Party shall be under any obligation to arrange its tax affairs in any particular manner so as to claim any refund or credit.
- (j) None of the Finance Parties nor the Administrative Agent shall be obliged to arrange its tax affairs in any particular manner or, subject to Section 8.6(d), be obliged to disclose any information regarding its tax affairs or computations to the Borrower or any other Person in connection with this Section 8.6.

**ARTICLE 9
REPAYMENTS AND PREPAYMENTS**

9.1 Repayment of Credit Facilities

- (a) On the RT Maturity Date, the Borrower shall pay to the Lenders the full amount of the credit outstanding under the RT Facility together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto.
- (b) On the last Banking Day of each Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2020, the Borrower shall make quarterly principal repayments to the Lenders of the drawn amount under the NRT Facility as set forth in the table below:

| <u>Date of Repayment</u> | <u>Amount of Scheduled Repayment</u> |
|---------------------------------|---|
| December 31, 2020 | [REDACTED] |
| March 31, 2021 | |
| June 30, 2021 | |
| September 30, 2021 | |
| December 31, 2021 | |
| March 31, 2022 | |
| June 30, 2022 | |
| September 30, 2022 | |
| December 31, 2022 | |
| March 31, 2023 | |
| June 30, 2023 | |
| September 30, 2023 | |
| December 31, 2023 | |
| March 31, 2024 | |
| June 30, 2024 | |
| September 30, 2024 | |
| December 31, 2024 | |
| March 31, 2025 | |
| NRT Maturity Date | All principal outstanding (if any) under the NRT Facility together with all accrued and unpaid interest thereon and all accrued and unpaid fees |

Date of Repayment

Amount of Scheduled Repayment

with respect thereto

Any amounts so repaid pursuant to this Section 9.1 may not be reborrowed.

9.2 Voluntary Prepayments under the Credit Facilities

Subject to Section 9.3, the Borrower shall be entitled to prepay all or any portion of the outstanding Loans under the Credit Facilities, without penalty, provided that Section 8.4 shall be complied with in connection with any such prepayment and any such prepayment of all or any portion of any Loan shall be in an amount no less than \$1,000,000 and otherwise in integral multiples of \$500,000 in excess thereof. Other than any payments required pursuant to Section 8.4, there are no premiums, penalties or other additional payments associated with any voluntary prepayments under this Section 9.2. Amounts under the NRT Facility which are prepaid as aforesaid shall be applied to the applicable scheduled repayments in inverse order of maturity and may not be reborrowed. Prepayments under the RT Facility pursuant to this Section 9.2 may be reborrowed.

9.3 Mandatory Repayments.

- (a) The NRT Credit Limit shall be permanently reduced in an amount equal to (x) \$2,000,000 should the net smelter return royalty granted by the Borrower to ANR Investments B.V. (or an affiliate thereof) pursuant to the Subscription Agreement be equal to or less than 1% and (y) \$4,000,000 should the net smelter return royalty granted by the Borrower to ANR Investments B.V. (or an affiliate thereof) to the Subscription Agreement be greater than 1%. To the extent required to comply with the preceding sentence, the Borrower shall prepay outstanding credit under the NRT Facility within three (3) Banking Days of receiving any proceeds from ANR Investments B.V. (or an affiliate thereof) pursuant to Section 6.1 of the Subscription Agreement.
- (b) Within 45 days following the end of each Fiscal Quarter (beginning with the Fiscal Quarter ending June 30, 2020), the Borrower shall prepay outstanding credit under the NRT Facility in an amount equal to 30% of Excess Cash Flow for such Fiscal Quarter until such time that at least \$16,720,000 of the Loans under the NRT Facility have been prepaid or repaid pursuant to Sections 9.1(b), 9.2, and/or 9.3(b).
- (c) The Borrower shall prepay outstanding credit under the NRT Facility in an amount equal to \$1,000,000 using the proceeds received by the Borrower under the Appian Facility Agreement on the date of the Borrower's receipt thereof.
- (d) Section 8.4 shall be complied with in connection with any prepayment pursuant to this Section 9.3. Any prepayment made pursuant to Section 9.3(a), (b) or (c) shall be applied to the scheduled repayments under the NRT Facility required pursuant to Section 9.1(b) in inverse order of maturity until outstanding credit under the

NRT Facility has been fully repaid. All amounts prepaid pursuant to this Section 9.3 may not be re-borrowed.

9.4 Prepayment Notice

The Borrower shall give prior written notice to the Administrative Agent of each voluntary prepayment pursuant to Section 9.2. Such notice (a “**Prepayment Notice**”) shall be irrevocable, shall be given in accordance with Section 3.10 and shall specify:

- (a) the Credit Facility under which the prepayment is to be made;
- (b) the date on which the prepayment is to take place; and
- (c) the type and principal amount of the Loan or the portion thereof which is to be prepaid.

9.5 Repayment of Credit Excess

The Borrower shall repay to the Administrative Agent for the account of the relevant Lenders on demand by the Administrative Agent the amount of any Credit Excess existing from time to time, any such repayment to be made no later than one Banking Day after the making of such demand. To the extent any such Credit Excess results solely from currency fluctuations, no such demand shall be made (unless a Default has occurred and is continuing) unless the amount of any such Credit Excess at the time of such demand exceeds 102% of the amount of the relevant Credit Limit at such time.

9.6 Currency of Repayment

All payments and repayments of outstanding credit hereunder shall be made in the currency of such outstanding credit.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties

To induce the Lenders and the Agents to enter into this agreement and to induce the Finance Parties to extend credit hereunder and under the other Finance Documents, the Borrower hereby represents and warrants to the Finance Parties, as of the Restatement Date, as of the date of each extension of credit hereunder, as of each Trade Date and as of the last day of each Fiscal Quarter, as follows (provided that any representations and warranties which are made as of a specific date shall be as of such date) and acknowledges and confirms that the Finance Parties are relying upon such representations and warranties in entering into this agreement and in extending credit hereunder and under the other Finance Documents:

- (a) **Status and Power of Obligors.** Each Obligor is a corporation duly incorporated and organized and validly existing under the laws of its jurisdiction of incorporation. Each Obligor is duly qualified, registered or licensed in all jurisdictions where the nature of its business makes such qualification,

registration or licensing necessary save and except where the failure to be so qualified, registered or licensed would not reasonably be expected to have a Material Adverse Effect. Each Obligor has all requisite corporate capacity, power and authority to own, hold under licence or lease its properties, to carry on its business as now conducted. Each Obligor has all necessary corporate capacity to enter into, and carry out the transactions contemplated by, the Finance Documents to which is a party.

- (b) **Authorization and Enforcement.** All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance by each Obligor of the Transaction Documents to which it is a party. Each Obligor has duly executed and delivered the Transaction Documents to which it is a party. The Transaction Documents to which each Obligor is a party (other than the Debenture until the Debenture has been consented to by the relevant Official Body) are legal, valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with its terms, subject, in respect of the Credit Documents and the Qualified Risk Management Agreements, to the qualifications contained in any legal opinions delivered by counsel to the Obligors delivered in respect hereof and thereof and, in any event, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Applicable Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The Material Project Documents are legal, valid and binding obligations of each Obligor party thereto and, to the Knowledge of the Borrower, each other party thereto, enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Applicable Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The Borrower has given to the Administrative Agent copies of all the Material Project Documents and all such copies of Material Project Documents and Project Authorizations given by it or on its behalf to the Administrative Agent constitute true and complete copies and such documents and agreements are in full force and effect (except as may have been otherwise terminated (other than by reason of default) or expired in accordance with the terms thereof and/or hereof).
- (c) **Compliance with Other Instruments.** The execution, delivery and performance by each Obligor of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated herein and therein, do not and will not conflict with, result in any breach or violation of, or constitute a default under, the terms, conditions or provisions of, the charter or constating documents or by laws of, or any shareholder agreement or declaration relating to, such Obligor. The execution, delivery and performance by each Obligor of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated herein and therein, do not and will not conflict with, result in any material breach or violation of, or constitute a material default under, any Applicable Law or of any Material Project Document or any Authorization to which such Obligor is a party or is otherwise bound or benefits and do not require

the consent or approval of any Official Body or any other party other than the consent or approval of the counterparties of the Material Project Documents which consents or approvals have been obtained and remain in full force and effect (except for such consents and approvals as may have been otherwise terminated (other than by reason of default) or expired in accordance with the terms thereof and/or hereof). All registrations and notifications have been made (subject to the timeframes, if any, set out in the Security Documents) and all duties and fees paid which are required pursuant to Applicable Law to give effect to the Security Documents (other than the Debenture until the Debenture has been consented to by the relevant Official Body) and the intended first priority ranking of the Liens on the Secured Assets (subject to Permitted Liens and other than with respect to the Secured Assets which are subject to the Debenture (until the Debenture has been consented to by the relevant Official Body)) granted by the relevant Obligor pursuant to the Security Documents to which it is a party (other than the Debenture, until the Debenture has been consented to by the relevant Official Body).

- (d) **Financial Statements.** The consolidated financial statements of the Borrower for the most recently completed Fiscal Quarter or Fiscal Year, as the case may be, were prepared in accordance with generally accepted accounting principles. The balance sheet of the aforesaid financial statement presents in all material respects a fair statement of the consolidated financial condition and assets and liability of the Borrower as at the Restatement Date and the statements of operations, retained earnings and cash flow contained in the aforesaid financial statements fairly presents in all material respects the results of the consolidated operations of the Borrower throughout the period covered thereby. Except to the extent reflected or reserved against in the aforesaid balance sheet (including the notes thereto) and except as incurred in the ordinary and usual course of the consolidated business of the Borrower, the Borrower does not have, as at the date of such balance sheet, any outstanding Indebtedness or any liability or obligations (whether accrued, absolute, contingent or otherwise) of a material nature required to be reflected or reserved against in a balance sheet (including the notes thereto) prepared in accordance with generally accepted accounting principles.
- (e) **Litigation.** There are no actions, suits, claims or proceedings (whether or not purportedly on behalf of any Obligor) pending or, to its knowledge, threatened in writing against or affecting the Project or any Obligor before any Official Body which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.
- (f) **Title to Assets.** Each Obligor has good and marketable title to all of its assets, property and undertaking, free from any Lien other than the Permitted Liens.
- (g) **Conduct of Business.** No Obligor is in violation of any agreement, mortgage, franchise, licence, judgment, decree, order, statute, statutory trust, rule or regulation relating in any way to itself or to the operation of its business or to its property or assets and which would reasonably be expected to have a Material Adverse Effect. Each Obligor holds all material Authorizations which are

required to operate its businesses where they are currently being operated including with respect to the management and operation of the Project and the production, transportation, processing and sale of Product. No Obligor has received any notification, verbal, written or otherwise, of any pending or threatened revocation, variation or refusal by the issuing Official Body of any of the afore-mentioned Authorizations nor is any Obligor in violation or default of any such Authorization.

- (h) **Outstanding Defaults.** No Default or Event of Default exists and is continuing. No Obligor nor, to the relevant Obligor's knowledge, any counterparty is in default of, or in breach under or in respect of, any of its material obligations under any Material Project Document provided that if there is such a default or breach of any such material obligation under any Material Project Document, then only if such Material Project Document is terminated or rescinded and such Material Project Document has not been replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Material Project Document, in form and substance acceptable to the Administrative Agent (on the instruction of the Majority Lenders), within 45 days of such termination or rescission (with such grace period only provided if the Borrower actively cooperates with the Administrative Agent to so replace such Material Project Document), shall such default or breach constitute a breach or default of this Section 10.1(h).
- (i) **Solvency Proceedings.** No Obligor has:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) in respect of itself, filed an assignment or petition in bankruptcy or a petition to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) filed a petition or answer seeking a reorganization, arrangement, adjustment or composition in respect of itself under applicable bankruptcy or any other Applicable Law of Canada or other applicable jurisdiction or any subdivision thereof;
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy of any Obligor with such decree or order having remained in force and undischarged or unstayed for a period of 30 days; or
 - (vii) an event analogous to any of clauses (i) - (vi) above occurring in any relevant jurisdiction.

- (j) **Tax Returns and Taxes.** Each Obligor has filed all Tax returns and Tax reports required by Applicable Law to have been filed by it, such Tax returns and reports are correct and complete, and each Obligor has paid all Taxes thereby shown to be owing, except any such Taxes which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with IFRS or generally accepted accounting principles shall have been set aside on its books.
- (k) **Expropriation or Condemnation.** There is no present or threatened (in writing) expropriation or condemnation of the Project or any other material property or assets of any Obligor.
- (l) **Environmental Compliance.**
 - (i) All facilities and property (including underlying groundwater) owned, leased, used or operated by any Obligor have been, and continue to be, owned or leased in material compliance with all Environmental Laws which alleged violation would not reasonably be expected to have a Material Adverse Effect;
 - (ii) There are no pending or threatened (in writing)
 - (A) claims, complaints, notices or requests for information received by the Borrower or any other Obligor from any Official Body with respect to any alleged violation of any Environmental Law except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;
 - (B) complaints, notices or inquiries to any Obligor regarding potential liability under any Environmental Law which liability would reasonably be expected to have a Material Adverse Effect;
 - (iii) There have been no Releases of any Hazardous Materials at, on, under or from any property owned, operated, used or leased by any Obligor in violation of Environmental Laws that have, or would reasonably be expected to have, a Material Adverse Effect;
 - (iv) Each Obligor has been issued and is in compliance with all permits, certificates, approvals, licenses and other authorizations under any Environmental Laws to carry on its business except where such non-compliance would not reasonably be expected to have a Material Adverse Effect;
 - (v) No conditions exist at, on or under any property, owned, operated, used or leased by any Obligor which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law that has, or would reasonably be expected to have, a Material Adverse Effect; and

- (vi) The Borrower has provided to the Lenders copies of all material reports on social and environmental matters relating to the Project.
- (m) **Partnerships.** Except in connection with a Permitted Investment, no Obligor is, directly or indirectly, a member of, or a partner or participant in, any partnership, joint venture or syndicate. No Guarantor carries on business other than the exploration or mining of base or precious metals or such other line of business as is substantially similar or otherwise related to the mining industry.
- (n) **Corporate Structure.** As at the Restatement Date, and hereafter, except as such information may change as a result of a transaction not prohibited hereby and, where required, reported to the Administrative Agent in accordance with Section 11.1(a)(iii), the chart attached hereto as Schedule G accurately sets out the corporate structure of the Borrower and all of its Subsidiaries and evidences (i) intercorporate share ownership and (ii) ownership of mines (including the Project).
- (o) **Assets Insured.** The Secured Assets are insured in accordance with Section 11.3(c) hereof in all material respects and there has been no default or failure by the party or parties insured under the provisions of such policies of insurance maintained which would prevent the recovery by such Obligor insured thereunder of the full amount of any material insured loss. The named insured under all insurance policies maintained by each Obligor is not in default under any of the material provisions contained in any such insurance policies.
- (p) **Intellectual Property.** Each Obligor owns or is licensed or otherwise has the right to use all Intellectual Property that is used in the operation of its businesses and, to the knowledge of the Obligors, without conflict with the rights of any other Person (other than any Intellectual Property the absence of which or any such conflict with respect to which would not have a Material Adverse Effect). No Obligor has received any written notice of any claim of infringement or similar claim or proceeding relating to any of the Intellectual Property which if determined against such Obligor would reasonably be expected to have a Material Adverse Effect. No present or former employee of any Obligor and no other Person owns or claims to own or has or claims to have any interest, direct or indirect, in whole or in part, in any of the Intellectual Property of such Obligor that would reasonably be expected to have a Material Adverse Effect.
- (q) **Employment and Labour Agreements.** Each Obligor is in compliance with the terms and conditions of all collective bargaining agreements and other labour agreements except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect.
- (r) **Capital of the Obligors.** Schedule L sets out (A) the authorized and issued capital of each Guarantor, all of which issued Shares have been duly issued and are outstanding as fully paid and are non-assessable and (B) the owner of record of all such issued Shares. There are no outstanding warrants, options or other agreements which require or may require the issuance of any Shares of any

Guarantor or the issuance of any debt or securities convertible into Shares of any Guarantor, there are no outstanding debt or securities convertible into Shares of any Guarantor and there are no Shares of any Guarantor allotted for issuance. There is no unanimous shareholder agreement with respect to any Obligor.

- (s) **Mining Claims and Leases.** The Borrower has acquired all Mining Claims and Leases which are required in connection with the operation of the Project as of each date this representation is made and has obtained such other surface and other rights as are necessary for access rights, water rights, plant sites, tailings disposal, waste dumps, ore dumps, abandoned heaps or ancillary facilities which are required in connection with the operation of the Project in accordance with the Mine Plan in all material respects. All such Mining Claims and Leases and other rights are sufficient in scope and substance for the operation of the Project by the Borrower in accordance with the Mine Plan in all material respects, and remain in full force and effect, as of each date this representation is made in accordance with the Mine Plan in all material respects. Other than in connection with the Permitted Liens, no Person other than the Borrower and the Administrative Agent for the benefit of the Finance Parties, has any right, title or interest in or to the Mining Claims and Leases in connection with the operation of the Project. The Mining Claims and Leases give the Borrower the exclusive right to conduct exploratory work for minerals and to extract minerals on the areas covered by the Mining Claims and Leases in connection with the operation of the Project. All fees, including without limitation maintenance fees, and other payments due to any Official Body in respect of the Mining Claims and Leases required in connection with the Project have been paid in full on a timely basis. Except as set out in Schedule Q, no fees, royalties or other payments payable to any Person other than any Official Bodies are or shall become due with respect to any of the Mining Claims and Leases required in connection with the Project. The Borrower is not a party to, and has no knowledge of, any royalty or similar agreements, other than as disclosed in the Borrower's Perfection Certificate, pursuant to which the Borrower or any other party is obligated to pay to any Person any amount with respect to any of the Mining Claims and Leases.
- (t) **Liens.** The Liens granted to the Administrative Agent pursuant to, and in accordance with, the Security Documents are fully perfected first priority Liens in and to the Secured Assets (subject only to Permitted Liens and other than the Secured Assets which are subject to the Debenture (until the Debenture has been consented to by the relevant Official Body)) and will, upon the acquisition of additional Secured Assets by each Obligor, constitute first charges or security interests upon all such Secured Assets of such Obligor free and clear of all Liens (except Permitted Liens).
- (u) **Consents, Approvals, etc.** No consents, approvals, acknowledgements, undertakings, non-disturbance agreements, directions or other documents or instruments which have not already been provided to the Administrative Agent are required to be entered into by any Person (i) to make effective the Security created or intended to be created by the Obligors in favour of the Administrative

Agent pursuant to the Security Documents (other than the Debenture (until the Debenture has been consented to by the relevant Official Body)) and (ii) to ensure the perfection and the intended priority of such Security.

- (v) **Perfection Certificates.** Other than as may be updated from time to time pursuant to Section 11.1(a), all information in the most recently delivered Perfection Certificate is hereby certified to be true and correct in all material respects.
- (w) ***Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).*** The Borrower's most recent audited balance sheet states that the Borrower has net assets of at least CDN\$75,000,000. The Borrower's shares are traded on a Canadian stock exchange or a stock exchange designated under subsection 262(1) of the *Income Tax Act* (Canada). The Borrower operates in a country that is a member of the Financial Action Task Force.
- (x) **Information Supplied.** All written and formally presented information provided or made available by the Obligor to the Finance Parties relating to the Project or in connection with this agreement and the matters contemplated hereby is complete and correct in all material respects and does not or will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made and are not misleading in light of the circumstances under which such information is provided; provided that all financial information, financial models and projections and forecasts (referred to in this Section as "**Projections**") provided or made available by the Obligor to the Finance Parties or any of their respective advisors or representatives have been or will be prepared in good faith based upon assumptions which the relevant Obligor believes are reasonable at the time made (it being understood and agreed that no assurance can be given that the Projections will be realized and that actual results may materially differ from such Projections).
- (y) **Mine Plan and Closure Plan.** The Mine Plan is the current plan of the Borrower for the development, construction and operation of the Project. The Closure Plan is the current plan of the Borrower providing for, among other things, the estimated quantum of reclamation, rehabilitation and remediation obligations of the Borrower associated with the Project.
- (z) **Material Project Documents.** As at the Restatement Date, Schedule K constitutes an accurate list of all Material Project Documents.
- (aa) **Sanctions.** No Obligor nor any of its Affiliates, or directors or officers, is a Restricted Person. No Obligor nor any of its Affiliates has engaged in any dealings or transactions with or for the benefit of a Restricted Person (at any such time such Person was a Restricted Person), nor with or in a Restricted Country (at any such time such country was a Restricted Country). No Obligor nor any of its Subsidiaries has any plans to undertake any dealings or transactions with Restricted Persons or Restricted Countries. No Obligor nor any of its Affiliates has engaged in any activity or conduct that would result in a violation of, or be

sanctionable under, any Sanctions. There are not pending, nor to the best of the Borrower's knowledge, threatened, claims, charges, investigations, violations, settlements, civil or criminal enforcement actions, lawsuits, or other court actions against any Obligor or any of its Affiliates alleging a violation by such Obligor or any of its Affiliates of any applicable Sanctions.

- (bb) **No Material Adverse Change.** Since the date of the most recent audited financial statements of the Borrower furnished to the Administrative Agent pursuant to or in connection with any Finance Document, there has been no Material Adverse Change.
- (cc) **Purpose of Credit.** No part of the proceeds of any Accommodation has been used by the Borrower directly or, to the Knowledge of the Borrower, indirectly, (i) in violation of any Sanctions, (ii) which could result in the imposition of Sanctions against any Person (including any Person participating in the transactions contemplated hereby, whether as Lender or otherwise), (iii) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of Anti-Corruption Laws or (iv) to finance any hostile acquisition (being, for the avoidance of doubt, a takeover bid that the board of directors of such company does not support). No Obligor is a charity registered with the Canada Revenue Agency and no Obligor solicits charitable financial donations from the public.
- (dd) **Employee Benefit Plans and Pension Plans.**
 - (i) Schedule P lists all Pension Plans and indicates each Pension Plan, if any, that is a DB Pension Plan.
 - (ii) There is no proceeding or claim (other than routine claims for benefits and related appeals) pending or, to the Knowledge of the Borrower, threatened against any Obligor with respect to any Employee Benefit Plan or any Pension Plan that, individually or in the aggregate, would be reasonably expected to result in a Material Adverse Effect.
 - (iii) Each Obligor has established, operated and administered (including the payment, withholding and remitting of all required contributions in a timely manner) each Employee Benefit Plan and each Pension Plan in compliance with all Applicable Law except for such instances of non-compliance as, individually and in the aggregate, have not resulted in and are not reasonably likely to result in a Material Adverse Effect.
 - (iv) The expected post-retirement benefit obligation of the Obligors under the Employee Benefit Plans does not and is not reasonably likely to have a Material Adverse Effect.

- (ee) **Indebtedness.** No Obligor has any Indebtedness other than Permitted Indebtedness.
- (ff) **Secured Obligations.** The Secured Obligations of each Obligor rank *pari passu* with all other senior secured Indebtedness of such Obligor, subject in all respects to Permitted Liens and any priority afforded thereto.

10.2 Survival of Representations and Warranties

All of the representations and warranties of the Obligors contained in Section 10.1 shall survive the execution and delivery of this agreement until the Secured Obligations Termination Date, notwithstanding any investigation made at any time by or on behalf of any Finance Party.

ARTICLE 11 COVENANTS

11.1 Reporting Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Financial Reporting.** The Borrower shall furnish the Administrative Agent with the following statements and reports, each such statement and report to be in form and substance satisfactory to the Lenders (except to the extent otherwise specified herein) (with sufficient copies for all of the Lenders):
 - (i) as soon as reasonably practicable and in any event within 90 days after the end of each Fiscal Year, copies of the audited consolidated and consolidating financial statements of the Borrower for such Fiscal Year and without any going concern qualifications, together with the auditors' report on each such audited financial statements;
 - (ii) as soon as reasonably practicable and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the unaudited balance sheet, statement of income, retained earnings, change in financial position and of the Borrower, the unaudited consolidated and consolidating financial statements of the Borrower, in each case for such Fiscal Quarter;
 - (iii) together with the financial statements delivered pursuant to Section 11.1(a)(i) or (ii), a duly executed and completed Compliance Certificate together with written notification of any change in the information certified in the Perfection Certificates which change would result in any Lien in favour of the Administrative Agent on any such Secured Asset becoming unperfected or, in the case of any after acquired asset, such asset not being subject to a Lien under a Security Document where such after

acquired assets are required to be subject to a Lien in favour of the Finance Parties;

- (iv) as soon as reasonably practicable and in any event no later than 60 days after the end of each Fiscal Year:
 - (A) an annual budget for such Fiscal Year, prepared on a monthly basis for such upcoming Fiscal Year, including, without limitation, a Capital Expenditure forecast, balance sheet projections, income and cash flow projections, and statements of changes in financial position for each Fiscal Quarter of such Fiscal Year, in each case, prepared on a consolidated basis; and
 - (B) an updated Mine Plan for such Fiscal Year provided that an updated Mine Plan for any such Fiscal Year shall only require the consent and approval of the Lenders if such updated Mine Plan discloses (1) a decrease in payable gold production in excess of 6% of the payable gold production disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent or (2) an increase in operating expenses for the Project in excess of 6% of the operating expenses disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent;
- (v) an updated Closure Plan on or prior to December 31, 2020 and, thereafter, within one year of the date of the most recently delivered Closure Plan, or otherwise as required in accordance with Applicable Law;
- (vi) updated National Instrument 43-101 statements in respect of the Borrower's operations for such Fiscal Year (if required pursuant to Applicable Law), concurrently with filing of the same with the applicable Official Body;
- (vii) as soon as reasonably practicable and in any event no later than 30 days after the end of each calendar month, (A) bank account statements for each bank account that is not a Permitted Payment Account and (B) internally prepared operations report including production values, sales values, pricing, royalties and operating costs in respect of the Borrower and the Project and comments on any deviation from expected results, as well as updates of any variance between actual and budgeted Capital Expenditures all in a form satisfactory to the Administrative Agent; and
- (viii) promptly upon request, such other statements, reports and information as the Administrative Agent, on the instructions of the Majority Lenders, may reasonably request from time to time.

The Borrower shall cause all forecasts and/or projections to be prepared with due care and diligence. For the avoidance of doubt, where the Borrower delivers in

good faith such statements, reports and/or other deliverables required to be delivered pursuant to this Section 11.1(a) which require subsequent confirmation or approval from the Lenders or Administrative Agent, as applicable, the failure of such parties, to confirm or approve the form and substance of such statements, report and/or other deliverables (as applicable) shall not constitute a Default or Event of Default until fifteen (15) days following receipt by the Borrower of written notice from the applicable party or parties that such statement or report is not satisfactory.

Information required to be delivered with respect to the Borrower pursuant to this Section 11.1(a) shall be deemed to have been delivered on the date on which such information has been posted on the Borrower's website on the Internet, at www.sedar.com or at another website identified by the Borrower by notice to the Administrative Agent and accessible by the Lenders without charge.

- (b) **Notice of Expropriation or Condemnation, Litigation, Default/Event of Default, inter alia, and Force Majeure.** The Borrower shall promptly notify the Administrative Agent in writing of:
- (i) the commencement or the written threat of any expropriation or condemnation of any material assets, property or undertaking of any Obligor or of the institution of any proceedings related thereto;
 - (ii) any actions, suits, inquiries, disputes, claims or proceedings (whether or not purportedly on behalf of any Obligor) commenced or threatened in writing against or affecting the Project or any Obligor before any Official Body which in any case or in the aggregate would reasonably be expected to have a Material Adverse Effect;
 - (iii) the occurrence of either a Default, an Event of Default or a material default under any Material Project Document by any Person party thereto of which an Obligor is aware, the nature and date of occurrence of such Default, Event of Default or a material default under any Material Project Document, such Obligor's assessment of the duration and effect thereof and the action which such Obligor proposes to take with respect thereto;
 - (iv) any event of Force Majeure affecting the Project;
 - (v) any downward revision to Proven and Probable Reserves exceeding 10% other than in accordance with the Mine Plan and otherwise any change to the Mine Plan which would reasonably be expected to have a Material Adverse Effect;
 - (vi) any written notification of any pending or threatened revocation, variation or refusal of any Authorizations received from an Official Body which are required to operate any Obligor's businesses where they are currently being operated including with respect to the management and operation of

the Project and the production, transportation, processing and sale of Product;

- (vii) any change to, or the implementation of, any Environmental Law or other Applicable Law which would reasonably be expected to have a Material Adverse Effect;
 - (viii) any insurance claim with respect to any Secured Assets in an amount in excess of \$500,000;
 - (ix) any proposed material change in the mining or processing methods for the Project; and
 - (x) any material amendment, modification, or supplement to the Closure Plan provided to or filed with any Governmental Authority together with a copy of such amendment, modification or supplement to the Closure Plan.
- (c) **Change of Name or Jurisdiction.** If any Obligor changes its legal name or its jurisdiction of formation or the jurisdiction of its location for the purposes of the PPSA or adopts a French form of its legal name, the Borrower shall provide the Administrative Agent with prior written notice of such change or adoption.

11.2 Financial Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Leverage Ratio.** For the Fiscal Quarter ending June 30, 2021 and for each Fiscal Quarter ending thereafter, the Borrower shall maintain at all times the Leverage Ratio to be less than or equal to 3.0:1 and shall calculate such ratio as at the last day of each such Fiscal Quarter.
- (b) **Interest Coverage Ratio.** From and following the Fiscal Quarter ending June 30, 2021, the Borrower shall at all times maintain the Interest Coverage Ratio to be greater than or equal to 4:00:1 and shall calculate such ratio as at the last day of each such Fiscal Quarter.
- (c) **Reserve Tail Ratio.** The Borrower shall at all times maintain the Reserve Tail Ratio to be greater than or equal to 30% at all times.
- (d) **Minimum Tangible Net Worth.** The Borrower shall at all times maintain Tangible Net Worth in an amount greater than or equal to (i) \$6,000,000 plus (ii) 50% of the aggregate positive Net Income for each Fiscal Quarter beginning with the Fiscal Quarter ending on June 30, 2021. For the purpose of the foregoing, if the Net Income for a particular Fiscal Quarter is negative, the Net Income for such Fiscal Quarter shall be deemed to be zero, as at the last day of each Fiscal Quarter.

- (e) **Liquidity.** From and following April 1, 2021, the Borrower shall cause Liquidity to be in an amount equal to or greater than CAD\$10,000,000 at all times.

11.3 Affirmative Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Prompt Payment.** The Borrower shall duly and punctually pay, or cause to be duly and punctually paid to the Finance Parties, all amounts payable by the Borrower under the Finance Documents to which it is a party at the times and places and in the currency and manner mentioned therein.
- (b) **Use of Proceeds.** The Borrower shall apply all of the proceeds obtained under the RT Facility to finance the general corporate purposes of the Borrower and its Subsidiaries, including the repayment of existing Indebtedness of the Obligor and to finance Permitted Acquisitions. The Borrower shall apply all of the proceeds obtained under the NRT Facility to refinance Indebtedness of the Obligor. The Borrower shall not, directly or, to the knowledge of the Borrower, indirectly, use the proceeds of the Credit Facilities, or lend, contribute or otherwise make available such proceeds to any Person, for the purpose of funding or facilitating any business of or with any Restricted Person or any Restricted Country, nor in any other manner, in each case as will result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any Person (including any Person participating in the transactions contemplated hereby, whether as Lender or otherwise).
- (c) **Insurance.** The Borrower shall, and shall cause each other Obligor to, maintain on an individual or aggregate basis, with financially sound and reputable insurers, insurance with respect to the properties and business of the Borrower and its Subsidiaries against loss, damage, risk or liability of the kinds customarily insured against by Persons carrying on a similar business. In each such policy with respect to the Obligor, the Borrower shall cause the Administrative Agent to be named as secured party or mortgagee and lender's loss payee in respect of property and casualty insurance and as additional insured in respect of liability insurance in a manner acceptable to the Administrative Agent, acting reasonably. The Borrower shall, and shall cause each other Obligor to, comply with all of the material provisions contained in all such insurance policies. All premiums for such insurance shall be paid by the Borrower or applicable Obligor when due and certificates of insurance and, if requested, photocopies of the policies shall be delivered to the Administrative Agent.
- (d) **Access to Senior Officers.** Upon the reasonable request of the Administrative Agent at reasonable intervals, the Borrower shall, and shall cause each other Obligor to, make available to the Administrative Agent, the Technical Agent, the Closure Plan Consultant and the Independent Technical Consultant their

respective Senior Officers during regular business hours to answer questions concerning such Obligor's business and affairs.

- (e) **Reimbursement of Expenses.** The Borrower shall (i) reimburse each Agent, on presentation of a summary statement, for all reasonable and documented out-of-pocket costs, charges and expenses incurred by or on behalf of such Agent (including, without limitation, the reasonable and documented fees, disbursements and other charges of one primary counsel and one local or special counsel in each relevant jurisdiction to the Agents, the Independent Technical Consultant, the Closure Plan Consultant and any other consultants or advisors retained by any Agent as well the reasonable costs of any engineering reports and environmental audits and studies as required by any Agent (including, for certainty, the Closure Plan), in each case as concerns any such other consultant or advisor with the approval of the Borrower prior to a Default that is continuing) in connection with all due diligence conducted by the Finance Parties with respect to the financing contemplated herein as well as the negotiation, preparation, execution, delivery, syndication, participation, administration and interpretation of the Finance Documents and the closing documentation ancillary to the completion of the transactions contemplated hereby and thereby and any amendments and waivers hereto and thereto (whether or not consummated or entered into), the charges of Intralinks and any lien search fees and lien registration fees, (ii) reimburse each Finance Party's agents or officers, on demand, for all reasonable out-of-pocket expenses of such agents or officers in connection with any visit of the nature referred to in Sections 11.3(f) and (k), and (iii) reimburse each Finance Party, on demand, for all reasonable out-of-pocket costs, charges and expense incurred by or on behalf of any of them (including the fees, disbursements and other charges of counsel) in connection with any Default or Event of Default or the enforcement of the Finance Documents. For the avoidance of doubt, the foregoing reimbursement covenant shall be effective regardless of whether Loans are advanced to the Borrower hereunder.

- (f) **Inspection of Assets and Operations.** Subject at all times to safety and security protocols in place at the Project, the Borrower shall, and shall cause each other Obligor to, permit representatives of the Administrative Agent, the Lenders, the Technical Agent, Closure Plan Consultant and the Independent Technical Consultant from time to time (provided that, if no Event of Default has occurred and is continuing or no site visit is required to assess a consent request, such inspections by the Lenders shall occur no more than once in any twelve month period) and representatives of the Finance Parties to inspect the Secured Assets and for that purpose to enter on any property which is owned and controlled by such Obligor and where any Secured Assets of such Obligor may be situated during business hours and, unless a Default has occurred and is continuing, upon reasonable notice.

- (g) **Corporate Existence.** The Borrower shall, and shall cause each other Obligor to, maintain its corporate existence and qualify and remain duly qualified to carry on

business and own property in each jurisdiction where the nature of its business makes such qualification necessary.

- (h) **Conduct of Business.** The Borrower shall, and shall cause each other Obligor to, conduct its business in accordance with prudent industry practice in the case of similar businesses to such Obligor including with respect to the Project maintaining, at a minimum, local standards for a similar operation in a similar location and in such a manner so as to comply in all material respects with all Applicable Laws (other than Environmental Laws), the Closure Plan, the Mine Plan (except, in respect of the Initial Mine Plan, where such non-compliance is in connection with the prior temporary suspension of operations from March 2020 to July 2020 at Sugar Zone due to COVID-19) and all terms of the Transaction Documents, so as to observe and perform all its respective obligations under all material leases, licences, mining concessions certificates and agreements necessary for the proper conduct of its business as it relates to the Project consistent with prudent mining practice. The Borrower shall, and shall cause each other Obligor to, perform all material obligations incidental to any trust imposed upon it by statute and shall ensure that any breaches of the said obligations and the consequences of any such breach shall be promptly remedied. The Borrower shall, and shall cause each other Obligor to, obtain and maintain all Authorizations necessary for the operation of its business (including, in the case of the Borrower, the Project) all in a manner consistent with standard industry good practice and as and when required by the Mine Plan and/or the Closure Plan.
- (i) **Taxes.** The Borrower shall, and shall cause each other Obligor to, 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 generally accepted accounting principles.
- (j) **Environmental Matters.** The Borrower shall, and shall cause each other Obligor to, conduct its business in such a manner so as to materially comply with all Environmental Laws. The Borrower shall promptly notify the Administrative Agent and provide copies upon receipt of all written claims, complaints or notices or relating to compliance with Environmental Laws received from an Official Body and shall proceed diligently to resolve any such claims, complaints or notices relating to material compliance with Environmental Laws and provide such information and certifications which the Administrative Agent may reasonably request from time to time to evidence compliance with this Section 11.3(j).
- (k) **Books and Records.** The Borrower shall, and shall cause each other Obligor to, keep proper books of account and records covering all its business and affairs on a current basis, make full, true and correct entries of its transactions in such books, set aside on its books from their earnings all such proper reserves as required by generally accepted accounting principles and permit representatives of the Administrative Agent, no more than once per Fiscal Quarter, to inspect such

books of account, records and documents and to make copies therefrom during reasonable business hours and, unless a Default has occurred and is continuing upon reasonable notice and to discuss the affairs, finances and accounts of such Obligor with its auditors during reasonable business hours and upon reasonable notice.

- (l) **Maintenance of Secured Assets.** Subject at all times to exceptions set out in Section 11.4(c), the Borrower shall, and shall cause each other Obligor to, maintain, preserve, protect and keep:
 - (i) all of its material ownership, lease, use, licence and other interests in the Secured Assets as are necessary or advisable for it to be able to operate the Project substantially in accordance with sound mining and business practice; and
 - (ii) all of the Secured Assets owned by it in good repair, working order, and condition, ordinary wear and tear excepted (protected from theft, loss or damage), and make necessary and proper repairs, renewals, and replacements so that the business carried on in connection therewith may be properly conducted at all times, unless the continued maintenance of any of such Secured Assets is no longer necessary or economically desirable for the operation of the Project, such operation to be substantially in accordance with sound mining and business practice.
- (m) **Mining Payments.** The Borrower shall pay (and provide evidence thereof satisfactory to the Administrative Agent) all fees, royalties and other payments due to the applicable Official Bodies in respect of any Mining Claim and Lease in full at least 5 days before such payment is due.
- (n) **Risk Management Program.** At all times after implementation of the Risk Management Program, the Borrower shall comply therewith. The Borrower shall execute the Mandatory Gold Hedges. The Borrower shall comply with the Risk Management Program in all material respects from and as of the implementation thereof and in accordance with its terms.
- (o) **[Intentionally Deleted.]**
- (p) **Guarantors.** Contemporaneously with the incorporation, formation or acquisition of, or any existing Subsidiary becoming a Material Subsidiary that is not yet a Guarantor, the Borrower shall cause such entity to comply with this Section 11.3(p).
 - (i) the Borrower shall cause such entity to duly execute and deliver to the Administrative Agent a Guarantee;
 - (ii) the Borrower shall deliver, or cause to be delivered to, the Administrative Agent, in form and substance satisfactory to the Administrative Agent:

- (A) a duly certified copy of the constating documents of such entity;
- (B) a certificate of status or good standing for such entity issued by the appropriate governmental body or agency of the jurisdiction in which such entity is incorporated or formed (to the extent available in such jurisdiction);
- (C) a duly certified copy of the resolution of the board of directors of such entity authorizing it to execute, deliver and perform its obligations under each Credit Document to which such entity is a party and a duly certified copy of the resolution of the board of directors (if required under the constating documents of such entity) of such entity authorizing the pledge of all of its issued and outstanding Shares to the Administrative Agent and any subsequent disposition thereof by the Administrative Agent in realizing on the security therein constituted by the relevant Security Documents;
- (D) a certificate of an officer of such entity, in such capacity, setting forth specimen signatures of the individuals authorized to sign the Credit Documents to which such entity is a party;
- (E) Share certificates representing all of the issued and outstanding Shares of such entity, in each case duly endorsed in blank for transfer or attached to duly executed stock transfers and powers of attorney;
- (F) copies of insurance policies, riders and endorsements, insurance binders, certificates of insurance and statements of coverage with respect to the insurance referred to in Section 11.3(c);
- (G) an opinion of such entity's counsel addressed to the Lenders and the Administrative Agent, relating to the status and capacity of such entity, the due authorization, execution and delivery and the validity and enforceability of the Credit Documents to which such entity is a party in the jurisdiction of incorporation of such entity and in the Province of Ontario and such other matters as the Administrative Agent may reasonably request;
- (H) the Borrower shall cause such additional Security Documents or amendments to existing Security Documents to be executed and delivered to permit the pledge of the Shares of such entity;
- (I) the Administrative Agent and its counsel shall be satisfied, acting reasonably, that all necessary approvals, acknowledgements, directions and consents have been given and that all relevant laws have been complied with in respect of all agreements and transactions referred to herein; and

- (J) all documents and instruments shall have been properly registered, recorded and filed in all places which, searches shall have been conducted in all jurisdictions which, and deliveries of all consents, approvals, acknowledgements, undertakings, directions, negotiable documents of title and other documents and instruments to the Administrative Agent shall have been made which, in the opinion of the Administrative Agent's counsel, acting reasonably, are desirable or required to make effective the Security created or intended to be created pursuant to this Section 11.3(p) and to ensure the perfection and the intended first-ranking priority of such Security (subject to Permitted Liens).

Upon compliance with this Section 11.3(p), such entity shall be deemed to constitute an Additional Guarantor.

- (q) **Employee Benefit Plans and Pension Plans.** The Borrower shall, and shall cause each Obligor to:
- (i) establish, maintain and operate (including the payment, withholding and remitting of all required contributions in a timely manner) all Employee Benefit Plans and Pension Plans so as to comply in all respects with all Applicable Laws and the respective requirements of the governing documents for such plans, except as individually and in the aggregate does not and would not reasonably be expected to have a Material Adverse Effect;
 - (ii) promptly and in any event with 10 Banking Days after the relevant event, deliver to the Administrative Agent an updated Schedule P if there are material changes to any Pension Plan with respect to information set out in such Schedule;
 - (iii) deliver to the Administrative Agent, promptly and in any event within 10 Banking Days after the relevant Obligor becoming aware of any Pension Event, a written notice setting forth the nature thereof and the action, if any, that any Obligor proposes to take with respect thereto; and
 - (iv) promptly and in any event within 10 Banking Days after request by the Administrative Agent, deliver to the Administrative Agent copies of any DB Pension Plan established after the date hereof by an Obligor whose Shares have been pledged to the Administrative Agent pursuant to the Security and related actuarial valuations or financial statements.
- (r) **Material Project Documents.** At all times, the Material Project Documents shall be in full force and effect, save and except for any Material Project Document which (i) has expired by its terms or (ii) is, within sixty (60) days of the termination or rescission thereof, replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Material Project

Document, in form and substance acceptable to the Administrative Agent (on the instruction of the Majority Lenders).

- (s) **[Intentionally Deleted]**
- (t) **Reclamation, Rehabilitation and Remediation Reserves.** The Borrower shall ensure that, at all times, it maintains reclamation, rehabilitation and remediation reserves by way of Cash, letters of credit and/or surety bonds in an aggregate amount equal to or greater than the amount specified in its Closure Plan (the “**Remediation Reserve**”). If, at any time, should the Closure Plan disclose reclamation, rehabilitation and remediation obligations of the Obligor which, in the aggregate, is in excess of 15% of the Remediation Reserve at such time (such difference being the “**Remediation Shortfall**”), the Borrower shall, within forty-five (45) calendar days, increase the Remediation Reserve by an amount equal to the Remediation Shortfall and provide the Administrative Agent with evidence satisfactory to the Administrative Agent, acting reasonably, that the Borrower is in compliance with the first sentence of this Section 11.3(t).
- (u) **Access.** Subject to the Post-Closing Matters Agreement, the Borrower shall ensure that it has legal access to and from the Project at all times, including, without limitation, ensuring that the Wawa District Road Authorization Permit issued to it from time to time by the Ministry of Natural Resources and Forestry is renewed prior to the expiration thereof. Upon request, the Borrower shall promptly provide the Administrative Agent with a copy of the current Wawa District Road Authorization Permit issued to it from the Ministry of Natural Resources and Forestry.

11.4 Restrictive Covenants

The Borrower hereby covenants and agrees with the Finance Parties that, until the Secured Obligations Termination Date, and unless waived in writing in accordance with Section 14.14:

- (a) **Liens.** The Borrower shall not, and shall not suffer or permit any other Obligor to, enter into or grant, create, assume or suffer to exist any Lien affecting any of its assets, property and undertaking, save and except for the Permitted Liens.
- (b) **Corporate Existence.** The Borrower shall not, and shall not suffer or permit any other Obligor to, take part in any amalgamation, merger, dissolution, winding up, corporate reorganization, capital reorganization or similar proceeding or arrangement or discontinue any businesses or change its jurisdiction of incorporation or formation; provided that save and except for dissolution, winding up or similar proceedings.
- (c) **Disposition of Assets.** The Borrower shall not, and shall not suffer or permit any other Obligor to, sell, transfer or otherwise dispose (by way of Sale Leaseback or otherwise) of any of its assets other than sales, transfers or other dispositions (i) pursuant to Sale Leaseback transactions of the Obligor provided such

transactions comply with paragraph (b) of the definition of Permitted Indebtedness, (ii) of inventory or Product disposed of in the ordinary course of business, including pursuant to customary offtake and refining arrangements currently in existence (including, for certainty, the New Appian Offtake (as defined in the Appian Financing Agreement)) and entered into by the Obligors from time to time, (iii) of worn out, unserviceable or obsolete equipment and (iv) of other assets of the Obligors the aggregate fair market value of which shall not exceed \$5,000,000 in any Fiscal Year and the proceeds of which are reinvested either in Cash Equivalents or in the operations of the Borrower within six months of the disposition thereof. Without limiting the generality of the foregoing, the Borrower shall not, and shall not suffer or permit any other Obligor to, sell, transfer or otherwise dispose of any Shares of the Obligors, which constitute Secured Assets.

- (d) **Risk Management Agreements.** The Borrower shall not, and shall not suffer or permit any other Obligor to, enter into (i) any Risk Management Agreement for speculative purposes, with any counterparty on a margined basis, or (ii) any Restricted Forward Sale Transaction. Notwithstanding the preceding sentence, the Borrower shall not be in breach of this Section 11.4(d) if, without its knowledge, it enters into a Derivatives Transaction with a Lender or Qualified Affiliate that, at the time of execution thereof, is not rated at least A- by S&P or A3 by Moody's.
- (e) **Amendments.** The Borrower shall not, and shall not suffer or permit any other Obligor to, amend its articles of incorporation, to restrict the ability to transfer the Shares of any Obligor (other than the Borrower) to the extent the Shares of such Obligor constitute Secured Assets. Without the prior written consent by the Administrative Agent (in the case of the Mine Plan) or the Majority Lenders (in all other instances), the Borrower shall not, and shall not suffer or permit any other Obligor to, make any material amendments to, waive compliance, consent or agree to any assignment, transfer or similar dealing with any party in any material respect or otherwise deviate materially from the material terms of, the Mine Plan or any Material Project Document provided that, for purposes of this Section 11.4(e), any amendment to the Mine Plan which provides for (1) a decrease in payable gold production which is less than 6% of the payable gold production disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent or (2) an increase in operating expenses for the Project which is less than 6% of the operating expenses disclosed in the most recently updated Mine Plan delivered by the Borrower to the Administrative Agent, shall not be deemed material.
- (f) **Distributions.** The Borrower shall not, and shall not suffer or permit any Obligor to, declare or pay any Distributions prior to the Trigger Date other than Permitted Appian Distributions. From and following the Trigger Date, the Borrower shall not, and shall not suffer or permit any Obligor to, declare or pay any Distributions, except the Permitted Appian Distributions and other Distributions in respect of which the following conditions have been satisfied:

- (i) no Default or Event of Default exists at the time of payment of such Distribution or would arise immediately thereafter;
 - (ii) the covenants in Section 11.2 are in compliance on a *pro forma* basis after making the subject Distribution and the Borrower has delivered to the Administrative Agent a Compliance Certificate evidencing same; and
 - (iii) the aggregate amount of all Distributions made pursuant to this Section 11.4(f) shall not exceed \$2,000,000 in the aggregate in any Fiscal Year.
- (g) **Indebtedness.** The Borrower shall not, and shall not suffer or permit any other Obligor to, create, incur, assume or suffer to exist any Indebtedness other than Permitted Indebtedness.
- (h) **Investments.** The Borrower shall not, and shall not suffer or permit any other Obligor to, make any Investments prior to the Trigger Date. From and following the Trigger Date, the Borrower shall not, and shall not suffer or permit any Obligor to, make any Investments other than Permitted Investments.
- (i) **Acquisitions.** The Borrower shall not, and shall not suffer or permit any other Obligor to, make any Acquisitions prior to the Trigger Date. From and following the Trigger Date, the Borrower shall not, and shall not suffer or permit any other Obligor to, make any Acquisitions except Permitted Acquisitions.
- (j) **Transactions with Affiliates.** The Borrower shall not, and shall not suffer or permit any other Obligor to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates other than in the ordinary course of business at prices and on terms and conditions not less favourable to the relevant Obligor than could be obtained on an arm's length basis from unrelated third parties.
- (k) **Business Activities.** Except as provided by Section 11.4(h), the Borrower shall not, and shall not suffer or permit any other Obligor to, engage in any business activity other than mineral exploration, the development and operation of prospects for the mining of Product and other minerals in connection with the Project, or any activity incidental thereto.
- (l) **Partnerships.** Save and except in connection with a Permitted Investment, the Borrower shall not, and shall not suffer or permit any other Obligor to, directly or indirectly, be a member of, or a partner or participant in, any partnership, joint venture or syndicate.
- (m) **Pension Plan.** The Borrower shall not, and shall not suffer or permit any Obligor to, terminate or wind up in whole or in part or withdraw from a Canadian Pension Plan if:

- (i) there would be or would reasonably be expected to be a wind-up deficiency resulting in an obligation of an Obligor to pay or contribute in excess of \$10,000,000 in respect of such Canadian Pension Plan; or
 - (ii) such termination, wind up or withdrawal would reasonably be expected to result in a Material Adverse Effect.
- (n) **[REDACTED]**
- (o) **Profit Sharing Arrangements.** The Borrower shall not and shall not suffer or permit any Obligor, to enter into or permit to exist any royalty, streaming or other profit sharing arrangement in respect of the Project, other than any such arrangement disclosed in Schedule Q.
- (p) **Bank Accounts and Cash Management Arrangements.** No Obligor shall:
 - (i) receive any payment or receivable in any bank account other than a bank account of the applicable Obligor that is maintained by a Lender (each such bank account herein referred to as a “Permitted Payment Account”); and
 - (ii) without the prior written consent of the Administrative Agent, permit any amount to be paid, debited or transferred out of a Permitted Payment Account other than in the ordinary course of business.
- (q) **Appian Documents.** The Borrower shall not, nor suffer or permit any other Obligor to, enter into (or make any amendments to) (x) Appian Documents that would be prohibited pursuant to the Intercreditor Agreement or (y) amendments to the Appian Financing Agreement, the New Appian Offtake or the Additional Royalty (as each such term is defined in the Appian Financing Agreement) without the prior written consent of the Administrative Agent. The Borrower shall forthwith provide to the Administrative Agent a copy of any amendment, modification, or supplement made with respect to, or any notice delivered by or to the Borrower in respect of, the Appian Documents.

11.5 Performance of Covenants by Administrative Agent

The Administrative Agent may, on the instructions of the Majority Lenders and upon notice by the Administrative Agent to the Borrower, perform any covenant of the Borrower under this agreement which the Borrower fails to perform or cause to be performed and which the Administrative Agent is capable of performing, including any covenants the performance of which requires the payment of money, provided that the Administrative Agent shall not be obligated to perform any such covenant on behalf of the Borrower and no such performance by the Administrative Agent shall require the Administrative Agent to further perform the Borrower’s covenants or shall operate as a derogation of the rights and remedies of the Administrative Agent and the Lenders under this agreement or as a waiver of such covenant by the Administrative Agent. Any amounts paid by the Administrative Agent as aforesaid shall be

reimbursed by the Lenders in their Pro Rata Shares and shall be repaid by the Borrower to the Administrative Agent on behalf of the Lenders on demand.

ARTICLE 12

CONDITIONS PRECEDENT TO OBTAINING CREDIT

12.1 Conditions Precedent to All Credit

The obligation of the Lenders to extend credit under either Credit Facility is subject to fulfilment of the following conditions precedent at the time such credit is extended:

- (a) no Default has occurred and is continuing or would arise immediately after giving effect to or as a result of such extension of credit;
- (b) the Borrower shall have complied with the requirements of Article 4, Article 5 or Article 6, as the case may be, in respect of the relevant credit; and
- (c) the representations and warranties of the Borrower contained in Section 10.1 shall be true and correct in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date such credit is made available as if such representations and warranties were made on such date except to the extent the same expressly relate to an earlier date.

12.2 Conditions Precedent to Effectiveness of Agreement

This agreement shall become effective upon, and the obligation of the Lenders to extend credit under the Credit Facilities is subject to fulfilment, on or prior August 28, 2020, of the following conditions precedent at the time such credit is extended:

- (a) the conditions precedent set forth in Sections 12.1(a) and (c) have been fulfilled;
- (b) the relevant Credit Facility has not terminated pursuant to Section 2.4;
- (c) the Obligors shall have duly executed and delivered to the Agents the Credit Documents (including in respect of any Credit Documents delivered pursuant to the Existing Credit Agreement, confirmations thereof) to which each is a party, in form and substance satisfactory to the Agents;
- (d) the Administrative Agent has received, in form and substance satisfactory to the Administrative Agent:
 - (i) **[Intentionally Deleted];**
 - (ii) a duly certified copy of the articles of incorporation, articles of amalgamation or similar documents of each Obligor;

- (iii) a certificate of status or good standing for each Obligor issued by the appropriate governmental body or agency of the jurisdiction in which such Obligor is incorporated;
- (iv) a duly certified copy of the resolution of the board of directors of each Obligor authorizing it to execute, deliver and perform its obligations under each Credit Document to which such Obligor is a signatory and, in the case of each Obligor (other than the Borrower), authorizing (as far as it is concerned) the pledge of its Shares and any subsequent disposition thereof by the Administrative Agent in realizing on the security therein constituted by the relevant Security Documents;
- (v) a certificate of an officer of each Obligor, in such capacity, (A) setting forth specimen signatures of the individuals authorized to sign the Credit Documents to which such Obligor is a signatory and (B) to the extent relevant, attaching true copies of the powers of attorney of the representatives acting on behalf of each Obligor, with sufficient capacity to represent each Obligor in the execution of the Credit Documents to which such Obligor is a party;
- (vi) a Perfection Certificate signed by an officer of each Obligor;
- (vii) to the extent not previously delivered pursuant to the Existing Credit Agreement, certificates representing all of the issued and outstanding Shares (to the extent such Shares are certificated) of the Obligors (other than the Borrower), duly endorsed in blank or accompanied by an executed stock transfer powers of attorney;
- (viii) **[Intentionally Deleted];**
- (ix) **[Intentionally Deleted];**
- (x) to the extent not previously delivered pursuant to the Existing Credit Agreement, certified copies of the Material Project Documents in effect as of the Restatement Date, which Material Project Documents shall be satisfactory to the Lenders, Closure Plan Consultant and the Independent Technical Consultant, acting reasonably;
- (xi) endorsements to all insurance policies required pursuant to Section 11.3(c) signed by the issuers of such policies and acknowledging the interests of the Finance Parties in such policies as referred to in Section 11.3(c) satisfactory to the Administrative Agent;
- (xii) opinions of counsel to each Obligor addressed to the Finance Parties, relating to, *inter alia*, (i) the status and capacity of such Obligor, (ii) the due authorization, execution and delivery and (iii) the validity and enforceability of the Credit Documents to which such Obligor is a party in

the jurisdiction of the governing law of the applicable Credit Documents, and such other matters as Administrative Agent may reasonably request;

- (xiii) **[Intentionally Deleted]**; and
- (xiv) requisite information to identify the Obligors under the applicable “know your client” legislation, delivered sufficiently in advance for each Lender to complete such identification.
- (e) the representations and warranties of the Obligors contained in Section 10.1 shall be true and correct in all respects on such date as if such representations and warranties were made on such date (except where such representation or warranty is stated to be made as of a particular date);
- (f) there shall exist no pending or threatened (in writing) litigation, proceedings or investigations which (x) contest the consummation of the Credit Facilities or any part thereof or (y) would reasonably be expected to have a Material Adverse Effect;
- (g) nothing shall have occurred (nor shall any Lender become aware of any material facts not previously known) since December 31, 2019 which the Lenders shall determine, acting reasonably, is reasonably likely to have a Material Adverse Effect;
- (h) **[Intentionally Deleted]**;
- (i) the Administrative Agent and its counsel shall be satisfied, acting reasonably, that (i) all Project Authorizations necessary for the commissioning and operation of the Project as of the Restatement Date and (ii) other Authorizations necessary for the consummation of the financing and security contemplated hereby have been obtained;
- (j) the Security Documents set forth in Schedule H shall have been properly executed and formalized, and, to the extent required pursuant to the terms of such Security Documents, the Security Documents, shall have been registered, recorded and filed in all places which, searches shall have been conducted in all jurisdictions which, and deliveries of all consents, approvals, directions, acknowledgements, undertakings, tripartite agreements and non-disturbance agreements contemplated herein, and all other actions taken which, in the opinion of the Administrative Agent’s counsel, are required to make effective the Security created or intended to be created by the Obligors in favour of the Administrative Agent pursuant to such Security Documents and to ensure the perfection and the intended priority of the Security;
- (k) the Borrower shall have paid (or made arrangements satisfactory to the Administrative Agent to pay to the Agents and the Lenders) all fees and expenses (including, without limitation reasonable and documented legal fees of counsel to

the Agents and fees and expenses of the Independent Technical Consultant and Closure Plan Consultant) required to be paid on or before the Restatement Date;

- (l) the Administrative Agent has received satisfactory evidence that all other Indebtedness of the Obligors that is not Permitted Indebtedness has been repaid and cancelled and all Liens, registrations and filings attendant thereto shall have been discharged and released or the Administrative Agent shall otherwise be satisfied with the arrangement for the repayment of such Indebtedness and release of such Liens;
- (m) **[Intentionally Deleted.]**;
- (n) the Administrative Agent has received a certified true copy of each Appian Document, the Appian Financing Agreement, the New Appian Offtake (as defined in the Appian Financing Agreement) and the Additional Royalty (as defined in the Appian Financing Agreement);
- (o) no Default or Event of Default has occurred and is continuing or would arise after giving effect to or as a result of the execution of this agreement.

12.3 [Intentionally Deleted]

12.4 Waiver

The terms and conditions of Sections 12.1 and 12.2 are inserted for the sole benefit of the Administrative Agent and the Lenders, and the Lenders or the Majority Lenders, as applicable, may waive them in accordance with Section 14.14, in whole or in part, with or without terms or conditions, in respect of any extension of credit or the execution of the Mandatory Gold Hedges and the Discretionary Hedges, as applicable, without prejudicing their right to assert the terms and conditions of Sections 12.1 and 12.2 in whole or in part in respect of any other extension of credit.

12.5 Existing Credit Outstanding under Existing Credit Agreement

The parties hereto acknowledge that there are outstanding under the Credit Facilities (for the purposes of this sentence only, as defined in the Existing Credit Agreement) certain LIBOR Loans (for the purposes of this sentence only, as defined in the Existing Credit Agreement) (the “**Existing Advances**”). The parties hereby agree that, contemporaneously with the fulfilment of the conditions precedent set forth in Section 12.2, the Existing Advances under the RT Facility (as defined in the Existing Credit Agreement) shall be deemed to be LIBOR Loans under the RT Facility and the Existing Advances under the NRT Facility (as defined in the Existing Credit Agreement) shall be deemed to be LIBOR Loans under the NRT Facility.

ARTICLE 13
DEFAULT, REVIEW EVENTS AND REMEDIES

13.1 Events of Default

Upon the occurrence of any one or more of the following events, unless expressly waived in writing in accordance with Section 14.14:

- (a) the Borrower's failure to pay any amount pursuant to any of Section 9.1, 9.3 or 9.5 hereof or any Qualified Risk Management Agreement or to make any delivery pursuant to any Qualified Risk Management Agreement when due or, if such failure results from a failure of the banking system or technical error, within one Banking Day after such payment is due;
- (b) the failure of any Obligor to pay any amount due under the Finance Documents (other than amounts due pursuant to Section 9.1, 9.3 or 9.5 hereof or any Qualified Risk Management Agreement) within three Banking Days after the payment is due;
- (c) the commencement by any Obligor or by any other Person of proceedings for the dissolution, liquidation or winding up of any Obligor or for the suspension of operations of any Obligor (other than such proceedings commenced by another Person which are diligently defended and are discharged, vacated or stayed within thirty days after commencement);
- (d) if any Obligor at any time ceases or threatens to cease to carry on its business or is adjudged or declared bankrupt or insolvent or admits its inability to pay its debts generally as they become due or fails to pay its debts generally as they become due or makes an assignment for the benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property (or such a receiver or trustee is appointed for it or any part of its property), or commences (or any other Person commences) any proceedings relating to it under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect (other than such proceedings commenced by another Person which are diligently defended and are discharged, vacated or stayed within thirty days after commencement), or by any act indicates its consent to, approval of, or acquiescence in, any such proceeding for it or for any part of its property, or suffers the appointment of any receiver or trustee, sequestrator or other custodian;
- (e) if any representation or warranty made by any Obligor in any Finance Document proves to have been incorrect in any respect when made or furnished which, if capable of being cured, has not been remedied within 20 Banking Days after written notice to do so has been given by the Administrative Agent to the relevant Obligor;

- (f) if a writ, execution, attachment or similar process is issued or levied against all or any portion of the property of any Obligor in connection with any judgment against it in an amount of at least \$2,000,000 and such writ, execution, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within thirty days after its entry, commencement or levy;
- (g) any breach of any provision of Section 11.2 or Sections 11.3(b), (c), (g) (as it relates only to the maintenance of corporate existence) or any provision of Section 11.4;
- (h) the breach or failure of due observance or performance by any Obligor of any covenant or provision of any Finance Document (other than those previously referred to in this Section 13.1) where such breach or failure continues for 20 Banking Days after the earlier of (x) an Obligor becoming aware of such breach or failure or (y) the Administrative Agent giving an Obligor notice of such breach or failure;
- (i) the breach or failure of due observance or performance by any Obligor of any material covenant or provision of any Material Project Document subject to any applicable grace periods therein;
- (j) if one or more encumbrancers, liens or landlords take possession of any part of the property of any Obligor or attempt to enforce their security or other remedies against such property and their claims remain unsatisfied for such period as would permit such property to be sold thereunder and such property which has been repossessed or is capable of being sold has an aggregate fair market value of at least \$2,000,000;
- (k) if an event of default under any one or more agreements, indentures or instruments, under which any Obligor has outstanding Indebtedness in an amount in excess of \$2,000,000 or under which another Person has outstanding Indebtedness in an amount in excess of \$2,000,000 which is guaranteed by any Obligor, shall happen (with all applicable grace periods having expired) and be continuing, or if any Indebtedness of such Obligor in an amount in excess of \$2,000,000 which is payable on demand is not paid on demand;
- (l) the expropriation, condemnation or confiscation of the Project or any part thereof other than any part that has a fair market value of less than \$2,000,000 and that is not material for access to, or operation of, the Project;
- (m) the termination, unenforceability, invalidity, expropriation or revocation of any Project Authorization (including, without limitation, any Mining Claim and Lease) where such termination, unenforceability, invalidity, expropriation or revocation would reasonably result in a material adverse effect on the construction, development or operation of the Project;
- (n) any one or more of the Finance Documents is determined by a court of competent jurisdiction not to be a legal, valid and binding obligation of the Obligor which is

a party thereto, enforceable by any Finance Party against such Obligor and such Finance Document has not been replaced by a legal, valid, binding and enforceable document which is substantially equivalent in effect to such Finance Document, assuming such Finance Document had originally been legal, valid, binding and enforceable, in form and substance acceptable to the Administrative Agent, within 30 days of such determination, provided, however, that such grace period shall only be provided if such Obligor actively co-operates with the Administrative Agent to so replace such Finance Document;

- (o) the validity, enforceability or priority of any Finance Document is contested in any manner by any Obligor;
- (p) any Finance Document is terminated or rescinded by an Obligor (other than in accordance with the terms thereof) or any Obligor takes an action to terminate or rescind any Finance Document;
- (q) any Material Project Document is terminated or rescinded (other than pursuant to the expiry of its term) and such Material Project Document has not been replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Material Project Document, in form and substance acceptable to the Administrative Agent (on the instructions of the Majority Lenders), within 45 days of such termination or rescission, provided, however, that such grace period shall only be provided if the Borrower actively cooperates with the Administrative Agent to so replace such Material Project Document;
- (r) any Security Document does not constitute first ranking, priority security in the Secured Assets (subject to Permitted Liens);
- (s) a Material Adverse Change occurs;
- (t) the cessation of production at the Project for a period of 120 consecutive days;
- (u) if the Project is abandoned or placed on care and maintenance;
- (v) a Pension Event occurs and
 - (i) in the event of a wind up or termination of the relevant Canadian Pension Plan, there would be or would reasonably be expected to be a wind-up deficiency resulting in an obligation of an Obligor to pay or contribute in excess of \$25,000,000; or
 - (ii) it would reasonably be expected to result in a Material Adverse Effect; or
- (w) the occurrence of a Change of Control; or
- (x) a Remediation Shortfall persists for more than thirty (60) calendar days;

the Administrative Agent (with the approval and instructions of the Majority Lenders) may, by notice to the Borrower, terminate the Credit Facilities (provided, however, that the Credit

Facilities shall automatically terminate, without notice of any kind, upon the occurrence of an event described in clause (c) or (d) above) and the Administrative Agent (with the approval and instructions of the Majority Lenders) may, by the same or further notice to the Borrower, declare all indebtedness of the Obligors to the Lenders pursuant to this agreement to be immediately due and payable whereupon all such indebtedness shall immediately become and be due and payable without further demand or other notice of any kind, all of which are expressly waived by the Borrower and the Security shall thereupon immediately become enforceable (provided, however, that all such indebtedness of the Borrower to the Lenders shall automatically become due and payable, without notice of any kind, upon the occurrence of an event described in clause (c) or (d) above and the Security shall thereupon immediately become enforceable).

13.2 Remedies Cumulative

The Borrower expressly agrees that the rights and remedies of the Agents and the Lenders under this agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Agent or any Lender of any right or remedy for a default or breach of any term, covenant or condition in this agreement does not waive, alter, affect or prejudice any other right or remedy to which such Agent or such Lender may be lawfully entitled for the same default or breach. Any waiver by the Administrative Agent with the approval of the Majority Lenders or all of the Lenders in accordance with Section 14.14 of the strict observance, performance or compliance with any term, covenant or condition of this agreement is not a waiver of any subsequent default and any indulgence by the Lenders with respect to any failure to strictly observe, perform or comply with any term, covenant or condition of this agreement is not a waiver of the entire term, covenant or condition or any subsequent default. No failure or delay by any Agent or any Lender in exercising any right shall operate as a waiver of such right nor shall any single or partial exercise of any power or right preclude its further exercise or the exercise of any other power or right.

13.3 Set-Off

In addition to any rights now or hereafter granted under Applicable Law, and not by way of limitation of any such rights, each Finance Party at any time that an Event of Default has occurred and is continuing is authorized without notice to the Borrower or to any other Person, any such notice being expressly waived by the Borrower, to set-off, appropriate and apply any and all deposits, matured or unmatured, general or special, and any other indebtedness at any time held by or owing by such Finance Party, as the case may be, to or for the credit of or the account of the Borrower against and on account of the obligations and liabilities of the Borrower which are due and payable to such Agent or such Lender, as the case may be, under the Finance Documents. Any Lender relying on the set-off in this Section 13.3 shall forthwith so advise the Administrative Agent in writing and the Administrative Agent shall then, in the case of any such Lender set-off or upon its own application of set-off pursuant to this Section 13.3, so advise the Lenders in accordance with Section 14.18.

ARTICLE 14 THE AGENTS

14.1 Appointment and Authorization of Agents

Each Finance Party hereby appoints and authorizes, and hereby agrees that it will require any assignee of any of its interests in the Credit Documents (other than the holder of a participation in its interests herein or therein) to appoint and authorize each Agent to take such actions as agent on its behalf and to exercise such powers under the Credit Documents as are delegated to such Agent by such Finance Party by the terms hereof, together with such powers as are reasonably incidental thereto. No Agent nor any of its directors, officers, employees or agents shall be liable to any of the Finance Parties for any action taken or omitted to be taken by it or them hereunder or thereunder or in connection herewith or therewith, except for its own gross negligence or wilful misconduct and each Finance Party hereby acknowledges that such Agent is entering into the provisions of this Section 14.1 on its own behalf and as agent and trustee for its directors, officers, employees and agents.

14.2 Interest Holders

Each Agent may treat each Lender set forth in Schedule A hereto or the person designated in the last notice delivered to it under Section 15.5 as the holder of all of the interests of such Lender under the Credit Documents.

14.3 Consultation with Counsel

Each Agent may consult with legal counsel selected by it as counsel for such Agent and the Finance Parties and shall not be liable for any action taken or not taken or suffered by it in good faith and in accordance with the advice and opinion of such counsel.

14.4 Documents

No Agent shall be under any duty to the Finance Parties to examine, enquire into or pass upon the validity, effectiveness or genuineness of the Credit Documents or any instrument, document or communication furnished pursuant to or in connection with the Credit Documents and each Agent shall, as regards the Finance Parties, be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

14.5 Any Agent as Finance Party

With respect to those portions of a Credit Facility made available by it, each Agent shall have the same rights and powers under the Credit Documents as any other Finance Party and may exercise the same as though it were not such Agent. Each Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with each Obligor and its Affiliates and Persons doing business with such Obligor and/or any of its Affiliates as if it were not such Agent and without any obligation to account to the Finance Parties therefor.

14.6 Responsibility of Agents

The duties and obligations of each Agent to the Finance Parties under the Credit Documents are only those expressly set forth herein. No Agent shall have any duty to the Finance Parties to investigate whether a Default or an Event of Default has occurred. Each Agent shall, as regards the Finance Parties, be entitled to assume that no Default or Event of Default has occurred and is continuing unless such Agent has actual knowledge or has been notified by the Borrower of such fact or has been notified by a Finance Party that such Finance Party considers that a Default or Event of Default has occurred and is continuing, such notification to specify in detail the nature thereof. In determining compliance with any condition hereunder to the extension of any credit hereunder that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to such extension of credit.

14.7 Action by Agents

Each Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it on behalf of the Finance Parties by and under this agreement and the Intercreditor Agreement; provided, however, that the Administrative Agent shall not exercise any rights under Section 13.1 or under the Guarantees or the Security Documents or expressed to be on behalf of or with the approval of the Majority Lenders without the request, consent or instructions of the Majority Lenders. Furthermore, any rights of the Administrative Agent expressed to be on behalf of or with the approval of the Majority Lenders shall be exercised by the Administrative Agent upon the request or instructions of the Majority Lenders. No Agent shall incur any liability to the Finance Parties under or in respect of any of the Credit Documents with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or wilful misconduct. Each Agent shall in all cases be fully protected in acting or refraining from acting under any of the Credit Documents in accordance with the instructions of the Majority Lenders and any action taken or failure to act pursuant to such instructions shall be binding on all Finance Parties. In respect of any notice by or action taken by any Agent hereunder, the Borrower shall at no time be obliged to enquire as to the right or authority of such Agent to so notify or act.

14.8 Notice of Events of Default

In the event that the Administrative Agent shall acquire actual knowledge or shall have been notified of any Default or Event of Default, the Administrative Agent shall promptly notify the Lenders and shall take such action and assert such rights under Section 13.1 of this agreement and under the other Credit Documents as the Majority Lenders shall request in writing and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Lenders shall fail for five Banking Days after receipt of the notice of any Default or Event of Default to request the Administrative Agent to take such action or to assert such rights under any of the Credit Documents in respect of such Default or Event of Default, the Administrative Agent may, but shall not be required to, and subject to subsequent specific instructions from the Majority Lenders, take such action or assert such rights (other than rights under Section 13.1 of this agreement or under the other Credit Documents and other than

giving an express waiver of any Default or any Event of Default) as it deems in its discretion to be advisable for the protection of the Lenders except that, if the Majority Lenders have instructed the Administrative Agent not to take such action or assert such rights, in no event shall the Administrative Agent act contrary to such instructions unless required by law to do so.

14.9 Responsibility Disclaimed

No Agent shall be under any liability or responsibility whatsoever as agent hereunder:

- (a) to any Obligor or any other Person as a consequence of any failure or delay in the performance by, or any breach by, any Finance Party or Finance Parties of any of its or their obligations under any of the Credit Documents;
- (b) to any Finance Party or Finance Parties as a consequence of any failure or delay in performance by, or any breach by, any Obligor of any of its obligations under any of the Credit Documents; or
- (c) to any Finance Party or Finance Parties for any statements, representations or warranties in any of the Credit Documents or in any other documents contemplated hereby or thereby or in any other information provided pursuant to any of the Credit Documents or any other documents contemplated hereby or thereby or for the validity, effectiveness, enforceability or sufficiency of any of the Credit Documents or any other document contemplated hereby or thereby.

14.10 Indemnification

Within three Banking Days of written notice by an Agent to the Finance Parties of any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement of any nature whatsoever which may be imposed on or incurred by it, each Finance Party agrees to indemnify such Agent (to the extent not reimbursed by an Obligor) in their respective Pro Rata Shares from and against any and all such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any nature whatsoever which may be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of any of the Credit Documents or any other document contemplated hereby or thereby or any action taken or omitted by such Agent under any of the Credit Documents or any document contemplated hereby or thereby, except that no Finance Party shall be liable to any Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of such Agent.

14.11 Credit Decision

Each Lender represents and warrants to each Agent that:

- (a) in making its decision to enter into this agreement and to make its Pro Rata Share of the Credit Facilities available to the Borrower, it is independently taking whatever steps it considers necessary to evaluate the financial condition and

affairs of the Obligors and that it has made an independent credit judgment without reliance upon any information furnished by such Agent; and

- (b) so long as any portion of the Credit Facilities is being utilized by the Borrower, it will continue to make its own independent evaluation of the financial condition and affairs of the Obligors.

14.12 Successor Agents

Subject to the appointment and acceptance of a successor Administrative Agent or Technical Agent, as applicable, as provided below, the relevant Agent may, with the prior written consent of the Borrower (which consent shall not be required for so long as a Default has occurred and is continuing), resign at any time by giving 30 days written notice thereof to the Borrower and the Lenders. Upon any such resignation, the Majority Lenders, with the prior written consent of the Borrower (which consent shall not be required (x) if the successor Agent is an Affiliate or Subsidiary of such Agent on the Closing Date or (y) for so long as a Default has occurred and is continuing), shall have the right to appoint a successor Agent who shall be one of the Lenders unless none of the Lenders wishes to accept such appointment. If no successor Agent shall have been so appointed and shall have accepted such appointment by the time of such resignation, then the retiring Agent may, on behalf of the Finance Parties and with the prior written consent of the Borrower (which consent shall not be required for so long as a Default has occurred and is continuing), appoint a successor Agent which shall be a bank which has combined capital and reserves in excess of \$250,000,000. Subject to the appointment and acceptance of a successor Administrative Agent or Technical Agent, as applicable, as provided below, the relevant Agent shall, upon notice from the Majority Lenders and with the prior written consent of the Borrower (which consent shall not be required for so long as a Default has occurred and is continuing), resign at the time specified in the aforementioned notice. Upon any such resignation, the Majority Lenders, with the prior written consent of the Borrower (which consent shall not be required (x) if the successor Agent is an Affiliate or Subsidiary of such Agent on the date hereof or (y) for so long as a Default has occurred and is continuing), shall have the right to appoint a successor Agent who shall be one of the Lenders unless none of the Lenders wishes to accept such appointment. Upon the acceptance of any appointment as Agent hereunder by a successor Agent such successor Agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, duties and obligations of the retiring Agent (in its capacity as Agent but not otherwise in its capacity as a Finance Party) and the retiring Agent shall be discharged from its duties and obligations hereunder (in its capacity as Agent but not otherwise in its capacity as a Finance Party). After the resignation hereunder of any retiring Agent provisions of this Article 14 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

14.13 Delegation by Agents

With the prior approval of the Majority Lenders, any Agent shall have the right to delegate any of its duties or obligations hereunder as such Agent to any Affiliate of such Agent so long as such Agent shall not thereby be relieved of such duties or obligations.

14.14 Waivers and Amendments

- (a) Subject to Sections 14.14(b) and (c), any term, covenant or condition of any of the Credit Documents may only be amended with the prior consent of the Borrower and the Majority Lenders or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Majority Lenders and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation, so amended or waived (whether such amendment is executed or such consent or waiver is given before or after such failure), shall not be construed as a breach of such covenant, condition or obligation or as a Default or Event of Default.
- (b) Notwithstanding Section 14.14(a), without the prior written consent of each Lender, no such amendment or waiver shall directly:
 - (i) increase the amount either Credit Limit or the amount of the Individual Commitment of any Lender with respect to any Credit Facility;
 - (ii) extend either Maturity Date or any other scheduled repayment of either Credit Facility pursuant to Section 9.1;
 - (iii) extend the time for the payment of interest on Loans, forgive any portion of principal thereof, reduce the stated rate of interest thereon or amend the requirement of *pro rata* application of all amounts received by the Administrative Agent in respect of the Credit Facilities;
 - (iv) change the currency of any payment due and payable by any Obligor hereunder or any other Credit Document;
 - (v) change the percentage of the Lenders' required to constitute the Majority Lenders or otherwise amend the definition of Majority Lenders;
 - (vi) reduce the stated amount or postpone the date for payment of any fees or other amount to be paid pursuant to Article 7 or Article 8 of this agreement;
 - (vii) release or discharge any Guarantee or, except as otherwise permitted pursuant to Sections 14.20, the Security Documents, in whole or in part except pursuant to disposition permitted or not restricted by Section 11.4(c); or
 - (viii) alter the terms of this Section 14.14.
 - (ix) permit any subordination of any of the Secured Obligations;
 - (x) amend the definitions of "**Applicable Rate**", "**Enforcement Date**", "**Exposure**", "**Finance Document**", "**Qualified Affiliate**", "**Qualified Risk Management Agreement**", "**Qualified Risk Management Lender**", "**Risk Management Agreement**", "**Risk Management**

Program”, “Secured Obligations” or “Secured Obligations Termination Date”;

- (xi) amend or waive Sections 11.2, 11.3(b), 12.1, 12.2, 14.21 or 14.24; or
 - (xii) alter the terms of the Intercreditor Agreement.
- (c) Notwithstanding Section 14.14(a), but subject to Section 14.14(e), without the prior written consent of each Qualified Risk Management Lender, no such amendment or waiver shall directly:
- (i) permit any subordination of any of the Secured Obligations;
 - (ii) except as otherwise permitted pursuant to Section 14.20, release or discharge any Guarantee or the Security Documents, in whole or in part;
 - (iii) amend or alter the terms of Section 14.14; or
 - (iv) amend the definitions of **“Qualified Risk Management Agreements”**, **“Enforcement Date”**, **“Exposure”**, **“Finance Document”**, **“Finance Party”**, **“Qualified Affiliate”**, **“Qualified Risk Management Lender”**, **“Risk Management Agreement”** or **“Secured Obligations”**.
- (d) No amendment to or waiver of any provision hereof to the extent it affects the rights or obligations of any Agent shall be effective without the prior written consent of such Agent.
- (e) A Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender shall not be entitled to vote on, consent to, waive or veto any of the matters set forth in Section 14.14(c) unless specifically set forth in this Section 14.14(e) or unless such former Lender ceased to be a Lender on account of a request of the Borrower pursuant to Section 8.3. Notwithstanding any other provisions of this agreement, the Secured Obligations of each Qualified Risk Management Lender (including, for certainty, each Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender) shall at all times rank *pari passu* with the Secured Obligations of each other Finance Party and the Secured Obligations of the Finance Parties (including, for certainty, any Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender) shall be paid pro rata in accordance with their relative Exposures that are then due and payable, in each case regardless of any amendments made to this agreement after the date hereof. Notwithstanding any other provisions of this agreement, no amendment shall be made to this Section 14.14(e) without the written consent of each Qualified Risk Management Lender that is no longer a Lender or an Affiliate of a Lender and each other Finance Party.

14.15 Determination by Agents Conclusive and Binding

Any determination to be made by any Agent on behalf of or with the approval of the Lenders or the Majority Lenders under this agreement shall be made by such Agent in good faith and, if so made, shall be binding on all parties, absent manifest error. The Obligor is entitled to assume that any action taken by any Agent under or in connection with any Credit Document has been appropriately authorized by the Lenders or the Majority Lenders, as the case may be, pursuant to the terms hereof.

14.16 Adjustments among Lenders after Acceleration

- (a) The Lenders agree that, at any time after all indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 13.1 or after the cancellation or termination of the Credit Facilities, they will at any time or from time to time upon the request of any Lender through the Administrative Agent purchase portions of the availments made available by the other Lenders which remain outstanding, and make any other adjustments which may be necessary or appropriate, in order that the amounts of the availments made available by the respective Lenders which remain outstanding, as adjusted pursuant to this Section 14.16, will be in the same proportions as their respective Pro Rata Shares thereof with respect to the Credit Facilities immediately prior to such acceleration, cancellation or termination.
- (b) The Finance Parties agree that, at any time after all Indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 13.1 or after the cancellation or termination of the Credit Facilities, the amount of any repayment made by the Borrower under this agreement, and the amount of any proceeds of the exercise of any rights or remedies of the Finance Parties under the Finance Documents, which are to be applied against amounts owing hereunder or thereunder as principal and/or other indebtedness then due and payable under any Finance Document, will be so applied in a manner such that to the extent possible, (i) the Exposure of each of the Finance Parties, after giving effect to such application, will be pro rata in accordance with the Finance Parties' relative Exposures that are then due and payable and (ii) the amount of credit outstanding under the Credit Facilities which is owing to each Lender, after giving effect to such application, will be pro rata in accordance with the Lenders' Pro Rata Shares of the Credit Facilities immediately prior to such acceleration, cancellation or termination.
- (c) For greater certainty, each Finance Party acknowledges and agrees that without limiting the generality of the provisions of Section 14.16(a) and (b), such provisions will have application if and whenever any Finance Party shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, compensation, or otherwise), other than on account of any monies owing or payable by the Borrower to it under the Finance Documents in excess of its pro rata share of payments on account of monies owing by the Borrower to all the Finance Parties thereunder.

- (d) The Borrower agrees to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Finance Parties pursuant to this Section 14.16.

14.17 Redistribution of Payment

If a Finance Party shall receive payment, at any time after all Indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 13.1 or after the cancellation or termination of the Credit Facilities, of a portion of the aggregate amount of Secured Obligations then due and payable by an Obligor to the Finance Party (whether by set-off, repayment, the proceeds of the exercise of any rights or remedies of the Finance Parties under the Finance Documents or otherwise) which is greater than the proportion received by any other Finance Party in respect of the aggregate amount of Secured Obligations then due and payable to it (having regard to the respective Exposures of the Finance Parties that are then due and payable), the Finance Party receiving such proportionately greater payment shall purchase a participation (which shall be deemed to have been done simultaneously with receipt of such payment) in that portion of the aggregate outstanding Secured Obligations due and payable to the other Finance Party or Finance Parties so that the respective receipts shall be pro rata to their respective participation in the Secured Obligations that are then due and payable; provided, however, that if all or part of such proportionately greater payment received by such purchasing Finance Party shall be recovered from the Borrower, such purchase shall be rescinded and the purchase price paid for such participation shall be returned by such selling Finance Party or Finance Parties to the extent of such recovery, but without interest.

14.18 Distribution of Notices

Except as otherwise expressly provided herein, promptly after receipt by any Agent of any notice or other document which is delivered to such Agent hereunder on behalf of the Lenders, such Agent shall provide a copy of such notice or other document to each of the Lenders; provided, however, that a copy of any such notice delivered at any time during the continuance of an Event of Default shall be delivered by the relevant Agent to each of the Finance Parties.

14.19 Other Security Not Permitted

None of the Finance Parties shall be entitled to enjoy any Lien with respect to any of the Secured Assets other than the Security.

14.20 Discharge of Security

To the extent a sale or other disposition of the Secured Assets is permitted pursuant to the provisions hereof, the Finance Parties hereby authorize the Administrative Agent, at the cost and expense of the Borrower, to execute such discharges and other instruments which are necessary for the purposes of releasing and discharging the Security therein or for the purposes of recording the provisions or effect thereof in any office where the Security Documents may be registered or recorded or for the purpose of more fully and effectively carrying out the provisions of this Section 14.20.

14.21 Determination of Exposures

Concurrent with any request for any approval or instructions of the Majority Lenders and prior to any distribution of Cash Proceeds of Realization to the Finance Parties, the Administrative Agent shall request each Finance Party to provide to the Administrative Agent a written calculation of such Finance Party's Exposure, each such calculation to be certified true and correct by the Finance Party providing same. Each Finance Party shall so provide such calculation within two Banking Days following the request of the Administrative Agent. Any such calculation provided by a particular Finance Party shall, absent manifest error, constitute prima facie evidence of such Finance Party's Exposure at such time. With respect to each determination of the Exposure of the Finance Parties, the Administrative Agent shall promptly notify the Finance Parties. For the purposes of determining a particular Finance Party's Exposure:

- (a) the Exposure of a Finance Party under any Credit Documents shall be the aggregate amount (expressed in United States dollars) owing to such Finance Party thereunder on such date;
- (b) the Exposure of a Qualified Risk Management Lender in respect of Qualified Risk Management Agreements shall be measured as the net exposure of such Qualified Risk Management Lender under all Qualified Risk Management Agreements with the Borrower to which such Qualified Risk Management Lender is a party, being the aggregate exposure of such Qualified Risk Management Lender thereunder less the aggregate exposure of the Borrower thereunder; the exposure of party to a Qualified Risk Management Agreement shall be, in the case of a Qualified Risk Management Agreement which has not been terminated as of such date, the total amount which would be owing to such party by the other party under such Qualified Risk Management Agreement in the event of the early termination as of such date of such Qualified Risk Management Agreement as a result of the occurrence of a default, event of default or termination event (however specified or designated) with respect to such party thereunder or, in the case of a Qualified Risk Management Agreement which has been terminated as of such date, the total amount which is owing to such party by the other party under such Qualified Risk Management Agreement, in each case expressed in United States dollars; and
- (c) the Exposure of any Agent, for the purposes of Section 14.24(b)(iii) and for no other purposes, shall not include the amounts distributed pursuant to Sections 14.24(b)(i) and (ii).

14.22 Decision to Enforce Security

Upon the Security becoming enforceable in accordance with its terms, the Administrative Agent shall promptly so notify each of the Finance Parties. Any Lender or any Qualified Risk Management Lender may thereafter provide the Administrative Agent with a written request to enforce the Security. Forthwith after the receipt of such a request, the Administrative Agent shall seek the instructions of the Majority Lenders as to whether the Security should be enforced and the manner in which the Security should be enforced. In seeking such instructions, the Administrative Agent shall submit a specific proposal to the

Finance Parties. From time to time, any Lender or any Qualified Risk Management Lender may submit a proposal to the Administrative Agent as to the manner in which the Security should be enforced and the Administrative Agent shall submit any such proposal to the Finance Parties for approval of the Majority Lenders. The Administrative Agent shall promptly notify the Finance Parties of all instructions and approvals of the Majority Lenders. If the Majority Lenders instruct the Administrative Agent to enforce the Security, each of the Finance Parties agree to accelerate the Secured Obligations owed to it to the extent permitted under the relevant Finance Document and in accordance with the relevant Finance Document.

14.23 Enforcement

The Administrative Agent reserves the sole right to enforce, or otherwise deal with, the Security and to deal with the Obligors in connection therewith; provided, however, that the Administrative Agent shall so enforce, or otherwise deal with, the Security as the Majority Lenders shall instruct.

14.24 Application of Cash Proceeds of Realization

- (a) All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Administrative Agent and disposed of, or realized upon, by the Administrative Agent in such manner as the Majority Lenders may approve so as to produce Cash Proceeds of Realization.
- (b) Subject to the claims, if any, of secured creditors of the Obligors whose security ranks in priority to the Security, all Cash Proceeds of Realization shall be applied and distributed, and the claims of the Finance Parties shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:
 - (i) firstly, to the payment of all reasonable costs and expenses incurred by the Administrative Agent (including, without limitation, all legal fees and disbursements) in the exercise of all or any of the powers granted to it hereunder or under the Guarantees or the Security Documents and in payment of all of the remuneration of any Receiver and all costs and expenses properly incurred by such Receiver (including, without limitation, all legal fees and disbursements) in the exercise of all or any powers granted to it under the Guarantees or the Security Documents;
 - (ii) secondly, in payment of all amounts of money borrowed or advanced by the Administrative Agent or such Receiver pursuant to the Security Documents and any interest thereon;
 - (iii) thirdly, to the payment of the Secured Obligations of the Borrower (including holding as cash collateral to be applied against Secured Obligations of the Borrower which have not then matured) to the Finance Parties pro rata in accordance with their relative Exposures; and
 - (iv) the balance, if any, in accordance with Applicable Law.

In the case of the
Administrative Agent:

BNP Paribas
[REDACTED]

15.2 Severability

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

15.3 Counterparts

This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart by facsimile or electronic means shall be equally as effective as delivery of an original executed counterpart.

15.4 Successors and Assigns

This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

15.5 Assignment

- (a) Neither the Credit Documents nor the benefit thereof may be assigned by the Borrower. No Lender shall sell any participation pursuant to Section (b), nor make any assignment pursuant to Section (c), to an Obligor or any Affiliate thereof.
- (b) A Lender may at any time sell to one or more other persons (“**Participants**”) participating interests (each, a “**Participation**”) in any credit outstanding hereunder, any commitment of such Lender hereunder or any other interest of the Lender hereunder. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender’s obligations under this agreement to the Borrower shall remain unchanged, such Lender shall remain solely responsible for the performance thereof and the Obligors shall continue to be obligated to such Lender in connection with such Lender’s rights under this agreement. The Borrower agrees that if amounts outstanding under this agreement are due and unpaid, or shall have been declared to be or shall have become due and payable upon the occurrence of an Event of Default, or any Default which might mature into an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this agreement to the same extent as if the amount of its participating interest were owing directly to it as the relevant Lender under this agreement. The Borrower also agrees that each Participant shall be entitled to the benefits of Article 8 with respect to its participation hereunder and for the purposes of Article 8 such

Participant shall be deemed to be a Lender to the extent of such participation, provided, that such Participant shall have complied with obligations of a Lender provided in Article 8 and that no Participant shall be entitled to receive any greater amount pursuant to such Article than the relevant Lender would have been entitled to receive in respect of the amount of the participation transferred by the relevant Lender to such Participant had no such transfer occurred.

- (c) With the prior written consent of the Administrative Agent and, so long as no Default shall have occurred and be continuing, the Borrower, a Lender may at any time sell all or any part of its rights and obligations under the Credit Documents (each, a “**Sale**”) to one or more Persons (“**Purchasing Lenders**”). Upon such sale, the relevant Lender shall, to the extent of such sale, be released from its obligations under the Credit Documents and each of the Purchasing Lenders shall become a party to the Credit Documents to the extent of the interest so purchased. Any such assignment by a Lender shall not be effective unless and until such Lender has paid to the Administrative Agent an assignment fee in the amount of \$3,500.00 for each Purchasing Lender, unless and until the Purchasing Lender has executed an instrument substantially in the form of Schedule C hereto whereby the Purchasing Lender has agreed to be bound by the terms of the Credit Documents as a Lender and has agreed to a specific Individual Commitment with respect to a Credit Facility and a specific address, telefacsimile number and email address for the purpose of notices as provided in Section 15.1 and unless and until the requisite consents to such assignment have been obtained and unless and until a copy of a fully executed copy of such instrument has been delivered to each of the Administrative Agent and the Borrower. Upon any such assignment becoming effective, Schedule A hereto shall be deemed to be amended to include the Purchasing Lender as a Lender with the specific Individual Commitment with respect to such Credit Facility, address, telefacsimile number and email address as aforesaid and the Individual Commitment of the Lender making such assignment shall be deemed to be reduced by the amount of the Individual Commitment of the Purchasing Lender with respect to such Credit Facility. Notwithstanding the foregoing, no consent shall be required, nor shall any assignment fee be payable, where a Lender assigns all or any part of its rights and obligations hereunder to one or more of its Affiliates or pledges or assigns its rights hereunder to a Federal Reserve Bank of the United States, the Bank of Canada or the European Central Bank. For the purposes hereof, any required consent of the Borrower shall be deemed to be granted unless the Borrower shall have refused the requested consent in writing within five days of receiving a notice for such request pursuant to Section 15.1. Each Lender confirms that, at any time prior to the occurrence and continuance of an Event of Default, it shall not make an assignment pursuant to Section 15.5(c) to a competitor of the Borrower active in the mining industry.
- (d) On behalf of itself and the other Obligors, the Borrower authorizes the Agents and the Lenders to disclose to any Participant or Purchasing Lender (each, a “**Transferee**”) and any prospective Transferee or any professional advisor of any Transferee or prospective Transferee and authorizes each of the Lenders to disclose to any other Lender any and all financial information in their possession

concerning the Obligors which has been delivered to them by or on behalf of any Obligor pursuant to this agreement or which has been delivered to them by or on behalf of any Obligor in connection with their credit evaluation of the Obligors prior to becoming a party to this agreement, so long as any such Transferee agrees not to disclose any confidential, non-public information to any Person other than its non-brokerage affiliates, employees, accountants or legal counsel, unless required by law and authorizes each of the Lenders to disclose to any other Lender and to any Person where disclosure is required by law, regulation, legal process or regulatory authority (for certainty under any circumstance and not solely in connection with assignment of rights).

15.6 Entire Agreement

This agreement and the agreements referred to herein and delivered pursuant hereto (including, without limitation, the Fee Letter) constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

15.7 Further Assurances

The Borrower shall, and shall cause each Guarantor to, from time to time and at all times hereafter, upon every reasonable request of the Administrative Agent, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the reasonable opinion of the Administrative Agent for more effectually implementing and carrying out the true intent and meaning of the Credit Documents or any agreement delivered pursuant hereto or thereto and such additional security, legal opinions, consents, approvals, acknowledgements, undertakings, non-disturbance agreements, directions and negotiable documents of title in connection with the property and assets of the Obligors, in form and substance satisfactory to the Administrative Agent, as the Administrative Agent may from time to time request, to ensure (i) that all Secured Assets are subject to a Lien in favour of the Administrative Agent and (ii) the intended first ranking priority of such Liens. The Borrower shall, and shall cause each Guarantor to, from time to time and at all times hereafter, upon every reasonable request of the any Lender, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the reasonable opinion of such Lender in order to allow such Lender to comply with any applicable “know your client” requirements.

15.8 Judgment Currency

- (a) If, for the purpose of obtaining or enforcing judgment against the Borrower in any court of any jurisdiction, it becomes necessary to convert into a particular currency (such currency being hereinafter in this Section 15.8 referred to as the “**Judgment Currency**”) an amount due in another currency (such other currency being hereinafter in this Section 15.8 referred to as the “**Indebtedness Currency**”) under this agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

- (i) the date of actual payment of the amount due, in the case of any proceeding in the courts of the Province of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or
 - (ii) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 15.8(a)(ii) being hereinafter in this Section 15.8 referred to as the “**Judgment Conversion Date**”).
- (b) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 15.8(a)(ii), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the relevant Obligor shall pay to the appropriate judgment creditor or creditors such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Indebtedness Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.
- (c) Any amount due from the Borrower under the provisions of Section 15.8(b) shall be due to the appropriate judgment creditor or creditors as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this agreement.
- (d) The term “**rate of exchange**” in this Section 15.8 means the noon spot rate of exchange for Canadian interbank transactions applied in converting the Indebtedness Currency into the Judgment Currency published by the Bank of Canada for the day in question.

15.9 Currency Equivalents

Calculation of currency equivalents (for any amount, its “**Equivalent**”) on any day shall be based on the foreign exchange spot mid-rates for such day reported in The Wall Street Journal, Eastern Edition, or, if not so reported, on the mid-market foreign exchange spot closing rates for such day reported in the Financial Times, or, if not so reported, on spot foreign exchange mid-market rates for trading among banks in amounts of \$1,000,000 and more as quoted by or to the Administrative Agent.

15.10 Waivers of Jury Trial

EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT TO WHICH IT IS A PARTY AND FOR ANY COUNTERCLAIM THEREIN.

15.11 Confidentiality

- (a) Each Finance Party agrees to use commercially reasonable efforts to ensure that financial statements or other information relating to the Obligors which may be delivered to it pursuant to this agreement and which are not publicly filed or otherwise made available to the public generally will be treated confidentially by such Finance Party and that such financial statements or other information will not, except with the written consent of the Borrower, be distributed or otherwise made available by any Finance Party to any Person other than its Affiliates or its directors, officers, employees, authorized agents, counsel, auditors or other representatives (provided the other representatives have agreed or are under a duty to keep all information confidential) who that Finance Party considers appropriate to have such information. Each Finance Party is authorized to deliver a copy of any financial statements or any other information which may be delivered to it pursuant to this agreement, to (i) another Finance Party, (ii) any actual or potential Transferee provided the Transferee agrees to keep all such information confidential, (iii) any Official Body having jurisdiction over such Finance Party in order to comply with any applicable law, regulation or legal process, (iv) any organization for league table purposes provided the information so provided is limited to that specific information required for such league table purposes and (v) to any insurer, insurance broker or reinsurer; provided, however, that the foregoing confidentiality provisions shall not apply to information which is already known to the relevant Finance Party at the time of disclosure or is lawfully obtained by such Finance Party after disclosure and that, as concerns clause (v), any such insurer, insurance broker or reinsurer agrees not to disclose any confidential, non-public information to any Person other than its Affiliates, employees, accountants or legal counsel, or unless required by law and that the information so provided to any such insurer, insurance broker or reinsurer is limited to that needed by it to effect the contemplated insurance or reinsurance and is otherwise customary in nature.
- (b) Subject to Section 15.11(a), (i) all publicity in connection with the Credit Facilities shall be managed by the Administrative Agent in consultation with the Borrower and (ii) no announcements regarding the Credit Facilities or any roles as arranger, lender or agent shall be made without the prior written consent of the Borrower and the Administrative Agent. For certainty, the Borrower may disclose this agreement and the contents hereof as required by Applicable Law.
- (c) Notwithstanding Section 15.11(a) and (b), the Administrative Agent reserves the right to provide to industry trade organizations such necessary and customary information in respect of the Credit Facilities as may be needed for inclusion in league table measurements. Further the Administrative Agent shall be permitted to use information related to the syndication and arrangement of the Credit Facilities in connection with marketing or other transactional announcements or updates subject to confidentiality obligations or disclosure restrictions reasonably requested by the Borrower.

This Section 15.11 supersedes and replaces any confidentiality agreements previously executed by any Obligor, on the one hand and BNP Paribas, on the other.

15.12 International Banking Facilities

Certain Lenders intend to book extensions of credit hereunder on the books and records of their respective international banking facilities, which will constitute an extension of credit within the meaning of Section 204.8(a)(3) of Regulation D. Accordingly, pursuant to Regulation D, the Borrower, a non-bank entity located outside of the United States, acknowledges that such Lenders have notified it that it is the policy of the FRB that extensions of credit by international banking facilities may be used only to finance operations outside of the United States of the Borrower or its Affiliates which are located outside the United States. The Borrower hereby agrees to comply with such policy.

15.13 AML Laws

- (a) The Obligors are in compliance with all anti-money laundering laws, rules, regulations and orders of jurisdictions applicable to the Obligors (collectively, “**AML Laws**”), including without limitation, the Patriot Act (as hereinafter defined); (ii) to the knowledge of the Borrower, no investigation, action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator, involving any Obligor, with respect to AML Laws is currently pending or threatened; and (iii) the Borrower agrees to provide the Lenders with all information reasonably required by the Lenders to carry out the Lenders’ obligations under applicable AML Laws and the Lenders’ anti-money laundering policies and procedures.
- (b) Neither the Obligors nor, to the knowledge of the Obligors, any of their respective employees, directors, officers or agents, in each case, acting on any Obligor’s behalf, have corruptly paid, offered or promised to pay, or authorized payment of any monies or a thing of value, directly or indirectly, to any “foreign official” (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”) or any foreign political party or official thereof or candidate for political office, for the purpose of obtaining or retaining business, or directing business to any Person, or obtaining any other improper advantage, in each case in violation of the FCPA, the UK Bribery Act of 2010 or the Corruption of Foreign Public Officials Act (Canada) and the rules and regulations promulgated thereunder (collectively, “**Anti-Corruption Laws**”), and to the knowledge of the Borrower, no investigation, action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator, involving any Obligor, with respect to Anti-Corruption Laws, is currently pending or threatened.
- (c) The Borrower shall, and shall cause the other Obligors to, maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, any Person that is an Affiliate of the Borrower, including the other Obligors, and, to the extent commercially reasonable, its agents, with Anti-Corruption Laws and applicable Sanctions.

15.14 USA Patriot Act

Each Lender subject to the Patriot Act (as hereinafter defined) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the “**Patriot Act**”), it is required to obtain, verify and record information that identifies the borrower, guarantor or grantor (the “**Loan Parties**”), which information includes the name and address of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act.

15.15 Contractual Recognition of Bail-In and No Fiduciary Duty

Notwithstanding any other term of any Credit Document or any other agreement, arrangement or understanding between the parties hereto, each party to this agreement acknowledges and accepts that any liability of any party to this agreement to any other party to this agreement under or in connection with the Credit Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Credit Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

15.16 Confirmation of Security

The Borrower confirms and agrees that the Liens and other obligations expressed to be created under or pursuant to each Security Document to which it is a party shall be binding upon the Borrower and its collateral (as described in each such Security Document) shall be unaffected by and shall continue in full force and effect notwithstanding the amendment and restatement of the Existing Credit Agreement as constituted hereby and the execution and delivery and effectiveness of this agreement shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Finance Parties arising under, by reason of or otherwise in respect of such Liens and other obligations constituted by each such Security Document. For the avoidance of doubt, the Borrower hereby confirms that each Security Document to which it is a party secures its Secured Obligations and that each such Security Document continues in full force and effect.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement on the date first written above.

HARTE GOLD CORP., as Borrower

By: (signed) Sam Coetzer
Name: Sam Coetzer
Title: President & CEO

By: _____
Name:
Title:

BNP PARIBAS, as Administrative Agent

By: (signed) Carlos Urquiaga

Name: Carlos Urquiaga

Title: Managing Director

By: (signed) Antonio Pichardo

Name: Antonio Pichardo

Title: Director

BNP PARIBAS, as Technical Agent

By: *(signed)* Carlos Urquiaga _____

Name: Carlos Urquiaga

Title: Managing Director

By: *(signed)* Antonio Pichardo _____

Name: Antonio Pichardo

Title: Director

BNP PARIBAS, as Lender

By: *(signed)* Carlos Urquiaga _____

Name: Carlos Urquiaga

Title: Managing Director

By: *(signed)* Antonio Pichardo _____

Name: Antonio Pichardo

Title: Director

SCHEDULE A
LENDERS AND INDIVIDUAL COMMITMENTS

| Lenders | Individual Commitment |
|----------------|---|
| BNP Paribas | NRT Facility: \$49,600,000 RT Facility: \$20,000,000 |

**SCHEDULE B
COMPLIANCE CERTIFICATE**

TO: BNP Paribas, as Administrative Agent

I, _____, a [Senior Officer] of Harte Gold Corp. (the “Borrower”), hereby certify that:

1. **I am a duly appointed [Senior Officer] of the Borrower named in the amended and restated credit agreement made as of August 28, 2020, as amended (the “Credit Agreement”) between, *inter alia*, the Borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Lenders and BNP Paribas, as Technical Agent and as such I am providing this Certificate for and on behalf of the Borrower pursuant to the Credit Agreement.**
2. **I am familiar with and have examined the provisions of the Credit Agreement including, without limitation, those of Article 10, Article 11 and Article 13 therein.**
3. **To the best of my knowledge, information and belief and after due inquiry, no Default or Event of Default has occurred and is continuing.**

As at or for the relevant period ending _____, the amounts and financial ratios as contained in Section(s) [11.2(a), 11.2(b)]¹ 11.2(c)[, 11.2(d) and 11.2(e)]² of the Credit Agreement are as follows and detailed calculations thereof are attached hereto:

| | Actual Amount or Percentage | Required Amount or Percentage |
|------------------------------------|--|--|
| (a) [Leverage Ratio | _____ | ≤3.0:1] ³ |
| (b) [Interest Coverage Ratio | _____ | ≥ 4:00:1] ⁴ |
| (c) Reserve Tail Ratio | _____ | ≥ 30% |
| (d) [Minimum Tangible Net Worth | _____ | ≥ \$<@> ⁵ |
| (e) [Liquidity | _____ | ≥ CAD\$10,000,000] ⁶ |

1 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.
2 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.
3 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.
4 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.
5 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.
6 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

4. **Attached hereto is**

- (i) supplemental disclosure in respect of the Perfection Certificates to the extent mandated pursuant to Section 11.1(a)(iii); and
- (ii) to the extent that the chart most recently provided is inaccurate, a chart setting out the corporate structure of the Borrower and indicating intercorporate share ownership and material mine ownership.

5. **Unless the context otherwise requires, capitalized terms in the Credit Agreement which appear herein without definitions shall have the meanings ascribed thereto in the Credit Agreement.**

DATED this _____ day of _____, _____.

(Signature)

(Name - please print)

(Title of Senior Financial Officer)

CALCULATION WORKSHEET

Following the definitions and calculations more fully defined in the Credit Agreement:

Leverage Ratio⁷

| | | |
|-------------------------|----------|-------|
| Total Indebtedness | \$ _____ | (A) |
| Rolling EBITDA | \$ _____ | (B) |
| Leverage Ratio (Actual) | \$ _____ | (A:B) |

Leverage Ratio (Max. Permitted): 3.0:1

Compliance [Yes]/[No]

Interest Coverage Ratio⁸

| | | |
|-----------------------------------|----------|-------|
| Rolling EBITDA | \$ _____ | (B) |
| Rolling Interest Expenses | \$ _____ | (C) |
| Interest Coverage Ratio (Actual): | \$ _____ | (C:D) |

Interest Coverage Ratio (Min. Permitted): 4.00:1

Compliance [Yes]/[No]

Tangible Net Worth⁹

| | | |
|--|----------|-----|
| Tangible Net Worth (Actual) | \$ _____ | (E) |
| 50% of the aggregate positive Net Income for each Fiscal Quarter beginning with Fiscal Quarter ending on June 30, 2021 | \$ _____ | (F) |

Tangible Net Worth (Min. Required): \$6,000,000 + F:

Compliance [Yes]/[No]

Reserve Tail Ratio

Forecast production (from NRT Maturity Date (or, if monies have been applied to scheduled principal payments under the NRT Facility in inverse order of maturity pursuant to Section 9.1 and/or 9.2, then from the last scheduled principal payment under the NRT Facility which has not been prepaid in full) through Life of Mine)

G _____ ounces

7 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

8 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

9 Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

| | | |
|---|--------------|---------------------------------------|
| Proven and Probable Reserves for the Life of Mine | H | <u> </u> ounces |
| Reserve Tail Ratio | G / H | <u> </u> % |

Compliance [Yes]/[No]

Liquidity¹⁰

| | | |
|---|-----|-----------------------------------|
| Unrestricted Cash and Cash Equivalents | I | <u> </u> \$ |
| Readily saleable and insured Doré of the Borrower | J | <u> </u> |
| Liquidity | I+J | <u> </u> |

Liquidity (Min. Required): CAD\$10,000,000

Compliance [Yes]/[No]

¹⁰ Only required for Fiscal Quarters beginning with the Fiscal Quarter ending June 30, 2021.

SCHEDULE C
FORM OF ASSIGNMENT

Dated _____, 20__

Reference is made to the Amended and Restated Credit Agreement made as of August 28, 2020, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties (in that capacity, the “**Administrative Agent**”) and BNP Paribas, as Technical Agent. Terms defined in the Credit Agreement are used herein as therein defined.

_____ (the “**Assignor**”) and _____ (the “**Assignee**”) agree as follows:

- (a) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a _____% interest in and to all of the Assignor’s rights and obligations under the Credit Agreement as it relates to the [NRT/RT] Facility as of the Effective Date (as defined below) (including, without limitation, such percentage interest in the Assignor’s Individual Commitment with respect to the [NRT/RT] Facility as in effect on the Effective Date, the credit extended by the Assignor under the [NRT/RT] Facility and outstanding on the Effective Date and the corresponding rights and obligations of the Assignor under all of the Credit Documents as it relates to the [NRT/RT] Facility).

- (b) The Assignor (i) represents and warrants that as of the date hereof its Individual Commitment with respect to the [NRT/RT] Facility is \$_____ (without giving effect to assignments thereof which have not yet become effective, including, but not limited to, the assignment contemplated hereby), and the aggregate outstanding amount of credit extended by it under the [NRT/RT] Facility is \$_____ (without giving effect to assignments thereof which have not yet become effective, including, but not limited to, the assignment contemplated hereby); (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any other instrument or document furnished pursuant thereto; (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Obligor or the performance or observance by the Obligors of any of their obligations under the Credit Documents or any other instrument or document furnished pursuant thereto; and (v) gives notice to the Administrative Agent and the Borrower of the assignment to the Assignee hereunder.

- (c) The effective date of this Assignment (the “**Effective Date**”) shall be the later of _____ and the date on which a copy of a fully executed copy of this Assignment has been delivered to the Borrower and the Administrative Agent in accordance with Section 15.5(c) of the Credit Agreement.
- (d) The Assignee hereby agrees to the specific Individual Commitment with respect to the [NRT/RT] Facility of \$_____ and to the address, email address and telefacsimile number set out after its name on the signature page hereof for the purpose of notices as provided in Section 15.1 of the Credit Agreement.
- (e) As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Credit Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Credit Documents that have been assigned to it pursuant to this Assignment and (ii) the Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Credit Documents.

The Assignee hereby expressly ratifies the power of attorney given in favour of the Agents under Article 14 of the Credit Agreement.

The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Documents for periods prior to the Effective Date directly between themselves.

This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

[ASSIGNOR]

By: _____
 Title: _____

[ASSIGNEE]

By: _____
 Title: _____

Address: _____

Attention: _____
 Telefax: _____
 Email: _____

Acknowledged and agreed to as of this _____ day of _____, 20__.
BNP PARIBAS, as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

¹¹HARTE GOLD CORP.

By: _____
Name:
Title:

By: _____
Name:
Title:

11 Consent of the Borrower not required if any Default has occurred and is continuing or where a Lender assigning to an Affiliate or assigning to a Federal Reserve Bank of the United States, the Bank of Canada or the European Central Bank.

**SCHEDULE D
FORM OF DRAWDOWN NOTICE**

TO: **BNP Paribas, as Administrative Agent**

Attention: **[REDACTED]**

Email: **[REDACTED]**

RE: Amended and Restated Credit Agreement made as of August 28, 2020, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties and BNP Paribas, as Technical Agent

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably notifies you that it wishes to draw down under the [NRT/RT] Facility on [date of drawdown] as follows:

Loan Amount: _____

Type of Loan: [Prime Rate Loan/Base Rate Loan/LIBOR Loan]

If LIBOR, Interest Period: _____

No Default or Event of Default has occurred and is continuing nor will arise immediately after giving effect to or as a result of the extension of credit hereby requested and the undersigned hereby confirms the truth and accuracy of the representations and warranties set forth in Article 10 of the Credit Agreement in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date hereof except to the extent any such representation and warranty expressly relates solely to an earlier date.

All capitalized terms defined in the Credit Agreement and used herein shall have the meanings ascribed thereto in the Credit Agreement.

DATED the _____ day of _____, _____.

HARTE GOLD CORP.

By: _____

Name:

Title:

**SCHEDULE E
FORM OF ROLLOVER NOTICE**

TO: **BNP Paribas, as Administrative Agent**

Attention:
Telefax:

RE: Amended and Restated Credit Agreement made as of August 28, 2020, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties and BNP Paribas, as Technical Agent

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably requests a rollover of outstanding credit under the [NRT/RT] Facility on [date of rollover] as follows:

| | |
|---|--------------|
| Maturity Date of Maturing LIBOR Loan | _____ |
| Principal Amount of Maturing LIBOR Loan | \$ |
| Portion Thereof to be Replaced | \$ |
| Interest Period of New LIBOR Loan | _____ months |

No Default or Event of Default has occurred and is continuing nor will arise immediately after giving effect to or as a result of the extension of credit hereby requested and the undersigned hereby confirms the truth and accuracy of the representations and warranties set forth in Article 10 of the Credit Agreement in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date hereof except to the extent any such representation and warranty expressly relates solely to an earlier date.

All capitalized terms defined in the Credit Agreement and used herein shall have the meaning ascribed thereto in the Credit Agreement.

HARTE GOLD CORP.

By: _____
Name:
Title:

**SCHEDULE F
FORM OF CONVERSION NOTICE**

TO: **BNP Paribas, as Administrative Agent**

Attention:

Telefax:

RE: Amended and Restated Credit Agreement made as of August 28, 2020, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties and BNP Paribas, as Technical Agent

Pursuant to the terms of the Credit Agreement, the Borrower requests a conversion in the amount of [Cdn./US]\$ _____ under the _____ Facility on _____, _____. Such conversion will be in the form of a [Prime Rate Loan / Base Rate Loan / LIBOR Loan] [with an Interest Period/Term of _____, maturing on _____, _____.]

No Default or Event of Default has occurred and is continuing nor will arise immediately after giving effect to or as a result of the extension of credit hereby requested and the undersigned hereby confirms the truth and accuracy of the representations and warranties set forth in 10 of the Credit Agreement in all material respects (except that any representation and warranty which is already qualified as to materiality or by reference to any Material Adverse Effect shall be true and correct in all respects) on the date hereof except to the extent any such representation and warranty expressly relates solely to an earlier date.

All capitalized terms defined in the Credit Agreement and used herein shall have the meaning ascribed thereto in the Credit Agreement.

DATED the _____ day of _____, 20____.

HARTE GOLD CORP.

By: _____

Name:

Title:

By: _____

Name:

Title:

**SCHEDULE G
CORPORATE STRUCTURE**

Nil.

SCHEDULE H
SECURITY DOCUMENTS

1. An Ontario law governed General Security Agreement dated as of the Closing Date and entered into by the Borrower and the Administrative Agent.
2. An Ontario law governed demand debenture (the “**Debenture**”) dated as of the Closing Date and granted by the Borrower in favour of the Administrative Agent.

SCHEDULE I
QUALIFIED AFFILIATE INSTRUMENT OF ADHESION

TO: BNP Paribas, as Administrative Agent

AND TO: THE OTHER PARTIES TO THE CREDIT AGREEMENT REFERRED TO BELOW

Reference is made to the Amended and Restated Credit Agreement made as of August 28, 2020, (as amended to the date hereof, the “**Credit Agreement**”) between, *inter alia*, Harte Gold Corp., as borrower, the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties (in that capacity, the “**Administrative Agent**”) and BNP Paribas, as Technical Agent. Terms defined in the Credit Agreement are used herein as therein defined.

WHEREAS the Credit Agreement provides that an Affiliate of a Lender may become a Qualified Affiliate under the Credit Agreement if it executes this instrument and delivers it to the Administrative Agent;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby represents, warrants and covenants as follows:

1. By executing this instrument, the undersigned hereby covenants and agrees to be bound by the terms and conditions of the Credit Agreement as a Qualified Affiliate, including all amendments, supplements and additions thereto, deletions therefrom and restatements thereof, solely as relates to the terms and conditions set forth in Article 14 of the Credit Agreement.
2. The undersigned hereby acknowledges that it has been provided with a copy of the Credit Agreement.

DATED this _____ day of _____, _____.

**[INSERT NAME OF QUALIFIED
AFFILIATE]**

By: _____
Name:
Title:

**SCHEDULE J
APPLICABLE RATES**

| Level | Leverage Ratio | LIBOR Loan interest rate | Base Rate interest rate and Prime Rate interest rate | Standby Fee rate re: RT Facility |
|--------------|-----------------------|---------------------------------|---|---|
| I | ≤ 1.0x | 3.375% per annum | 2.375% per annum | 1.506% |
| II | >1.0x but ≤ 2.0 | 3.875% per annum | 2.875% per annum | 1.681% |
| III | >2.0 | 4.375% per annum | 3.375% per annum | 1.856% |

SCHEDULE K
MATERIAL PROJECT DOCUMENTS

Material Project Documents

1. Impact Benefits Agreement Between Harte Gold Corp. and Pic Mobert First Nation and Band Council Resolution dated April 28, 2018
2. Hydro One Connection Contract dated October 5, 2017
3. Harte Gold Corp. Longhole Drilling and Blasting Contract with Foraco Canada Ltd. Dated July 4, 2018
4. Contract Close-Out Agreement dated July 9, 2020 between Harte Gold Corp. and Redpath Canada Limited
5. Contract Agreement dated November 7, 2017 between Morris Group Sudbury Inc. and Harte Gold Corp., as amended as of February 2018.

SCHEDULE L
CAPITAL OF PLEDGED OBLIGORS

Nil.

**SCHEDULE M
PROJECT AUTHORIZATIONS**

| Grantor | Permits, Quotas, Allocations, Licenses, Franchises |
|--|--|
| Ministry of Energy, Northern Development and Mines | Sugar Zone Closure Plan (last amendment May 2019) |
| Ministry of Environment, Conservation and Parks | Sewage Environmental Compliance Approval 8479-B3QHJZ Air Environmental Compliance Approval 7924-BBLL6K Permit to Take Water 7466-AREGML (water wells) Permit to Take Water 8337-B3QJAH (mine dewatering) Permit to Take Water P-300-6062209462 (drill water sources) |
| Ministry of Transportation | Encroachment Permit EC-2018-50S-00000030 V1 Land Use Permit 1526-1001470 (water discharge pipe) |
| Ministry of Natural Resources and Forestry | Land Use Permit 1524-1001682 (power line) Lakes and Rivers Improvement Act Location Approval WAWA- LOC-01-2017 (north TMF) Lakes and Rivers Improvement Act Location Approval WAWA- LOC-01-2020 (south TMF) |

SCHEDULE N RISK MANAGEMENT PROGRAM

I. SUMMARY

As part of the Risk Management Program, the Borrower shall execute mandatory derivative transactions (“**Mandatory Gold Hedges**”) covering gold price exposure for up to 85,000 ounces of its projected gold production until the Maturity Date to support a forward looking Debt Service Coverage Ratio of 1.40:1 based on a spot gold price assumption of US\$1,100/oz and a foreign exchange rate assumption of CAD/US\$1.275:1.

In addition to the Mandatory Gold Hedges, the Borrower may, after the date of execution of the Mandatory Gold Hedges, also execute discretionary derivative transactions related to its exposures to gold prices, interest rates, diesel prices and/or foreign exchange currency (“**Discretionary Hedges**”), subject to prior approval of Majority Lenders with respect to any such Discretionary Hedges to be entered into prior to the Completion Date. The Borrower and the Qualified Risk Management Lenders shall report the terms of each Derivatives Transaction under the Mandatory Gold Hedges and Discretionary Hedges to the Administrative Agent for monitoring purposes immediately following the execution of any such Derivatives Transaction that relates to a Mandatory Gold Hedge and within two Banking Days following the Trade Date of any such Derivatives Transaction that relates to a Discretionary Hedge.

Hedging counterparties shall be restricted to commercial Lenders and/or their affiliates, subject to a minimum ratings standard at the time of hedge execution of A-(S&P) or A3 (Moody’s) (each a “**Hedge Counterpart**” and collectively, the “**Hedge Counterparts**”). It is contemplated that the Hedge Counterparts shall provide hedging lines of a size and tenor sufficient to allow the Borrower to execute the Mandatory Gold Hedges.

Any Qualified Derivatives Transactions entered into in conformity with this Hedge Protocol shall:

- (a) be secured on a *pari passu* basis with the Credit Facilities;
- (b) not have any requirement to post collateral to cover mark-to-market changes; and
- (c) be documented under a Qualified Risk Management Agreement in the form of an ISDA agreement (master agreement and schedule) substantially in accordance with Schedule O which ISDA agreements (except as otherwise consented to by the Lenders) will in any event contain uniform provisions with respect to: (i) when Qualified Derivatives Transactions can be terminated both pre and post Credit Termination Date; (ii) set off being only amongst the Secured Obligations; (iii) netting of payment requests being only between Qualified Derivatives Transactions and (iv) a “Favored Nation” covenant that all Qualified Risk Management Agreements benefit from the same material terms and conditions.

II. HEDGE PROTOCOL

1. Mandatory Gold Hedge

Prior to the initial extension of credit under the Credit Facilities, the Borrower shall execute over a period of five Banking Days, Mandatory Gold Hedges (in the form of flat forwards or zero premium collars) covering not more than 85,000 oz. of gold forecast to be produced until the Maturity Date. The quantum of gold ounces required for the Mandatory Gold Hedges shall be sized to achieve a forward looking Debt Service Coverage Ratio of 1.40:1 based on a spot gold price assumption of US\$1,100/ounce and a foreign exchange rate assumption of CAD/US\$ 1.275:1. Transaction amounts shall be adjusted to ensure that (i) other than the Fiscal Quarter ending March 31, 2021, the volume hedged is not more than 70% of forecast gold production in any Fiscal Quarter, (ii) the volume hedged in any Fiscal Quarter is not more than 100% of forecast gold production in the immediately preceding Fiscal Quarter.

Forecast quarterly gold production shall be based on the most recent, approved Base Case Financial Model.

2. Discretionary Hedges

(a) Gold Prices

At any time the aggregate Mandatory Gold Hedges and discretionary gold price hedges of a committed nature shall not exceed 70% of projected gold production, respectively, in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(b) Foreign Currency (Capital and Operating Costs)

At any time, discretionary foreign currency hedging of a committed nature with respect to capital and operating costs is not to exceed 80%, as concerns capital costs, or 70%, as concerns operating costs, of projected foreign currency capital and operating costs, respectively, in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(c) Interest Rates

At any time, discretionary interest rate hedging of a committed nature is not to exceed 75% of the projected outstanding balance of the Credit Facilities in any Fiscal Quarter, with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

(d) Diesel Prices

At any time, discretionary diesel price hedging of a committed nature is not to exceed 50% of projected diesel consumption in any Fiscal Quarter,

with reference to the most recent approved Base Case Financial Model or have a maturity date beyond 6.1 years.

III. EXECUTION

1. Mandatory Hedges

Hedge execution shall be carried out by the Borrower on a live market / limit order basis with the Qualified Risk Management Lenders on a rotational basis in order to achieve hedge allocations, for each of the Mandatory Gold Hedges, equivalent to each Qualified Risk Management Lender's Hedge Allocation Share with respect to both hedge volumes and tenor (except where otherwise agreed by the Qualified Risk Management Lenders). The counterparties to the Mandatory Gold Hedges shall be the Lenders that have authorized hedging lines at the time of execution of the Mandatory Gold Hedges. "**Hedge Allocation Share**" means the percentage of the Individual Commitment of each Lender at the time of the execution of such Mandatory Gold Hedges to the aggregate Individual Commitments of all of the Lenders so authorized. Any Mandatory Hedges that otherwise would be allocated to a Lender who is not authorized to establish hedging lines shall be allocated by Administrative Agent, in its discretion, amongst the Lenders who are so authorized.

The realized hedged price will reflect the bid-market forward price of the execution provided by the Qualified Risk Management Lender at the time of the trade for the relevant Qualified Derivatives Transaction less an agreed hedge credit margin (the "**Hedge Margin**"). The Hedge Margin for the Mandatory Gold Hedges shall be 115 bps per annum applied to the notional value of the relevant Qualified Derivative Transaction using the mid-market forward price at the time of execution. Execution shall be coordinated directly by the Borrower and executed with each Qualified Risk Management Lender directly.

Discretionary Hedges

The Borrower shall offer any Discretionary Hedges to all of the Qualified Risk Management Lenders and shall allocate the same, at its discretion, to one or more of the Qualified Risk Management Lenders that have appropriate hedging lines available for this purpose.

**SCHEDULE O
COMMON HEDGING TERMS**

[NTD. Add to ISDA Master Schedule the following text: Note that the definition of “Qualified Risk Management Lender” in the Credit Agreement is the following:

“Qualified Risk Management Lender” means (x) any Person that enters into a Risk Management Agreement at a time when such Person is a Lender or (y) any Qualified Affiliate that enters into a Risk Management Agreement at a time when the Lender with which such Qualified Affiliate is affiliated is a Lender; provided, that in each case at the time of the execution of any Derivatives Transaction, such Lender or Qualified Affiliate, as the case may be, is rated at least A- by S&P or A3 by Moody’s.]

IN PARTICULAR, NOTE THE PROVISIO IMBEDDED IN THAT DEFINITION AND NOTE THAT THE CONSEQUENCES OF ANY DERIVATIVES TRANSACTIONS ENTERED INTO IN BREACH OF THAT PROVISIO WILL BE THAT DERIVATIVES TRANSACTION WILL BE UNGUARANTEED AND UNSECURED]

1. Termination Provisions.

(a) “*Specified Entity*” means in relation to Party A for the purpose of:

Section 5(a)(v), none

Section 5(a)(vi), none

Section 5(a)(vii), none

Section 5(b)(v), none

and in relation to Party B for the purpose of:

Section 5(a)(v), none

Section 5(a)(vi), none

Section 5(a)(vii), none

Section 5(b)(v), none

(b) The “**Events of Default**” in Sections 5(a)(ii) - (viii) will not apply to Party B prior to the Credit Termination Date. The following shall be added as a new Section 5(a)(ix):

(ix) **Acceleration of Credit Facilities.** The Administrative Agent notifies Party B, pursuant to Section 13.1 of the Credit Agreement, that all indebtedness of the Obligors to the Lenders under the Credit Facilities has become immediately

due and payable or such indebtedness automatically becomes due and payable pursuant to Section 13.1, whichever occurs first.

- (c) The “**Cross-Default**” provisions of Section 5(a)(vi) of this Agreement will apply to Party B subsequent to the Credit Termination Date but will not apply to Party A”.
- (d) “**Specified Indebtedness**” will have the meaning specified in Section 14 of this Agreement.
- (e) “**Threshold Amount**” means US\$2,000,000 or its equivalent in any other currency.
- (f) The “**Automatic Early Termination**” provisions of Section 6(a) will not apply to Party A and will not apply to Party B.
- (g) “**Termination Currency**” means United States Dollars (“**USD**”).
- (h) **Additional Termination Event** will apply. The following events shall each constitute an Additional Termination Event in respect of which, as concerns (1) below, Party B shall be the sole Affected Party:
 - (1) At any time the obligations of Party B under this Agreement cease to be secured on a pari passu basis with the other Secured Obligations.

For the purpose of Additional Termination Event (1), Party A, in its sole and unfettered discretion, may determine which Transactions are Affected Transactions. In any such Additional Termination Event, Party A shall be the Determining Party.

- (i) **Credit Event Upon Merger**. Subsequent to the Credit Termination Date, Credit Event Upon Merger shall apply to Party B.
- (j) **Offices**. The provisions of Section 10(a) will apply to this Agreement.
- (k) **Multibranch Party**. For the purpose of Section 10(b) of this Agreement:

Party A is a Multibranch Party. [NTD: **The BNPP ISDA Schedule will read “Party A is a Multibranch Party and may enter into a Transaction through its Paris Head Office, London and New York Offices and any other Office agreed to by the parties in a relevant Confirmation.”.**]

Party B is not a Multibranch Party.

- (l) **Calculation Agent**. The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.

(m) **Credit Support Document.** Details of any Credit Support Document: the Guarantees and the Security Documents.

(n) **Credit Support Provider.**

Credit Support Provider means in relation to Party A: None

Credit Support Provider means in relation to Party B: Each other Obligor providing credit support for Party B's obligations hereunder to Party A under any Finance Document.

(o) **Governing Law; Jurisdiction.** Sections 13(a) and (b) of the Agreement shall be deleted and replaced with the following:

“(a) **Governing Law.** This Agreement as well as any claim or controversy arising out of or relating to this Agreement will be governed by and construed in accordance with the laws of the State of New York.

(b) **Jurisdiction.** Any suit, action, or proceedings relating to any dispute arising out of or connection with this Agreement (“**Proceedings**”), may be brought in the courts of the State of New York or the courts of the corporate domicile of each of the parties party to this Agreement in actions brought against it as a defendant and, by execution and delivery of this Agreement, each of the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. Furthermore, each party hereto hereby waives the right to any other jurisdiction to which it may be entitled by means of its present or future domicile. Each party irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party to the address prescribed by this Agreement, such service to become effective five Local Business Days after such mailing. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

(p) **Waiver of Trial by Jury.** Each of the parties hereby irrevocably waives, to the extent permitted by applicable law, any and all right to a trial by jury with respect to any Proceeding arising out of or relating to this Agreement or any Transaction.

(q) **Netting of Payments.** Multiple Transaction Payment Netting will not apply.

(r) “**Affiliate**” will have the meaning specified in Section 14 of this Agreement.

(s) **Absence of Litigation.** For the purpose of Section 3(c):

“**Specified Entity**” means in relation to Party A, None

“**Specified Entity**” means in relation to Party B, None

- (t) **No Agency.** The provisions of Section 3(g) will apply to this Agreement.
- (u) **Additional Representation** will apply. For the purpose of Section 3 of this Agreement, the following will constitute an Additional Representation:
 - (i) **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):
 - (1) **Non Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.
 - (2) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
 - (3) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
 - (v) **Recording of Conversations.** Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

2. **Other Provisions.**

- (a) **[Intentionally Deleted]**
- (b) **Set-off.** The first sentence of Section 6(f) is hereby deleted in its entirety and replaced with the following three sentences:

Any Early Termination Amount payable to one party (the “**Payee**”) by the other party (the “**Payer**”), in circumstances where there is a Defaulting Party or where there is one Affected Party in the case where either a Credit Event Upon Merger has occurred or any other Termination Event in respect of which any outstanding Transaction is an Affected Transaction has occurred, will, at the option of the Non-defaulting Party or the Non-affected Party, as the case may be (“**X**”) (and without prior notice to the Defaulting Party or the Affected Party, as the case may be), be reduced by its set-off against (i) any amounts then due and payable under this Agreement with respect to Qualified Derivatives Transactions and then Credit Outstanding that is outstanding in favour of Party A and (ii) after reduction under (i) if any, any other amounts (“**Other Amounts**”) payable by the Payee to the Payer (A) prior to the Credit Termination Date, arising under the Credit Agreement or this Agreement (to the extent, as concerns this Agreement, such amounts arise in connection with Qualified Derivatives Transactions), matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation and (B) after the Credit Termination Date, whether or not arising under the Credit Agreement, this Agreement, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation. Other Amounts in the remainder of this provision includes Credit Outstanding owing to Party A. Notwithstanding the provisions of this Section 6(f), if the Payer is Party A and there is Credit Outstanding owing to Party A at such time then Party A will reduce any Early Termination Amount payable by it by its set-off against the Credit Outstanding that is outstanding in favour of Party A. X will give prompt notice to the other party after any set-off effected under this Section.

Section 6(f) of this Agreement shall be further amended by adding the following sentence at the end thereof:

“Notwithstanding the provisions of Section 6(e) if the amount referred to therein is an amount payable by Party A to Party B then Party A shall have no obligation to pay any amount thereunder to Party B prior to the Credit Termination Date if the set-off against Credit Outstanding and Other Amounts contemplated in this Section 6(f) is stayed or ineffective for any reason or if the application by the Administrative Agent in accordance with the Credit Agreement of any such amount payable by Party A to Party B is stayed or ineffective for any reason, until such time as the stay is lifted or the set off otherwise becomes effective and the set off or application, as the case may be, is made.”

- (c) **Confirmations.** Any Specified Transaction (other than a repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction) into which the parties have entered or may enter and in respect of which confirming evidence does not expressly exclude the application of this Agreement shall be governed by this Agreement. Any such confirmation shall be a “**Confirmation**”, and any such transaction shall be deemed to constitute a Transaction for the purpose of this Agreement. In particular, it is agreed that where in terms of standard industry practice confirmation is by electronic

messaging system or SWIFT, such confirmation shall serve as a Confirmation irrespective of whether reference is made to this Agreement in such Confirmation.

- (d) **Section 14 - Definitions** is amended by the addition of the following term in alphabetical order:

“**Administrative Agent**” means BNP Paribas, as administrative agent for the Finance Parties under the Credit Agreement, and any successor thereto and any successor appointed pursuant to the Credit Agreement.

“**Credit Agreement**” means the credit agreement dated as of June 10, 2019 among, inter alia, Party B, as borrower, the Finance Parties and BNP Paribas, as administrative agent for the Finance Parties, as amended, modified, supplemented or replaced from time to time.

“**Credit Facilities**” has the meaning ascribed thereto in the Credit Agreement.

“**Credit Outstanding**” means, at any particular time, all credit outstanding under the Credit Agreement at such time.

“**Credit Termination Date**” means the date upon which the Credit Facilities is terminated, the Lenders have no further obligations to extent credit thereunder as of such date and all Credit Outstanding, interest, fees, costs, expenses and other amounts due and payable thereunder have been repaid in full in cash or by other applicable funds transfer in immediately available funds.

“**Finance Documents**” has the meaning ascribed thereto in the Credit Agreement.

“**Finance Parties**” has the meaning ascribed thereto in the Credit Agreement.

“**Guarantees**” has the meaning ascribed thereto in the Credit Agreement.

“**Lenders**” has the meaning ascribed thereto in the Credit Agreement.

“**Obligors**” has the meaning ascribed thereto in the Credit Agreement.

“**Qualified Derivatives Transaction**” has the meaning ascribed thereto in the Credit Agreement.

“**Qualified Risk Management Agreement**” has the meaning ascribed thereto in the Credit Agreement.

“**Qualified Risk Management Lenders**” has the meaning ascribed thereto in the Credit Agreement.

“**Security Documents**” has the meaning ascribed thereto in the Credit Agreement.

“**Secured Obligations**” has the meaning ascribed thereto in the Credit Agreement.

Additional Rights of Party A. Without limiting any term or provision in this Agreement, Party A and Party B hereby acknowledge and agree that (i) Party A is on the date hereof a Qualified Risk Management Lender and (ii) this Agreement and each Transaction entered into from time to time under this Agreement is and shall be, a Qualified Risk Management Agreement and a Financing Document provided Party A is a Qualified Risk Management Lender at the time such Transaction was entered into.

(e) ***Sharing of Security.*** Party A shall not be entitled to:

- (i) any guarantees of the obligations of Party B under this Agreement or any Transaction; or
- (ii) any security, including margin, to secure the obligations of Party B under this Agreement or any Transaction

except for (x) the Security Documents, (y) the Guarantees and (z) other guarantees and security held by Party A (or any other Finance Party or other Person) for the rateable benefit of the Finance Parties.

(f) ***Incorporation by Definition of Terms of Credit Agreement.*** Certain words and expressions defined in the Credit Agreement are expressly incorporated into this Agreement by reference. In the event of any conflict between the provisions of the Credit Agreement and this Agreement, this Agreement shall prevail.

(g) ***Protocol Covered Agreement.*** The parties hereby agree that this Agreement is deemed to be a “Protocol Covered Agreement” for purposes of the ISDA August 2012 Dodd Frank Protocol Agreement and the ISDA March 2013 Dodd Frank Protocol Agreement (the “**ISDA Protocols**”), the effect of which all provisions agreed in the ISDA Protocols are incorporated herein.

(h) ***Dodd Frank.*** The parties agree that, for the avoidance of doubt, for purposes of Section 5(b)(i) of the Agreement and any Transaction hereunder, “any applicable law” shall include the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “**Dodd-Frank Act**”), any rules and regulations promulgated thereunder or in connection with implementation thereof, and any similar law or regulation, without regard to Section 739 of the Dodd-Frank Act or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and the consequences specified herein and in the relevant Confirmation shall apply. Furthermore, nothing in Section 22(a)(5) of the Commodity Exchange Act, as amended by the Dodd-Frank Act, shall amend the terms of any Transaction hereunder relating to a termination event, force majeure, illegality, increased cost, regulatory change, or similar event based upon or arising from the enactment of the Dodd-Frank Act, any requirement thereunder or any amendment made thereby. The parties specifically

reserve the right to terminate, renegotiate, modify, amend or supplement any Transaction in accordance with the terms thereof.

- (i) ***Existing transactions and transactions not expressed to be subject to ISDA Master Agreement.*** The parties agree that every Derivatives Transaction between them (whether entered into prior, on or subsequent to the date of this Agreement) is a Transaction governed by this Agreement.
- (j) ***Commercially Reasonable Standards.*** Each party hereto shall make any determination and form any judgment and opinion required or permitted to be made by it under this Agreement or any Transaction in good faith and acting in a commercially reasonable manner.
- (k) ***Condition Precedent.*** The condition precedent in Section 2(a)(iii)(1) of this Agreement does not apply to a payment or delivery owing by a party if the other party shall have satisfied in full all of its payment and delivery obligations under Section 2(a)(i) of this Agreement and shall at the relevant time have no future payment or delivery obligations, whether absolute or contingent, under Section 2(a)(i).
- (l) ***Representations - Financial Information.*** Section 3(d) of this Agreement is amended by adding the following immediately before the end of the section:

“or, in the case of financial information, presents fairly, in all material respects, such financial information in accordance with generally accepted accounting principles”.

- (m) ***Most Favoured Lender Provision.***
 - (i) If at any time any other Qualified Risk Management Agreement contains any (x) financial, affirmative, negative or restrictive covenant, representation and warranty that is by its nature of general application, (y) representation and warranty that is by its nature of general application or (z) event of default and such covenant, representation and warranty or event of default is not contained in this agreement in substantially equivalent form or is more restrictive on any of Party B or any Credit Support Provider or would be more beneficial to the Qualified Risk Management Lender party to such other Qualified Risk Management Agreement than the analogous covenant, representation and warranty or event of default set forth herein (any such covenant, representation and warranty or event of default, an “**Additional Covenant**”), then Party B shall within ten Local Banking Days from the occurrence thereof provide written notice with respect to such Additional Covenant to Party A. Thereupon, unless waived in writing by Party A within ten Local Banking Days of Party A’s receipt of such notice, such Additional Covenant (including any necessary corresponding definitions) shall be deemed to be automatically incorporated into this Agreement, mutatis mutandis, as if set forth fully herein, without any further action required on the part of any

person, effective as of the date when such Additional Covenant became effective under such other Qualified Risk Management Agreement. Party B agrees that, if requested by Party A, Party B shall enter into such amendments to this Agreement as is necessary to reflect any such deemed Additional Covenants incorporated into this Agreement pursuant to the terms hereof.

- (ii) Any Additional Covenant incorporated into this Agreement pursuant to this Part 3 (m)(i) shall remain unchanged herein notwithstanding any subsequent termination of such other Qualified Risk Management Agreement or subsequent waiver of such covenant under such other Qualified Risk Management Agreement.
 - (iii) Certificates delivered to Party B pursuant to Part 3 (m)(i) shall include the information (including detailed calculations) required in order to establish whether Party B was in compliance during the quarterly or annual period covered by the applicable financial statements described in Part 3 (m)(i) with each financial covenant incorporated into this agreement pursuant to this Part 3 (m)(i).
- (n) ***Non-Qualified Derivatives Transaction.*** For certainty, any Derivatives Transaction entered into by Party A with Party B at a time when Party A is not a Qualified Risk Management Lender shall not constitute a Qualified Derivatives Transaction and these Common Hedging Terms, insofar as they relate to the Guarantees and Security Documents, shall not apply thereto.

**SCHEDULE P
PENSION PLANS**

Nil

SCHEDULE Q
PROFIT SHARING AGREEMENTS

1. Up to 2.5% net smelter return royalty granted pursuant to the Option and Joint Venture Agreement in favour of the Vendors (as such term is defined in the Option Agreement) and Broad Horizons Royalty Trust.
2. Up to 1.5% net smelter return royalty in favour of 2729992 Ontario Corp. or an affiliate thereof pursuant to the Appian Royalty (as defined in the Appian Financing Agreement).
3. Up to 0.5% net smelter return in favour of 2729992 Ontario Corp. or an affiliate thereof pursuant to the Additional Royalty (as defined in the Appian Financing Agreement).

**SCHEDULE R
EXCLUDED PROPERTY**

Nil.

EXHIBIT “I”

EXHIBIT "I"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of the 10th day of June, 2019.

BETWEEN:

BNP PARIBAS, for and on behalf of the Finance Parties, in its capacity as administrative agent under the Credit Agreement (as defined below)

(the “**Agent**”)

OF THE FIRST PART,

- and -

HARTE GOLD CORP., a corporation incorporated under the laws of the Province of Ontario

(herein called the “**Debtor**”)

OF THE SECOND PART.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Agent, as agent of, and for the benefit of itself and the other Finance Parties, as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement regardless of whether or not the Credit Agreement remains in full force and effect. In this agreement or any amendment hereto, unless the context clearly indicates to the contrary:

“**Collateral**” means all real and personal property, business and undertaking of the Debtor (other than the Excluded Property) now owned or hereafter acquired and any proceeds from the sale or other disposition thereof, all of which is further described, without limitation, in Section 2.2.

“**Control Agreement**” means:

- (a) with respect to any Uncertificated Securities included in the Collateral, an agreement between the issuer of such Uncertificated Securities, the Debtor and the Agent whereby such issuer agrees to comply with instructions that

are originated by the Agent in respect of such Uncertificated Securities, without further consent of the Debtor; and

- (b) with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary in respect of such Securities Accounts or Security Entitlements, the Debtor and the Agent to cause such Securities Intermediary to comply with any Entitlement Orders with respect to such Securities Accounts or Security Entitlements that are originated by the Agent, without the further consent of the Debtor.

“Credit Agreement” means the credit agreement dated as of the date hereof between the Debtor, as borrower, and the Lenders from time to time party thereto and the Agent and pursuant to which the Lenders established in favour of the Borrower certain credit facilities.

“Default” means any event which is or which, with the passage of time, the giving of notice or both, would be an Event of Default.

“Event of Default” means:

- (a) until such time as all indebtedness of the Borrower to the Finance Parties under or in connection with the Credit Agreement has been repaid in full and all commitments of the Lenders thereunder have been terminated, an Event of Default (for the purposes of this clause (a) only, as defined in the Credit Agreement); and
- (b) at any time thereafter, an event of default or termination event under any Qualified Risk Management Agreement.

“Investment Property” has the meaning given to it in the PPSA and **“Certificated Security”**, **“Entitlement Order”**, **“Financial Asset”**, **“Securities Account”**, **“Securities Intermediary”**, **“Security Certificate”**, **“Security Entitlement”** and **“Uncertificated Security”** have the meanings given to them in the STA.

“Lenders” means those parties to the Credit Agreement which are named therein as Lenders from time to time.

“PPSA” means the *Personal Property Security Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

“STA” means the *Securities Transfer Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

1.2 Other Usages

References to “this agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and the Schedules hereto, as the same may be amended, restated, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this agreement. A reference in this agreement to another agreement refers to that other agreement as it may be amended, modified, supplemented, restated or replaced from time to time. A reference in this agreement to a statute refers to that statute as it may be amended and to any restated or successor legislation of comparable effect.

1.3 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.4 Headings

The insertion of headings in this agreement is for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.5 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of the United States.

1.6 Applicable Law and Attornment Clause

This agreement and all documents delivered pursuant hereto shall be deemed to be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby irrevocably submit to the courts of the Province of Ontario and agree that those courts shall have jurisdiction to determine all disputes relating to this agreement. Furthermore, the parties hereto hereby waive the rights to any other jurisdiction to which they may be entitled by reason of their present or future domicile.

1.7 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.8 Time of the Essence

Time shall in all respects be of the essence of this agreement.

1.9 Schedules

Each and every one of the schedules which is referred to in this agreement and attached to this agreement shall form a part of this agreement.

ARTICLE 2 SECURITY INTEREST

2.1 Grant of Security Interest

As general and continuing security for the payment and performance of all of its Secured Obligations, the Debtor hereby pledges and assigns to the Agent and grants to the Agent a security interest in the Collateral.

2.2 Description of Collateral

Subject to Section 2.6 hereof, a security interest is granted by the Debtor in favour of the Agent in all of the present and after-acquired real and personal property of the Debtor (other than the Excluded Property), including, without limitation, in the following:

(a) Accounts

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance, including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the “**Accounts**”;

(b) Inventory

all goods or chattels now or hereafter forming the inventory of the Debtor, including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the “**Inventory**”;

(c) Equipment

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description (in all cases which is not affixed to any real property to the extent same would constitute real property or an interest in real property), including, without limitation, motor vehicles, parts, accessories installed in or

affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) Intangibles

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts or an interest in real property, including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”.

(e) Documents of Title

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) Money

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) Chattel Paper

all present and future agreements made between the Debtor as the secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) Instruments

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) Securities

all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; including, without limitation, any Security Entitlements, any Investment Property, any Uncertificated Securities and all substitutions therefor and, subject to Section 2.7, dividends and income derived therefrom and, all of which are herein called the “**Securities**” and each, a “**Security**”).

(j) Documents

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) Proceeds

all personal property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) Leaseholds

subject to Section 2.6, all leases (other than leases in respect of any real property or interests in real property) now owned or hereafter acquired by the Debtor as lessee (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) Undertaking

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Securities, Documents, Proceeds, Leaseholds or real property or an interest in real property all of which are herein called the “**Undertaking**”.

2.3 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.2, for greater certainty the Collateral shall include all present and future personal property of the Debtor located in transit.

2.4 Attachment of Security Interest

The parties hereby acknowledge that:

- (i) value has been given;
- (ii) the Debtor has rights in the Collateral; and
- (iii) the parties have not agreed to postpone the time for attachment of the security interests created by this agreement.

The parties further agree that the security interests created by this agreement are intended to attach to all Collateral in which the Debtor acquires an interest as a result of any amalgamation, arrangement or similar proceeding.

2.5 Registration

The Agent shall have the right, at any time and without notice to or any further actions on the part of the Debtor, to cause this agreement or notice thereof to be registered or filed in any place or office of public record where the Agent or its counsel may reasonably deem advisable or necessary provided always that no such registration shall be made against or in respect of any real property or real property interest of the Debtor.

2.6 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Agent may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this agreement in any contractual rights, leases in respect of real property, licenses, intellectual property and permits (herein called the “**Contractual Rights**”) would constitute a breach and/or default or cause the acceleration or termination of such Contractual Rights, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Agent, and shall, subject to, and pursuant to, the express provisions of the Credit Agreement, use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest in any such Contractual Rights that are material agreements and require consent pursuant to the express provisions of the Credit Agreement and shall grant a security interest in such Contractual Rights that are material agreements to the Agent forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.7 Voting and Distributions re: Securities

- (a) Prior to the occurrence of an Event of Default that is continuing, all interest, cash dividends or distributions, income and revenue from Securities that have been delivered to the Agent pursuant to Section 3.1(f) (but not the proceeds of disposition of such Securities) shall be collected by and payable to the Debtor (and not the Agent), and such Securities shall be voted by the Debtor, and all non-cash dividends or distributions paid on such Securities, if received by the Debtor, shall

be paid to, and held by, the Agent as Collateral. On and after the occurrence of an Event of Default that is continuing, all dividends and distributions paid on such Securities, and all interests, income and revenue from such Securities, if received by the Debtor, shall be paid to the Agent and applied against its Secured Obligations in accordance with Section 14.24 of the Credit Agreement, and the Agent shall be entitled to vote or not to vote such Securities as the Agent sees fit.

- (b) On and after the occurrence of an Event of Default that is continuing, all dividends and distributions paid on any Securities included in the Collateral (other than Securities that have been delivered to the Agent pursuant to Section 3.1(f)), and all interest, income and revenue from such Securities, if received by the Debtor, shall be paid to the Agent, and the Agent shall be entitled to vote or not to vote such Securities as the Agent sees fit.

2.8 Release of Security Interest

On or after the Secured Obligations Termination Date, the Agent shall, promptly after it receives a written request from the Debtor and at the cost and expense of the Debtor, release the security interest in the Collateral granted hereby, and execute and deliver any releases and discharges that the Debtor may reasonably require.

ARTICLE 3 WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Agent as follows:

- (a) The Debtor shall, at the request of the Agent, acting reasonably, mark such Collateral which the Debtor owns to indicate clearly that it is subject to the security interests created by this agreement.
- (b) The Debtor shall maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition where failure to do so could reasonably be expected to have a Material Adverse Effect, ordinary wear and tear and insured loss or damage excepted.
- (c) The Debtor agrees to promptly notify the Agent in writing of the acquisition by the Debtor of any personal property which is not substantially of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this agreement or additional security agreements as may be reasonably required by the Agent in order that a security interest shall attach to such personal property.
- (d) The Debtor shall prevent Collateral from becoming an accession to any personal property not subject to this agreement or becoming affixed to any real property outside of the normal course of business.

- (e) The Debtor shall notify the Agent of any Collateral which constitutes a claim (other than claims with respect to Taxes) against a government or any instrumentality or agency thereof, the assignment of which claim is restricted or prohibited, and the details of such restrictions or prohibitions.
- (f) Upon the execution and delivery of this agreement, the Debtor shall deliver (or cause to be delivered) to the Agent, endorsed to the Agent or such nominee as it may direct and/or accompanied by such instruments of assignment and transfer in such form and substance as the Agent may reasonably request, any and all Certificated Securities described in Schedule "A" to this agreement together with such instruments of assignment and transfer in such form as the Agent may reasonably require.
- (g) Promptly upon the request of the Agent from time to time at any time on or after the occurrence of a Default that is continuing, the Debtor shall deliver (or cause to be delivered) to the Agent, endorsed to the Agent or such nominee as it may direct and/or accompanied by such instruments of assignment and transfer in such form and substance as the Agent may reasonably request, any and all Instruments, Securities, Documents of Title, Documents and Chattel Paper included in or relating to the Collateral as the Agent may specify in its request.
- (h) Promptly upon the reasonable written request by the Agent, the Debtor shall:
 - (i) at any time on or after the occurrence of an Event of Default that is continuing, direct the issuer of any and all Certificated Securities included in or relating to the Collateral as the Agent may specify in its request to register the applicable Security Certificate in the name of the Agent or such nominee as it may direct;
 - (ii) at any time on or after the occurrence of an Event of Default that is continuing, direct the issuer of any and all Uncertificated Securities included in or relating to the Collateral as the Agent may specify in its request to register the Agent or such nominee as it may direct as the registered owner of the Uncertificated Security;
 - (iii) at any time on or after the occurrence of an Event of Default that is continuing, direct the Securities Intermediary for any Security Entitlements or Securities Accounts included in or relating to the Collateral as the Agent may specify in its request to transfer any or all of the Financial Assets to which such Security Entitlements or Securities Accounts relate to such Securities Account or Securities Accounts as the Agent may specify;
 - (iv) enter into with the Agent and the issuer of Uncertificated Securities included in or relating to the Collateral as the Agent may specify in its request, a Control Agreement in respect of such Uncertificated Securities for the purpose of perfecting the security interest of the Finance Parties in such Uncertificated Securities provided always that such Control Agreement

shall entitle the Debtor to exercise all rights of ownership to such Uncertificated Securities until on or after the occurrence of an Event of Default that is continuing, including, without limitation, the ability to trade, make investment decisions and remove Uncertificated Securities and proceeds from the relevant account; and

- (v) enter into with the Agent and any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral as the Agent may specify in its request, a Control Agreement in respect of such Securities Accounts or Security Entitlements for the purpose of perfecting the security interest of the Finance Parties in such Securities Accounts or Security Entitlements provided always that such Control Agreement shall entitle the Debtor to exercise all rights of ownership to such Securities Accounts or Security Entitlements until on or after the occurrence of an Event of Default that is continuing, including, without limitation, the ability to trade, make investment decisions and remove Securities Accounts or Security Entitlements and proceeds from the relevant account.
- (i) The Debtor will not use or acquire for use any Collateral as consumer goods.
- (j) The Debtor shall pay all reasonable costs and expenses of the Agent (including, without limitation, reasonable legal fees and disbursements on a solicitor and client basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this agreement and the filing of financing statement(s) and financing change statement(s) with respect to this agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Agent under this agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (k) The Debtor shall indemnify the Agent for all reasonable costs and expenses as set out in Sections 3.1(j) and 3.2 and agrees that all such costs and expenses shall be payable by the Debtor to the Agent on demand and shall bear interest at the annual rate equal to the aggregate (i) the Base Rate, plus (ii) the Applicable Rate in effect at the time the obligation to indemnify arose, which interest shall be calculated and compounded monthly and payable on demand.

- (l) The Debtor shall not enter into nor consent to any third party entering into any Control Agreement that deals, directly or indirectly, with the Collateral.

3.2 Performance of Covenants by the Agent

The Agent may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this agreement that the Debtor fails to perform and that the Agent is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Agent will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Agent will require the Agent further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Agent under this agreement.

ARTICLE 4 DEALINGS WITH COLLATERAL

4.1 General Restrictions

Except as herein provided or as provided in the Credit Agreement, the Debtor shall not, without the prior written consent of the Agent:

- (a) sell, consign, lease or otherwise dispose of the Collateral or any part thereof; or
- (b) release, surrender or abandon possession of or impair or destroy the Collateral or any part thereof.

4.2 Permitted Activities

The Debtor may, at any time, without the consent of the Agent:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business or if so permitted or not restricted under the terms of the Credit Agreement so that the purchaser thereof takes title clear of the security interest created by this agreement but (i) all rights of the Debtor as vendor, lessor, licensor or consignor shall be subject to the security interest created by this agreement and (ii) if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this agreement;
- (b) sell or otherwise dispose of its Equipment, if permitted to do so (or not restricted) by the terms of the Credit Agreement;
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take such action as the Debtor or the Agent, as the case may be, may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Agent shall have the right at any time upon and after the occurrence of an Event of Default that is continuing to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Agent and to direct such

account debtors or obligors to make payment of all amounts due or to become due to the Debtor thereunder directly to the Agent and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

On and after the occurrence of an Event of Default that is continuing,

- (i) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.8; and
- (ii) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

4.3 Release by the Agent

The Agent (i) may, at its discretion, at any time release from the security interest created by this agreement any part or parts of the Collateral or any other security or any surety for the Debtor's Secured Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this agreement; and (ii) shall release the security interest created by this agreement on any part or parts of the Collateral that are sold or transferred pursuant to a third party pursuant to any transaction permitted hereunder or by the Credit Agreement as provided therein.

4.4 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Agent and will be forthwith paid to the Agent. The Agent shall not exercise its rights under this Section 4.4, and the Debtor's trust obligations under this Section 4.4 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or under the Credit Agreement or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 ENFORCEMENT

5.1 Enforcement

The security hereby constituted shall immediately become enforceable without further notice of any kind, which notice is expressly waived by the Debtor, on and after the Enforcement Date.

5.2 Remedies

At any time while the security hereby constituted is enforceable, the Agent shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the “**Receiver**”) of the Collateral and to remove any Receiver so appointed and to appoint another if the Agent so desires; it being agreed that any Receiver appointed pursuant to the provisions of this agreement shall have all of the powers of the Agent hereunder and, in addition, shall have the power to carry on the business of the Debtor;
- (b) to make payments to parties having prior Liens on any Collateral;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Agent shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this agreement, including, without limitation, the power to purchase on credit, the power to borrow in the Debtor’s name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Agent, and to grant security interests in the Collateral in priority to the security interest created by this agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide for payment of credit, provided that:
 - (i) the Agent or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Agent or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.8, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Agent or the Receiver in cash or such other

form of compensation as may be acceptable to the Agent, in its sole discretion;

- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;
- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Agent or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the relevant Debtor's business;
- (k) to have Securities included in the Collateral registered on the books of the issuers of such Securities in the name of the Agent or such nominee of the Agent as the Agent shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Agent, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.2, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Agent, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Secured Obligations of the Debtor.

5.3 License

The Agent is hereby granted a license or other right to use, on and after the occurrence of an Event of Default that is continuing, without charge, the Debtor's labels, patents,

copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and on and after the occurrence of an Event of Default that is continuing, the Debtor's rights under all licenses and all franchise agreements shall inure to the Agent's benefit. In addition, the Debtor hereby irrevocably agrees that the Agent may, after the security hereby constituted becomes enforceable, sell any of the Debtor's Inventory directly to any person, including, without limitation, persons who have previously purchased the Debtor's Inventory from the Debtor and in connection with any such sale or other enforcement of the Agent's rights under this agreement, may sell Inventory which bears any trademark owned by or licensed to the Debtor and any Inventory that is covered by any copyright owned by or licensed to the Debtor and the Agent may finish any work in process and affix any trademark owned by or licensed to the Debtor and sell such Inventory as provided herein.

5.4 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Agent shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Agent to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.5 Expenses of Enforcement

The Debtor shall pay to the Receiver the reasonable remuneration of the Receiver and all reasonable costs and expenses (including, without limitation, legal fees and disbursements on a solicitor and his own client basis) incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder and shall pay to the Agent and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Agent and the Receiver pursuant to this Section 5.5 shall be payable on demand and shall bear interest at the annual rate equal to the aggregate (i) the Base Rate, plus (ii) the Applicable Rate in effect at the time the obligation to indemnify arose, which interest shall be calculated and compounded monthly and payable on demand.

5.6 Indulgences and Releases

Either the Agent or the Receiver may grant extensions and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Agent or the Receiver may see fit without prejudice to the Secured Obligations of the Debtor or the right of the Agent and the Receiver to repossess, hold, collect and realize the Collateral.

5.7 No Liability for Failure to Exercise Remedies

The Agent and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in

Section 5.2 and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Agent, the Receiver, the Debtor or any other party in respect of the same.

5.8 Proceeds of Disposition

All monies received by the Agent or by the Receiver pursuant to Section 5.2 shall be applied in accordance with Section 13.24 of the Credit Agreement.

5.9 Debtor Liable for Deficiency

If the monies received by the Agent or the Receiver pursuant to Section 5.2 are not sufficient to pay the claims set out in Section 13.24(b)(i)-(iii) of the Credit Agreement, the Debtor shall immediately pay the Agent the amount of such deficiency.

5.10 Restriction on Debtor

Upon the Agent taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Agent.

5.11 Rights Cumulative

All rights and remedies of the Agent set out in this agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Secured Obligations of the Debtor shall not operate as a merger of any of the covenants contained in this agreement.

5.12 Care by the Agent

The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Agent's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Agent to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Agent to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.13 Standards of Sale

Without prejudice to the ability of the Agent to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Agent which takes place substantially in accordance with the following

provisions shall not be deemed to have been made in a commercially unreasonable manner solely by reason thereof:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation appropriate to the public sale of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Agent of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of any Finance Party;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Agent may establish a reserve bid in respect of all or any portion of the Collateral.

5.14 Securities of Public Company

The Debtor recognizes that the Agent may be unable to effect a public sale of any or all of the Collateral by reason of certain prohibitions contained in the applicable securities laws or otherwise, but may be compelled to resort to any or more private sales thereof to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Securities for their own account for investment and not with a view to the distribution or resale thereof. The Debtor acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. The Agent shall be under no obligation to delay a sale of any of the Collateral for the period for time necessary to permit the issuer of such Securities to register such Securities for public sale under the applicable securities law, or otherwise, even if the issuer would agree to do so.

ARTICLE 6 GENERAL

6.1 Waiver and Amendment

Any breach by the Debtor of any of the provisions contained in this agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder may only be waived by the Agent in writing, provided that no such waiver by the Agent shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom. This Agreement shall not be amended unless amended in writing executed by the Debtor and the Agent.

6.2 The Agent as Attorney

The Debtor hereby irrevocably appoints the Agent and any person further designated by the Agent, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor, at any time on or after the occurrence of a Default that is continuing, to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Agent. The Agent shall give the Debtor prior written notice of any exercise by the Agent of the power of attorney hereby granted. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successors and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Agent pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Agent taken in good faith under this power of attorney.

6.3 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Agent shall reasonably require for the better assuring, charging, assigning and conferring unto the Agent a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Agent, for the purpose of accomplishing and effecting the intention of this agreement.

6.4 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Secured Obligations of the Debtor until the Secured Obligations Termination Date.

6.5 No Obligation to Advance

Neither the execution nor delivery of this agreement shall obligate the Agent or any other Finance Party to advance any moneys to the Debtor.

6.6 Consumer Goods

Notwithstanding any other clause in this agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.7 Notices

All notices or other communications provided for herein shall be given or delivered in accordance with Section 14.1 of the Credit Agreement which shall apply hereto *mutatis mutandis*.

6.8 Successors and Assigns

This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

6.9 Entire Agreement

This agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.10 Receipt of Financing Statement, etc.

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.11 Acknowledgement

The Debtor hereby acknowledges receipt of an executed copy of this agreement.

6.12 Paramountcy

In the event of any conflict or inconsistency between the provisions of this agreement and the Credit Agreement, the provisions of the Credit Agreement shall prevail and be paramount.

6.13 Authority of Agent

The rights, powers, authority, duties and responsibilities of the Agent on behalf of the Finance Parties for the purposes of this agreement shall be as provided in the Credit Agreement.

6.14 Counterparts

This agreement may be executed in any number of counterparts, all of which shall be deemed to be an original and such counterparts taken together shall constitute one agreement, and any of the parties hereto may execute this agreement by signing any such counterpart.

6.15 Reinstatement.

Notwithstanding Section 6.4, this agreement, if terminated, shall be reinstated if at any time any payment (in whole or in part) of any of the Secured Obligations of the Debtor is rescinded or must otherwise be returned or restored by any Finance Party by reason of the insolvency, bankruptcy or reorganization of the Debtor or for any other reason not involving the wilful misconduct of a Finance Party, all as though such payment had not been made.

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IN WITNESS WHEREOF the Debtor has executed this agreement as of the date first written above.

Harte Gold Corp.
8 King Street East
Toronto, ON M5C 1B5

HARTE GOLD CORP.

By:



Name: REIN LEHARI


Title: CFO

Attention: Rein Lehari
Telefax: (416) 368-5146
Email: rlehari@hartegold.com

BNP Paribas
787 7th Ave
New York, New York
10019 USA

Attention: Carlos Urquiaga
Telefax: (212) 841-2537
Email: carlos.urquiaga@us.bnpparibas.com

BNP PARIBAS, as Agent

By: 
Name: **Iskender Dildaov**
Title: **Vice President**

By: 
Name: **Carlos Urquiaga**
Title: **Managing Director**

SCHEDULE "A"
PLEDGED SECURITIES

Description of Pledged Certificated Securities

- Nil. -

EXHIBIT “J”

EXHIBIT "J"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

**DEMAND DEBENTURE
HARTE GOLD CORP.**

Debenture dated as of June 10, 2019 made by Harte Gold Corp. to and in favour of BNP Paribas, as administrative agent for the benefit of the Finance Parties.

RECITALS:

- (a) The Finance Parties have agreed to make a certain credit facility available to the Obligor on the terms and conditions contained in the Credit Agreement;
- (b) It is a condition precedent to the extension of credit to the Obligor under the Credit Agreement that the Obligor execute and deliver this collateral Debenture in favour of the Administrative Agent as security for the payment and performance of the Obligor's Secured Obligations.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

Section 1 Acknowledgement and Promise to Pay.

For value received, the Obligor acknowledges itself indebted and promises to pay **ON DEMAND**, to or to the order of the Holder the principal sum of One Hundred Eight Million Seven Hundred Fifty Thousand Dollars (US\$108,750,000.00) in lawful money of the United States in accordance with the terms of this Debenture. The principal amount outstanding from time to time bears interest both before and after demand and judgment to the date of repayment in full at the rate of TWENTY-FIVE per cent (25%) per annum. Interest at such rate accrues daily and is calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and is payable monthly, in arrears, on the first Banking Day of each and every month commencing the month immediately following this date. Overdue interest bears interest at the same rate, calculated in the same manner. The Obligor promises to pay the principal amount, interest and other amounts owing under this Debenture at the offices of the Holder at which any notice may be given to the Holder in connection with this Debenture or at such other place as the Holder may designate by notice in writing to the Obligor.

Section 2 Defined Terms.

Terms defined in the *Personal Property Security Act* (Ontario) ("**PPSA**") or the *Securities Transfer Act*, 2006 (Ontario) ("**STA**") and used but not otherwise defined in this Debenture have the same meanings. For greater certainty, the terms "account", "chattel paper", "document of title", "equipment", "goods", "intangible", "investment property", "money", "personal property" and "proceeds" have the meanings given to them in the PPSA; and the terms "certificated security", "control", "deliver", "entitlement holder", "financial asset", "securities account", "securities intermediary", "security entitlement" and "uncertificated security" have the meanings given to them in the STA. Capitalized terms used in this Debenture but not defined have the meanings given to them in the Credit Agreement regardless of whether or not the Credit Agreement remains in full force and effect.

“**Charged Premises**” means the property and undertaking subject to the Security.

“**Credit Agreement**” means the credit agreement dated as of June 10, 2019, among the Obligor, the Lenders from time to time party thereto and the Administrative Agent, as the same may be amended, modified, supplemented, restated or replaced from time to time.

“**Debenture**” means this demand debenture and all schedules attached to it, as it may be amended, modified, extended, renewed, restated, replaced or supplemented from time to time.

“**Holder**” means the BNP Paribas, with registered office at 787 7th Ave, New York, New York 10019, USA, acting as administrative agent for the Finance Parties and any successor administrative agent appointed under the Credit Agreement and its successors and permitted assigns, and any subsequent holder or holders of this Debenture.

“**Instruments**” means (i) a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or (ii) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder, or (iii) chattel paper or any other writing that evidences both a monetary obligation and a security interest in or a lease of specific goods, or (iv) documents of title or any other writing that purports to be issued by or addressed to a bailee and purports to cover such goods in the bailee’s possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the Person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers, or (v) any document or writing commonly known as an instrument, but excludes investment property.

“**Intellectual Property**” means (i) all registered patents, trademarks, industrial designs and copyrights, as well as the benefit of all applications therefor, and reissues, divisions, continuations, renewals, extensions and continuations in part; (ii) all unregistered rights to trademarks, service marks, logos, designs, business names, domain names, copyrights, moral rights, inventions, confidential information, trade secrets, know-how; (iii) any other intellectual property rights and interests, whether registered or unregistered; and (iv) the rights to use all of the foregoing assets and all Related Rights.

“**Obligor**” means Harte Gold Corp., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

“**Related Rights**” means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;

- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

“**Securities**” means securities as defined in the STA, but excludes any ULC Shares.

“**Security**” means the grants, mortgages, charges and security interests constituted by this Debenture.

“**ULC Shares**” means shares in any unlimited company or unlimited liability corporation at any time owned or otherwise held by the Obligor.

Section 3 Interpretation.

- (1) In this Debenture the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”. The expressions “Article”, “Section” and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Debenture.
- (2) Any reference in this Debenture to gender includes all genders. Words importing the singular number only include the plural and vice versa. Any reference to this Debenture or any other agreement referenced herein is a reference to this Debenture or such other agreement as amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Debenture, any reference in this Debenture to a statute is a reference to such statute and all rules and regulations made under it as they may have been or may from time to time be amended or re-enacted.
- (3) The division of this Debenture into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation. The schedules attached to this Debenture form an integral part of it for all purposes of it.

Section 4 Grant of Security – Fixed Charge.

Subject to Section 7, as continuing collateral security for the payment and discharge of its Secured Obligations, the Obligor grants, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of a fixed and specific mortgage, charge and pledge, to and in favour of the Holder and otherwise grants to the Holder a security interest in all of the Obligor’s present and future undertaking, personal property and real property that is situated at, located on, pertains to or forms part of the Project, including without limitation all of the Obligor’s right, title and interest in and to:

- (a) all real and immoveable property, both freehold and leasehold, surface and/or subsurface, as the case may be, and any other interests and rights in any real or immoveable property wheresoever situate, now owned or hereafter acquired by the Obligor (collectively, the “**Real Property**”) including all of the real and personal property described in Schedule 1 hereto, and all rights, mining rights, mining claims (whether patented or unpatented), mining leases (including the leasehold or other interest created pursuant to any such mining lease and all rights or options of the lessee under each such mining lease to purchase or acquire the leasehold estate of the landlord or any right or option of termination, renewal, extension or first offer and/or first refusal for the same), leases, and all licences, easements, rights-of-way and profits a prendre in real property with respect to the Real Property (and all renewals, extensions and amendments or substitutions thereof); all facilities located on, relating to or required for use in connection with the Real Property; and all buildings, erections, structures, improvements, underground facilities, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, machinery and equipment presently situated on or under the Real Property or which may at any time hereafter be constructed or brought or placed on or under the Real Property or used in connection with the Real Property;
- (b) all equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents, now owned or hereafter acquired, wherever situate;
- (c) all inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor, now owned or hereafter acquired, wherever situate;
- (d) all studies, plans, blueprints, designs, records, files, charts, drawings, specifications, manuals, bills of lading and other documents of title, whether negotiable or otherwise, now owned or hereafter acquired;
- (e) the proceeds of any insurance or expropriation payable or due in respect of any damage to or taking of all or any part of the Charged Premises, the proceeds of any business interruption insurance and any property in any form derived directly or indirectly from any dealings with all or any part of the Charged Premises or that indemnifies or compensates for the loss, destruction or damage to all or any part of the Charged Premises;
- (f) all rents, revenues, income, proceeds, profits and other monies derived from or pertaining to the Real Property, or any part thereof (surface and/or subsurface, as the case may be), to which the Obligor may from time to time be entitled with full power to demand, sue, recover, receive and give receipts therefor and otherwise enforce the rights of the Obligor thereto in the name of the Obligor;

- (g) all accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them, now owned or hereafter acquired;
- (h) securities accounts and all of the credit balances, securities entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;
- (i) Instruments and Securities;
- (j) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits in which the Obligor now has or hereafter acquires any interest;
- (k) all Intellectual Property;
- (l) to the fullest extent permitted by Applicable Law, all authorizations orders, permits, approvals, grants, licences, claims (including mining claims whether patented or unpatented) consents, rights, franchises, privileges, certificates, judgments, writs, injunctions, awards, determinations, directions, decrees, demands or the like issued or granted by law or by rule or regulation of any governmental or public department, commission, board, office, agency or other body now or hereafter issued or granted to it;
- (m) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 4(a) through Section 4(l) inclusive, and
- (n) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 4(a) through Section 4(m) inclusive, or the proceeds of such proceeds.

Section 5 Grant of Security – Floating Charge.

Subject to Section 7, as continuing collateral security for the payment and discharge of its Secured Obligations, the Obligor grants, mortgages and charges, as and by way of a floating charge, to and in favour of the Holder and otherwise grants to the Holder a security interest in, all of its property and undertaking now owned or hereafter acquired that is situated at, is located on, pertains to or forms part of the Project, wherever situate and all of the personal property and undertaking in which the Obligor now has or hereafter acquires any interest, of every nature and kind, that is, is situated at, is located on, pertains to or forms a part of the Project, wherever situate except such of its property and undertaking as are validly subject to the fixed and specific mortgages, charges, pledges and security interests granted pursuant to Section 4. Until the Security is enforceable, the floating charge in no way hinders or prevents the Obligor from disposing of or dealing with the subject matter of the floating charge in the ordinary course of business and for purposes of carrying on the same; provided that such action is not in breach of any specific provision of, or covenant in, this Debenture or any other Finance Document to which the Obligor is a party.

Section 6 Effectiveness and Attachment.

- (1) The Security is effective whether or not any monies or liabilities so secured are advanced or incurred before or after or at the same time as this Debenture is issued. The Security will remain effective until such time as this Debenture is discharged as provided in Section 20, irrespective of whether, at any prior time, there may have been no indebtedness, liabilities or obligations (direct, indirect, absolute, contingent or otherwise) of the Obligor to the Holder or any other Finance Party outstanding. For greater certainty, this Debenture represents a continuous collateral charge and any security interest created hereby shall not cease to operate or be or be deemed to be void by reason of the Obligor's obligations being from time to time reduced and thereafter increased, entirely extinguished and thereafter incurred, becoming or being zero at any time or from time to time, and no payment (save as to moneys realized from this Debenture) received by any Finance Party shall reduce or be deemed to reduce, or be or be deemed to be a payment on account of, the principal amount secured hereby unless such payment is specifically appropriated in writing by the Holder in reduction of the principal amount secured hereby.
- (2) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Charged Premises (other than after-acquired Charged Premises), (iii) it has not agreed to postpone the time of attachment of the Security and (iv) it has received a copy of this Debenture.

Section 7 Scope of Security.

- (1) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security with respect to each Restricted Asset will constitute a trust (provided that the creation of such a trust does not also result in a similar termination of such agreement, licence, permit or quota) created in favour of the Holder, for the benefit of the Finance Parties, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Holder, for the benefit of the Finance Parties, on the following basis:
 - (a) prior to the Enforcement Date the Obligor is entitled to receive all such proceeds; and
 - (b) on and after the Enforcement Date, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Holder for the benefit of the Finance Parties, and (ii) the Obligor will take all actions requested by the Holder to collect and enforce payment and other rights arising under the Restricted Asset.
- (2) The Obligor will use commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Holder in accordance with this Debenture. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on or after the date of this

Debenture expressly permit assignments of the benefits of such agreements as collateral security to the Holder in accordance with the terms of this Debenture.

- (3) The Security with respect to trade-marks constitutes a security interest in, and a charge, hypothecation and pledge of, such Charged Premises in favour of the Holder, for the benefit of the Finance Parties, but does not constitute an assignment of such Charged Premises to the Holder or any Finance Party.
- (4) Prior to the Enforcement Date, the grant of the Security in the Intellectual Property does not affect in any way the Obligor's rights to commercially exploit the Intellectual Property, defend it, enforce the Obligor's rights in it or with respect to it against third parties in any court or claim and be entitled to receive any damages with respect to any infringement of it.
- (5) The Security does not extend to consumer goods, or any ULC Shares at any time owned by or otherwise held by the Obligor.
- (6) The Security does not extend or apply to the last day of the term of any lease or sublease of real property or agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Holder may direct.
- (7) The mortgages, assignments, transfers, grants, conveyances and charges created by this Debenture are intended to be mortgages, assignments, transfers, grants, conveyances and charges of the entire estate, right, title and interest of the Obligor in and to the Charged Premises and every part thereof and, if the estate, right, title and interest of the Obligor in and to any such Charged Premises enlarges, the mortgages, assignments, transfers, grants, conveyances and charges hereof will be enlarged and extended to constitute mortgages, assignments, transfers, grants, conveyances and charges of such enlarged estate, right, title and interest promptly upon the acquisition thereof by the Obligor and without the necessity of any further act on the part of the Holder and will become and be subject to the Security hereof as fully and completely as though now owned by Obligor.
- (8) Every part, parcel, lot or strata lot into which the Charged Premises or any part thereof are or may hereafter be divided does and will stand charged with the whole of the principal sum, interest and all other amounts payable hereunder and no Person will have any right to require the principal sum, interest of or any other amount secured hereby to be apportioned upon or in respect of any such part, parcel, lot or strata lot.

Section 8 Protective Disbursements.

If the Obligor fails to perform any of its covenants in this Debenture, then the Holder may, in its absolute discretion, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Holder may make the payment but is under no obligation to do so. All sums paid or expended by the Holder are immediately payable by the Obligor, bear interest at the rate set forth in this Debenture and are secured by this Debenture, having the benefit of the Security in priority to the indebtedness evidenced by this

Debenture. No such performance or payment will relieve the Obligor from any default under this Debenture or the consequences of such default.

Section 9 Covenants.

The Obligor will not sell, assign, convey, exchange, lease, release or abandon or otherwise dispose of any Charged Premises except as permitted by the Credit Agreement. The Obligor will not create or suffer to exist any Lien on the Charged Premises, except for Permitted Liens and as permitted by the Credit Agreement. On and after the Enforcement Date, the Obligor will immediately upon demand by the Holder in accordance with the Credit Agreement, create and grant as and by way of a fixed and specific mortgage and charge to and in favour of the Holder, further security over any of the Charged Premises referred to in Section 5.

Section 10 Enforcement.

The Security becomes and is enforceable against the Obligor on and after the Enforcement Date. Neither the Holder nor any Finance Party, nor any subsequent holder of this Debenture may, at any time, claim any greater amount in respect of the principal amount of this Debenture than the aggregate amount of the Secured Obligations of the Obligor outstanding at that time. Payment to the Holder or the Finance Parties of interest for any period in respect of the Secured Obligations of the Obligor in accordance with the Credit Agreement is deemed to be payment in satisfaction of the interest payment for the same period under this Debenture.

Section 11 Remedies.

On and after the Enforcement Date, the Holder may realize upon the Charged Premises and enforce its rights by:

- (a) entry into possession of the Charged Premises by any method permitted by law;
- (b) sale, grant of options to purchase, or lease of all or any part of the Charged Premises;
- (c) holding, storing and keeping idle or operating all or any part of the Charged Premises;
- (d) collection of any proceeds arising in respect of the Charged Premises;
- (e) collection, realization or sale of, or other dealing with, the accounts forming part of the Charged Premises;
- (f) license or sublicense, whether on an exclusive or non-exclusive basis, of any Intellectual Property forming part of the Charged Premises for such term and on such conditions and in such manner as the Holder in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such Intellectual Property);

- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Debenture includes a receiver and manager) of all or any part of the Charged Premises;
- (h) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (i) filing of proofs of claim and other documents to establish claims to the Charged Premises in any proceeding relating to the Obligor;
- (j) appointment by instrument in writing of a receiver or agent of all or any part of the Charged Premises and removal or replacement from time to time of any such receiver or agent; and
- (k) any other remedy or proceeding authorized or permitted in this Debenture or otherwise by law or equity.

Section 12 Additional Rights.

In addition to the rights of the Holder set forth in Section 11, and elsewhere in this Agreement, on and after the Enforcement Date, the Holder may:

- (a) require the Obligor, at the Obligor's expense, to assemble the Charged Premises, to the extent reasonably practicable, at a place or places designated by notice in writing and the Obligor agrees to so assemble the Charged Premises immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Holder the location or locations of the Charged Premises and the Obligor agrees to make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Charged Premises, and prepare for the disposition of the Charged Premises, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Charged Premises, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on Obligor);
- (e) pay any liability secured by any Lien against any Charged Premises (the Obligor will immediately on demand reimburse the Holder for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings and other property of or used by the Obligor for such time as the Holder sees fit, free of charge, and no Finance Party is liable to the Obligor for any act, omission or negligence (other than gross negligence or wilful

misconduct) in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;

- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Charged Premises and mortgage, charge or grant a security interest in the Charged Premises, whether or not in priority to the Security, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Premises, and give good and valid receipts and discharges and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and
- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Charged Premises offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Charged Premises without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Holder, the Holder may, for the purpose of making payment for all or any part of the Charged Premises so purchased, use any claim for the principal, interest and other amounts owing under this Debenture then due and payable to it as a credit against the purchase price.

Section 13 Exercise of Remedies.

The remedies under Section 11 and Section 12 may be exercised from time to time on and after the Enforcement Date separately or in combination and are in addition to, and not in substitution for, any other rights of the Holder however arising or created. The Holder is not bound to exercise any right or remedy and the exercise of any right or remedy is without prejudice to any other rights of the Holder including the right to claim for any deficiency. The taking of any action or proceeding or refraining from so doing, or any other dealings with any other security for the monies secured by this Debenture shall not release or affect the Security.

Section 14 Receiver's Powers.

- (1) Any Receiver appointed by the Holder is vested with the rights and remedies which could have been exercised by the Holder in respect of the Obligor or the Charged Premises and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the Receiver, any replacement and any remuneration are within the sole and unfettered discretion of the Holder.
- (2) Any Receiver appointed by the Holder will act as agent for the Holder for the purposes of taking possession of the Charged Premises, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The Receiver may sell, lease, or otherwise dispose of the Charged Premises as agent for the Obligor or as agent for the Holder as the Holder may determine in its discretion. The Obligor agrees to ratify and

confirm all actions of the Receiver acting as agent for the Obligor, and to release and indemnify the Receiver in respect of all such actions other than such actions arising from the Receiver's gross negligence or wilful misconduct.

- (3) The Holder (nor any other Finance Party), in appointing or refraining from appointing any Receiver, does not incur liability to the Receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such Receiver.
- (4) All moneys from time to time received by the Receiver may be applied as follows (i) first, in discharge of all operating expenses and other outgoings affecting the Charged Premises, (ii) second, in keeping in good standing all charges and liens on the Charged Premises having priority over the Security, (iii) third, in payment of the remuneration and disbursements of the Receiver, (iv) fourth, in payment to the Holder of the moneys payable hereunder, and (v) the balance, if any, shall be paid to the Obligor or as a court of competent jurisdiction may otherwise direct.

Section 15 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Holder (and any officer of the Holder) the true and lawful attorney of the Obligor for the purposes set out in this section. As the attorney of the Obligor, the Holder has the power to exercise for and in the name of the Obligor with full power of substitution, at any time on and after the Enforcement Date, any of the Obligor's right (including the right of disposal), title and interest in and to the Charged Premises including the execution, endorsement, delivery and transfer of the Charged Premises to the Holder, its nominees or transferees, and the Holder and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Charged Premises to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor agrees to be bound by any representations and actions made or taken in good faith by the Holder pursuant to this power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Holder taken in good faith under this power of attorney. The Obligor authorizes the Holder to delegate in writing to another Person any power and authority of the Holder under this power of attorney as may be necessary or desirable in the opinion of the Holder, and to revoke or suspend such delegation.

Section 16 Dealing with the Charged Premises.

- (1) The Holder is not obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold before realizing upon or otherwise dealing with the Charged Premises in such manner as it may consider desirable.
- (2) The Holder may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with

other Persons, sureties or securities as it may see fit without prejudice to the obligations and liability of the Obligor or the rights of the Holder in respect of the Charged Premises.

- (3) Neither the Holder nor any Finance Party is (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Premises, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Premises or for the purpose of preserving any rights of any Persons in respect of the Charged Premises, (iii) responsible for any loss occasioned by any sale or other dealing with the Charged Premises or by the retention of or failure to sell or otherwise deal with the Charged Premises, or (iv) bound to protect the Charged Premises from depreciating in value or becoming worthless.
- (4) The Holder has no obligation to keep the Charged Premises in its possession identifiable.
- (5) The Holder may, on and after the Enforcement Date, (i) notify any Person obligated on an account or on chattel paper or any obligor on an instrument to make payments to the Holder, whether or not the Obligor was previously making collections on such accounts, chattel paper, instruments, and (ii) assume control of any proceeds arising from the Charged Premises.

Section 17 Standards of Sale.

Without prejudice to the ability of the Holder to dispose of the Charged Premises on and after the Enforcement Date in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Charged Premises may be disposed of in whole or in part;
- (b) the Charged Premises may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of the Charged Premises may be a customer of any Finance Party;
- (d) any sale conducted by the Holder will be at such time and place, on such notice and in accordance with such procedures as the Holder, in its sole discretion, may deem advantageous;
- (e) the Charged Premises may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Charged Premises) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of the Charged Premises may be on such terms and conditions as to credit or otherwise as the Holder, in its sole discretion, deems advantageous; and
- (g) the Holder may establish an upset or reserve bid or price in respect of the Charged Premises.

Section 18 Dealings by Third Parties.

No Person dealing with the Holder or its agent or a receiver is required to determine (i) whether the Enforcement Date shall have occurred, (ii) whether the powers which the Holder or its agent or a receiver is purporting to exercise have become exercisable, (iii) whether any money remains due upon the Security, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or any other dealing by the Holder or its agent or a receiver with the Charged Premises, or (vi) how any money paid to the Holder has been applied.

Section 19 No Right of Set-Off.

The principal, interest and other amounts and liabilities secured by this Debenture will be paid by the Obligor when due without regard to any equities existing between the Obligor and any other party including the Finance Parties and without regard to any right of set-off or cross-claim or of any other claim or demand of the Obligor against any Finance Party or otherwise except as otherwise set out in the Credit Agreement.

Section 20 Discharge.

Upon the Secured Obligations Termination Date, the Holder shall, at the request and expense of the Obligor, execute and deliver to the Obligor such financing statements and other documents or instruments as the Obligor may reasonably require to effect the discharge of the Security and the return and surrender of the Debenture; provided that so long as BNP Paribas is the Holder, it shall not be required to return physical possession of the Debenture to the Obligor to effect such return and surrender.

Section 21 Statutory Waiver.

Any purchaser of the Charged Premises from the Holder, its agent or receiver shall hold the Charged Premises absolutely free from any claim or right of whatever kind including any equity of redemption of the Obligor, and the Obligor hereby specifically waives, to the fullest extent permitted by law, as against any such purchaser, all right of redemption, stay or appraisal which the Obligor now has or may have under any rule of law now existing or hereafter adopted.

Section 22 Notices.

All notices and other communications provided for herein shall be in writing and shall be delivered in accordance with the provision of the Credit Agreement, if to the Obligor then to the Borrower, and if to the Holder, then to the Administrative Agent.

Section 23 No Merger.

This Debenture does not operate by way of merger of any of the principal, interest and other amounts owing under this Debenture and no judgment recovered by the Holder will operate by way of merger of, or in any way affect, the Security, which, without duplication, is in addition to, and not in substitution for, any other security now or hereafter held by the Holder or any other Finance Party in respect of the principal, interest and other amounts owing under this Debenture.

Section 24 Further Assurances.

The Obligor will do all acts and things and execute and deliver or cause to be executed and delivered all deeds, transfers, assignments, documents and instruments that the Holder may reasonably require for (i) protecting the Charged Premises, (ii) perfecting the Security, and (iii) exercising all powers, authorities and discretions conferred upon the Holder. On and after the Enforcement Date, the Obligor will do all acts and things and execute and deliver all deeds, transfers, assignments and instruments that the Holder may require for facilitating the sale of the Charged Premises in connection with realization upon such Charged Premises.

Section 25 Successors and Assigns.

This Debenture is binding upon the Obligor, its successors and assigns, and enures to the benefit of the Holder and the other Finance Parties and their respective successors and assigns. This Debenture may only be assigned by the Holder in accordance with the terms of the Credit Agreement. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Debenture.

Section 26 Amendment and Waivers.

- (1) Any term of this Debenture may be amended or waived only with the consent of the Holder and the Obligor and any such amendment or waiver will be binding on the Obligor and the Holder.
- (2) No consent or waiver by the Holder or the other Finance Parties in respect of this Debenture is binding unless made in writing and signed by an authorized officer of the Holder. Any consent or waiver given under this Debenture is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Debenture constitutes a waiver of any other provision.
- (3) A failure or delay on the part of the Holder or the other Finance Parties in exercising a right under this Debenture does not operate as a waiver of, or impair, any right of the Holder or the other Finance Parties however arising. A single or partial exercise of a right on the part of the Holder or the other Finance Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Holder or the other Finance Parties.

Section 27 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Debenture to be illegal, invalid or unenforceable, that provision will be severed from this Debenture and the remaining provisions will remain in full force and effect.

Section 28 Governing Law.

This Debenture will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 29 Conflict.

- (1) In the event of a conflict or inconsistency between the provisions of this collateral Debenture and the provisions of the Credit Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency.

Section 30 Authority of Holder

This Debenture is made by the Obligor in favour of the Holder, as agent of, and for the benefit of itself and the other Finance Parties. The rights, power, authority, duties and responsibilities of the Holder on behalf of the Finance Parties shall be as provided in the Credit Agreement.

Section 31 Land Registration Reform Act.

The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded and replaced by the terms of this Debenture, to the extent that such implied covenants are inconsistent with the terms hereof.

[SIGNATURE LINES FOLLOW ON THE NEXT PAGE]

IN WITNESS WHEREOF the Obligor has executed this Debenture.

HARTE GOLD CORP

By:


Name: KEVIN K. HARTE
Title: CEO

By:


Name: S.G. POMTON
Title: President & CEO

SCHEDULE 1
LIST OF PROPERTIES COMPRISING THE PROJECT

Part I - Freehold Properties

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|--------------|-------------|-------------|------------|---|-----------|
| 1. | None | White River | Freehold | 31082-0218 | PCL 4507 SEC AWS; PT FARM LOCATION CK74 HUNT AS IN LT50339; WHITE RIVER | SR/MR |
| 2. | None | White River | Freehold | 31082-0219 | PCL 4508 SEC AWS; PT FARM LOCATION CK74 HUNT AS IN LT50340; WHITE RIVER | SR/MR |
| 3. | None | White River | Freehold | 31082-0234 | PCL 11183 SEC AWS; PT FARM LOCATION CK77 HUNT PT 1 1R6484; WHITE RIVER | SR/MR |

Part II - Leasehold Properties

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|--|---------------------|-------------|------------|---|---|
| 4. | 1069328 TO 1069331 INCLUSIVE, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 | Hambleton and Odlum | Leasehold | 31053-0001 | MINING CLAIMS 1069328 TO 1069331 INCLUSIVE, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 BEING PTS 1,2,3,4,5,6,7,8,9 PL 1R13039, EXCEPT SURFACE RIGHTS BEING PTS 2 TO 9 INCLUSIVE PL 1R13039 HAMBLETON, ODLUM | SR/MR - Pt 1, Plan 1R13039 MRO - Pts 2-9, Plan 1R13039 |
| 5. | SSM1069332, SSM1069333, SSM1069343, SSM1182993; PT MINING CLAIMS SSM1069344, SSM1069346 | Hambleton | Leasehold | 31054-0003 | MINING CLAIMS SSM1069332, SSM1069333, SSM1069343, SSM1182993; PT MINING CLAIMS SSM1069344, SSM1069346 HAMBLETON PT 1 1R13011; DISTRICT OF ALGOMA | SR/MR |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|---|--|-------------|------------|---|---|
| 6. | PT MINING CLAIM SSM1232640 | Gourlay and Strickland | Leasehold | 31054-0004 | PT MINING CLAIM SSM1232640 GOURLAY & STRICKLAND PT 2 IR13011; DISTRICT OF ALGOMA | SR/MR |
| 7. | PT MINING CLAIM SSM1235595 | Gourlay | Leasehold | 31054-0005 | PT MINING CLAIM SSM1235595 GOURLAY PT 3 IR13011; DISTRICT OF ALGOMA | SR/MR |
| 8. | PT MINING CLAIMS SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595 | Hambleton, Gourlay, Strickland and Odium | Leasehold | 31054-0006 | MINING RIGHTS ONLY PT MINING CLAIMS SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595 HAMBLETON, GOURLAY, STRICKLAND & ODLUM PTS 4-9 IR13011; DISTRICT OF ALGOMA | MRO |
| 9. | SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069354, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659, SSM1140660 | Hambleton, Odium and Strickland | Leasehold | 31077-0001 | MINING CLAIMS SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069354, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659 & SSM1140660 BEING PTS 1,2,3,4,5,6,7 & 8 PL IR13019 EXCEPT SURFACE RIGHTS BEING PTS 2 TO 8 INCLUSIVE PL IR13019 HAMBLETON, ODLUM & STRICKLAND; CITY OF SAULT STE. MARIE | SR/MR - Pt 1, Plan IR13019 MRO - Pts 2-8, Plan IR13019 |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|---|------------------------|-------------|------------|---|---|
| 10. | SSM937770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, SSM1078251, SSM1078252, SSM1135499, SSM1194337, SMM1194340 | Hambleton and Odlum | Leasehold | 31078-0001 | MINING CLAIMS SSM937770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, SSM1078251, SSM1078252, SSM1135499, SSM1194337 & SMM1194340 BEING PTS 1 TO 11 PL 1R13038 EXCEPT SURFACE RIGHTS BEING PTS 4,5,7,8,9 & 11 PL 1R13038 HAMBLETON ODLUM; CITY OF SAULT STE. MARIE | SR/MR - Pts 1, 2, 3, 6 & 10, Plan 1R13038 MRO - Pts 4, 5, 7, 8, 9 & 11, Plan 1R13038 |

Part III - Unpatented Mining Claims

See attached.

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | Work Required | Total Reserve | % of Harte Gold Ownership | Claim Status |
|-----------------|---------------------------------|-----------|-------------------------|------------------|---------------|---------------|---------------------------|--------------|
| 4285672 | NAMEIGOS | 344511 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281802 | NAMEIGOS | 141005 | Boundary Cell | 16-Feb-20 | 200 | 1339 | 100% | Active |
| 4281802 | NAMEIGOS | 281507 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281805 | NAMEIGOS | 122945 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4285672 | NAMEIGOS | 238950 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4285671 | NAMEIGOS | 319552 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4285671 | NAMEIGOS | 282751 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4285672 | NAMEIGOS | 157827 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281802 | NAMEIGOS | 134919 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281805 | NAMEIGOS | 290157 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281802 | NAMEIGOS | 151061 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281805 | NAMEIGOS | 133689 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4285671 | NAMEIGOS | 186239 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281802 | NAMEIGOS | 302908 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281805 | NAMEIGOS | 186333 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4281802 | NAMEIGOS | 150356 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| 4285671 | NAMEIGOS | 186240 | Boundary Cell | 16-Feb-20 | 200 | 0 | 100% | Active |
| | NAMEIGOS | 531332 | Multi-cell Mining Claim | 16-Feb-20 | 9600 | 10368 | 100% | Active |
| | NAMEIGOS | 531333 | Multi-cell Mining Claim | 16-Feb-20 | 4800 | 0 | 100% | Active |
| | NAMEIGOS | 531334 | Multi-cell Mining Claim | 16-Feb-20 | 10000 | 5918 | 100% | Active |
| | NAMEIGOS | 531336 | Multi-cell Mining Claim | 16-Feb-20 | 9200 | 1780 | 100% | Active |
| | NAMEIGOS | 531337 | Multi-cell Mining Claim | 16-Feb-20 | 9200 | 0 | 100% | Active |
| | NAMEIGOS | 531338 | Multi-cell Mining Claim | 16-Feb-20 | 9600 | 8126 | 100% | Active |
| | NAMEIGOS | 531341 | Multi-cell Mining Claim | 16-Feb-20 | 800 | 0 | 100% | Active |
| | NAMEIGOS | 531345 | Multi-cell Mining Claim | 16-Feb-20 | 800 | 623 | 100% | Active |
| | NAMEIGOS | 531346 | Multi-cell Mining Claim | 16-Feb-20 | 1600 | 2096 | 100% | Active |
| | ABRAHAM | 531081 | Multi-cell Mining Claim | 22-Feb-20 | 10000 | 1121 | 100% | Active |
| | ABRAHAM | 531082 | Multi-cell Mining Claim | 22-Feb-20 | 9600 | 7778 | 100% | Active |
| | ABRAHAM,TE DDER | 531048 | Multi-cell Mining Claim | 22-Feb-20 | 9000 | 859 | 100% | Active |
| | ABRAHAM,TE DDER | 531080 | Multi-cell Mining Claim | 22-Feb-20 | 9600 | 3101 | 100% | Active |
| | NAMEIGOS,ST RICKLAND | 531276 | Multi-cell Mining Claim | 22-Feb-20 | 10000 | 1037 | 100% | Active |
| | NAMEIGOS,ST RICKLAND | 531279 | Multi-cell Mining Claim | 22-Feb-20 | 4000 | 0 | 100% | Active |
| | STRICKLAND | 531160 | Multi-cell Mining Claim | 22-Feb-20 | 8400 | 0 | 100% | Active |
| | STRICKLAND | 531161 | Multi-cell Mining Claim | 22-Feb-20 | 8400 | 0 | 100% | Active |
| | STRICKLAND | 531277 | Multi-cell Mining Claim | 22-Feb-20 | 7200 | 125 | 100% | Active |
| | ABRAHAM,CO OPER | 531084 | Multi-cell Mining Claim | 10-Mar-20 | 9600 | 187 | 100% | Active |
| | COOPER | 531085 | Multi-cell Mining Claim | 10-Mar-20 | 9600 | 2007 | 100% | Active |
| | COOPER | 531088 | Multi-cell Mining Claim | 10-Mar-20 | 9600 | 4116 | 100% | Active |
| | COOPER | 531089 | Multi-cell Mining Claim | 10-Mar-20 | 8000 | 0 | 100% | Active |
| | COOPER | 531091 | Multi-cell Mining Claim | 10-Mar-20 | 9600 | 3551 | 100% | Active |
| | COOPER | 531092 | Multi-cell Mining Claim | 10-Mar-20 | 9600 | 319 | 100% | Active |
| | COOPER | 531093 | Multi-cell Mining Claim | 10-Mar-20 | 10000 | 0 | 100% | Active |
| | COOPER | 531113 | Multi-cell Mining Claim | 10-Mar-20 | 10000 | 3506 | 100% | Active |
| | COOPER,STRI CKLAND | 531165 | Multi-cell Mining Claim | 21-Apr-20 | 5200 | 1331 | 100% | Active |
| | HAMBLETON | 531227 | Multi-cell Mining Claim | 21-Apr-20 | 5600 | 1553 | 100% | Active |
| | HAMBLETON | 531248 | Multi-cell Mining Claim | 21-Apr-20 | 10000 | 0 | 100% | Active |
| | HAMBLETON | 531265 | Multi-cell Mining Claim | 21-Apr-20 | 10000 | 0 | 100% | Active |
| | HAMBLETON | 531266 | Multi-cell Mining Claim | 21-Apr-20 | 5600 | 0 | 100% | Active |
| | HAMBLETON | 531267 | Multi-cell Mining Claim | 21-Apr-20 | 5600 | 0 | 100% | Active |
| | ODLUM | 531183 | Multi-cell Mining Claim | 21-Apr-20 | 9600 | 1370 | 100% | Active |
| | ODLUM | 531198 | Multi-cell Mining Claim | 21-Apr-20 | 7600 | 3217 | 100% | Active |
| | ODLUM,STRIC KLAND | 531184 | Multi-cell Mining Claim | 21-Apr-20 | 9600 | 2087 | 100% | Active |
| | ODLUM,STRIC KLAND | 531197 | Multi-cell Mining Claim | 21-Apr-20 | 9600 | 3658 | 100% | Active |
| | ODLUM,STRIC KLAND, TEDDER | 531175 | Multi-cell Mining Claim | 21-Apr-20 | 10000 | 187 | 100% | Active |
| | STRICKLAND | 531157 | Multi-cell Mining Claim | 21-Apr-20 | 10000 | 5781 | 100% | Active |
| | STRICKLAND, TEDDER | 531169 | Multi-cell Mining Claim | 21-Apr-20 | 8800 | 5224 | 100% | Active |

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|---------|--------------------------------|--------|--------------------------|-----------|-------|--------|--|------|--------|
| | STRICKLAND, TEDDER | 531171 | Multi-cell Mining Claim | 21-Apr-20 | 8800 | 4401 | | 100% | Active |
| | HAMBLETON, ODLUM | 531206 | Multi-cell Mining Claim | 26-Apr-20 | 8200 | 462885 | | 100% | Active |
| | HAMBLETON | 531254 | Multi-cell Mining Claim | 13-Jun-19 | 9600 | 0 | | 100% | Active |
| | HAMBLETON | 531255 | Multi-cell Mining Claim | 13-Jun-19 | 10000 | 0 | | 100% | Active |
| | HAMBLETON | 531256 | Multi-cell Mining Claim | 13-Jun-19 | 10000 | 583 | | 100% | Active |
| | HAMBLETON | 531258 | Multi-cell Mining Claim | 13-Jun-19 | 4800 | 0 | | 100% | Active |
| | HAMBLETON | 531269 | Multi-cell Mining Claim | 13-Jun-19 | 1200 | 0 | | 100% | Active |
| | NAMEIGOS | 531340 | Multi-cell Mining Claim | 13-Jun-19 | 6800 | 33 | | 100% | Active |
| | NAMEIGOS | 531335 | Multi-cell Mining Claim | 13-Jun-19 | 10000 | 0 | | 100% | Active |
| | NAMEIGOS | 531342 | Multi-cell Mining Claim | 13-Jun-19 | 8000 | 0 | | 100% | Active |
| | NAMEIGOS | 531343 | Multi-cell Mining Claim | 13-Jun-19 | 8000 | 0 | | 100% | Active |
| | NAMEIGOS | 531344 | Multi-cell Mining Claim | 13-Jun-19 | 7200 | 2174 | | 100% | Active |
| | JOHNS | 530313 | Multi-cell Mining Claim | 20-Jun-19 | 6400 | 2174 | | 100% | Active |
| | JOHNS | 530314 | Multi-cell Mining Claim | 20-Jun-19 | 6400 | 940 | | 100% | Active |
| | JOHNS | 530315 | Multi-cell Mining Claim | 20-Jun-19 | 7200 | 4533 | | 100% | Active |
| | JOHNS | 530316 | Multi-cell Mining Claim | 20-Jun-19 | 10000 | 0 | | 100% | Active |
| | JOHNS | 530317 | Multi-cell Mining Claim | 20-Jun-19 | 7200 | 0 | | 100% | Active |
| | JOHNS | 531017 | Multi-cell Mining Claim | 20-Jun-19 | 9600 | 5604 | | 100% | Active |
| | JOHNS | 531018 | Multi-cell Mining Claim | 20-Jun-19 | 10000 | 0 | | 100% | Active |
| | JOHNS,ODLUM | 530318 | Multi-cell Mining Claim | 20-Jun-19 | 7200 | 0 | | 100% | Active |
| | JOHNS,ODLUM | 531019 | Multi-cell Milling Claim | 20-Jun-19 | 9600 | 0 | | 100% | Active |
| | JOHNS,ODLUM | 531020 | Multi-cell Mining Claim | 20-Jun-19 | 10000 | 0 | | 100% | Active |
| 4260661 | ODLUM | 205218 | Boundary Cell | 20-Jun-19 | 200 | 0 | | 100% | Active |
| 4260665 | ODIUM | 236538 | Boundary Cell | 20-Jun-19 | 200 | 837 | | 100% | Active |
| | ODIUM | 531016 | Multi-cell Mining Claim | 20-Jun-19 | 10000 | 0 | | 100% | Active |
| 4284301 | ODLUM | 323310 | Boundary Cell | 20-Jun-19 | 200 | 832 | | 100% | Active |
| 4264301 | ODIUM | 113014 | Boundary Cell | 20-Jun-19 | 200 | 374 | | 100% | Active |
| | ODLUM | 531021 | Multi-cell Mining Claim | 20-Jun-19 | 10000 | 455 | | 100% | Active |
| | ODLUM | 531024 | Multi-cell Mining Claim | 20-Jun-19 | 10000 | 0 | | 100% | Active |
| | ODLUM | 531025 | Multi-cell Mining Claim | 20-Jun-19 | 9600 | 0 | | 100% | Active |
| | ODLUM, TEDDER | 531022 | Multi-cell Mining Claim | 20-Jun-19 | 8800 | 247 | | 100% | Active |
| | ODLUM, TEDDER | 531023 | Multi-cell Mining Claim | 20-Jun-19 | 9600 | 89 | | 100% | Active |
| | ODIUM | 531207 | Multi-cell Mining Claim | 2-Jul-19 | 1600 | 37793 | | 100% | Active |
| | HAMBLETON | 531214 | Multi-cell Mining Claim | 20-Jul-19 | 2400 | 209406 | | 100% | Active |
| | ODLUM | 531201 | Multi-cell Mining Claim | 29-Oct-19 | 2000 | 398 | | 100% | Active |
| | STRICKLAND | 531162 | Multi-cell Mining Claim | 16-Nov-19 | 9600 | 0 | | 100% | Active |
| | STRICKLAND | 531168 | Multi-cell Mining Claim | 16-Nov-19 | 10000 | 0 | | 100% | Active |
| | STRICKLAND | 531177 | Multi-cell Mining Claim | 16-Nov-19 | 9600 | 0 | | 100% | Active |
| | STRICKLAND | 531178 | Multi-cell Mining Claim | 16-Nov-19 | 10000 | 0 | | 100% | Active |
| | STRICKLAND | 531180 | Multi-cell Mining Claim | 16-Nov-19 | 9200 | 0 | | 100% | Active |
| | STRICKLAND | 531271 | Multi-cell Mining Claim | 16-Nov-19 | 8000 | 0 | | 100% | Active |
| | STRICKLAND | 531273 | Multi-cell Mining Claim | 16-Nov-19 | 10000 | 0 | | 100% | Active |
| | STRICKLAND | 531274 | Multi-cell Mining Claim | 16-Nov-19 | 10000 | 0 | | 100% | Active |
| | STRICKLAND | 531275 | Multi-cell Mining Claim | 16-Nov-19 | 8400 | 2439 | | 100% | Active |
| | STRICKLAND | 531278 | Multi-cell Mining Claim | 16-Nov-19 | 800 | 0 | | 100% | Active |
| | GOURLAY, HAMBLETON | 531219 | Multi-cell Mining Claim | 20-Nov-19 | 9200 | 21193 | | 100% | Active |
| | GOURLAY | 531220 | Multi-cell Mining Claim | 3-Dec-19 | 9600 | 2964 | | 100% | Active |
| | GOURLAY | 531225 | Multi-cell Mining Claim | 3-Dec-19 | 9600 | 891 | | 100% | Active |
| | GOURLAY | 531229 | Mining Claim | 3-Dec-19 | 10000 | 4154 | | 100% | Active |
| | GOURLAY | 531231 | Multi-cell Mining Claim | 3-Dec-19 | 10000 | 7260 | | 100% | Active |
| | GOURLAY, HAMBLETON | 531224 | Multi-cell Mining Claim | 3-Dec-19 | 9600 | 1774 | | 100% | Active |
| | GOURLAY, HAMBLETON | 531226 | Multi-cell Mining Claim | 3-Dec-19 | 10000 | 2337 | | 100% | Active |
| | GOURLAY, HAMBLETON | 531230 | Multi-cell Mining Claim | 3-Dec-19 | 8800 | 4898 | | 100% | Active |
| | GOURLAY, HAMBLETON | 531243 | Multi-cell Mining Claim | 3-Dec-19 | 10000 | 2913 | | 100% | Active |
| | GOURLAY, HAMBLETON, STRICKLAND | 531222 | Multi-cell Mining Claim | 3-Dec-19 | 6200 | 0 | | 100% | Active |

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|---------|-------------------------------------|--------|--------------------------|-----------|-------|-------|------|--------|
| | GOURLAY,ST RICKLAND HAMBLETON | 531221 | Multi-cell Mining Claim | 3-Dec-19 | 10000 | 0 | 100% | Active |
| | HAMBLETON | 531228 | Multi-cell Mining Claim | 3-Dec-19 | 6000 | 1879 | 100% | Active |
| | ODLUM,STRIC KLAND | 531270 | Multi-cell Mining Claim | 3-Dec-19 | 5000 | 4323 | 100% | Active |
| 4260617 | STRICKLAND | 110507 | Single Cell Mining Claim | 3-Dec-19 | 200 | 0 | 100% | Active |
| | STRICKLAND | 531195 | Multi-cell Mining Claim | 3-Dec-19 | 8800 | 3651 | 100% | Active |
| | STRICKLAND | 531167 | Multi-cell Mining Claim | 3-Dec-19 | 8400 | 7506 | 100% | Active |
| | STRICKLAND | 531170 | Multi-cell Mining Claim | 3-Dec-19 | 9200 | 2969 | 100% | Active |
| | STRICKLAND | 531176 | Multi-cell Mining Claim | 3-Dec-19 | 10000 | 4122 | 100% | Active |
| | STRICKLAND | 531179 | Multi-cell Mining Claim | 3-Dec-19 | 8400 | 0 | 100% | Active |
| | STRICKLAND | 531181 | Multi-cell Mining Claim | 3-Dec-19 | 9600 | 0 | 100% | Active |
| | STRICKLAND | 531185 | Multi-cell Mining Claim | 3-Dec-19 | 9600 | 5886 | 100% | Active |
| | STRICKLAND | 531196 | Multi-cell Mining Claim | 3-Dec-19 | 8800 | 0 | 100% | Active |
| | STRICKLAND | 531223 | Multi-cell Mining Claim | 3-Dec-19 | 10000 | 0 | 100% | Active |
| | STRICKLAND | 531272 | Multi-cell Mining Claim | 3-Dec-19 | 1200 | 0 | 100% | Active |
| | BAYFIELD,HA MBLETON, MATTHEWS | 531242 | Multi-cell Mining Claim | 17-Dec-19 | 8000 | 0 | 100% | Active |
| | GOURLAY,HA MBLETON | 531241 | Multi-cell Mining Claim | 17-Dec-19 | 9600 | 6343 | 100% | Active |
| | HAMBLETON | 531264 | Multi-cell Mining Claim | 17-Dec-19 | 9600 | 850 | 100% | Active |
| | HAMBLETON | 531244 | Multi-cell Mining Claim | 17-Dec-19 | 10000 | 0 | 100% | Active |
| | HAMBLETON | 531245 | Multi-cell Mining Claim | 17-Dec-19 | 9600 | 0 | 100% | Active |
| | HAMBLETON | 531246 | Multi-cell Mining Claim | 17-Dec-19 | 9600 | 0 | 100% | Active |
| | HAMBLETON | 531247 | Multi-cell Mining Claim | 17-Dec-19 | 9600 | 0 | 100% | Active |
| | BAYFIELD | 531235 | Multi-cell Mining Claim | 22-Dec-19 | 8000 | 74 | 100% | Active |
| | BAYFIELD | 531236 | Multi-cell Mining Claim | 22-Dec-19 | 8000 | 0 | 100% | Active |
| | BAYFIELD | 531237 | Multi-cell Mining Claim | 22-Dec-19 | 8000 | 0 | 100% | Active |
| | BAYFIELD | 531238 | Multi-cell Mining Claim | 22-Dec-19 | 9200 | 0 | 100% | Active |
| | BAYFIELD | 531239 | Multi-cell Mining Claim | 22-Dec-19 | 1600 | 0 | 100% | Active |
| | BAYFIELD,GO URLAY | 531233 | Multi-cell Mining Claim | 22-Dec-19 | 10000 | 0 | 100% | Active |
| | BAYFIELD,GO URLAY | 531234 | Multi-cell Mining Claim | 22-Dec-19 | 8000 | 0 | 100% | Active |
| | BAYFIELD,GO URLAY, HAMBLETON | 531240 | Multi-cell Mining Claim | 22-Dec-19 | 9600 | 0 | 100% | Active |
| | GOURLAY | 531232 | Multi-cell Mining Claim | 22-Dec-19 | 9600 | 0 | 100% | Active |
| | HAMBLETON | 531210 | Multi-cell Mining Claim | 23-Dec-19 | 6800 | 12882 | 100% | Active |
| | HAMBLETON | 531249 | Multi-cell Mining Claim | 23-Dec-19 | 1200 | 0 | 100% | Active |
| | HAMBLETON | 531257 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 0 | 100% | Active |
| | HAMBLETON | 531268 | Multi-cell Mining Claim | 23-Dec-19 | 4000 | 360 | 100% | Active |
| | HAMBLETON, ODLUM | 531209 | Multi-cell Mining Claim | 23-Dec-19 | 2400 | 4004 | 100% | Active |
| 4260664 | ODLUM | 308490 | Boundary Cell | 23-Dec-19 | 200 | 311 | 100% | Active |
| 4260665 | ODLUM | 199956 | Boundary Cell | 23-Dec-19 | 200 | 498 | 100% | Active |
| 4260661 | ODLUM | 137166 | Boundary Cell | 23-Dec-19 | 200 | 1130 | 100% | Active |
| 4260661 | ODLUM | 156716 | Boundary Cell | 23-Dec-19 | 200 | 748 | 100% | Active |
| 4260665 | ODLUM | 112652 | Boundary Cell | 23-Dec-19 | 200 | 187 | 100% | Active |
| 4260661 | ODLUM | 142645 | Boundary Cell | 23-Dec-19 | 200 | 351 | 100% | Active |
| 4260665 | ODLUM | 155301 | Boundary Cell | 23-Dec-19 | 200 | 436 | 100% | Active |
| 4260664 | ODLUM | 168606 | Boundary Cell | 23-Dec-19 | 200 | 374 | 100% | Active |
| | ODLUM | 531026 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 3114 | 100% | Active |
| | ODLUM | 531182 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 1744 | 100% | Active |
| | ODLUM | 531199 | Multi-cell Mining Claim | 23-Dec-19 | 800 | 748 | 100% | Active |
| | ODLUM | 531200 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 2932 | 100% | Active |
| | ODLUM | 531202 | Multi-cell Mining Claim | 23-Dec-19 | 9200 | 37710 | 100% | Active |
| | ODLUM,TEDD ER | 531027 | Multi-cell Mining Claim | 23-Dec-19 | 9600 | 2180 | 100% | Active |
| | ODLUM,TEDD ER | 531154 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 0 | 100% | Active |
| | ODLUM,TEDD ER | 531173 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 360 | 100% | Active |
| | ODLUM,TEDD ER | 531174 | Multi-cell Mining Claim | 23-Dec-19 | 9600 | 3302 | 100% | Active |
| | STRICKLAND, TEDDER | 531156 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 1206 | 100% | Active |
| | TEDDER | 531031 | Multi-cell Mining Claim | 23-Dec-19 | 9600 | 0 | 100% | Active |

| | | | | | | | | |
|---------|----------------------------------|--------|--------------------------|-----------|-------|--------|------|--------|
| | TEDDER | 531153 | Multi-cell Mining Claim | 23-Dec-19 | 8800 | 0 | 100% | Active |
| | TEDDER | 531155 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 0 | 100% | Active |
| | TEDDER | 531172 | Multi-cell Mining Claim | 23-Dec-19 | 10000 | 0 | 100% | Active |
| | HAMBLETON | 531212 | Multi-cell Mining Claim | 31-Dec-19 | 7200 | 61590 | 100% | Active |
| | HAMBLETON | 531215 | Multi-cell Mining Claim | 31-Dec-19 | 3600 | 236114 | 100% | Active |
| | HAMBLETON | 531216 | Multi-cell Mining Claim | 31-Dec-19 | 1000 | 569816 | 100% | Active |
| | HAMBLETON | 531217 | Multi-cell Mining Claim | 31-Dec-19 | 2200 | 494418 | 100% | Active |
| | HAMBLETON | 531218 | Multi-cell Mining Claim | 31-Dec-19 | 1800 | 130180 | 100% | Active |
| | HAMBLETON, ODLUM | 531208 | Multi-cell Mining Claim | 31-Dec-19 | 5200 | 20087 | 100% | Active |
| | ODLUM | 531203 | Multi-cell Mining Claim | 31-Dec-19 | 7000 | 5252 | 100% | Active |
| | ODLUM | 531204 | Multi-cell Mining Claim | 31-Dec-19 | 3800 | 0 | 100% | Active |
| 4288588 | NAMEIGOS | 219128 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 286341 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288588 | NAMEIGOS | 322925 | Boundary Cell Mining | 8-Jan-20 | 200 | 498 | 100% | Active |
| 4288589 | NAMEIGOS | 335993 | Single Cell Mining Claim | 8-Jan-20 | 400 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 173870 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 117345 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 220366 | Boundary Cell Mining | 8-Jan-20 | 200 | 623 | 100% | Active |
| 4288589 | NAMEIGOS | 208950 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288588 | NAMEIGOS | 102955 | Boundary Cell Mining | 8-Jan-20 | 200 | 436 | 100% | Active |
| 4288588 | NAMEIGOS | 227074 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 189153 | Boundary Cell Mining | 8-Jan-20 | 200 | 1411 | 100% | Active |
| 4288588 | NAMEIGOS | 170921 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 266283 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 155027 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 267591 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 170388 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 287639 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288588 | NAMEIGOS | 125817 | Boundary Cell Mining | 8-Jan-20 | 200 | 467 | 100% | Active |
| 4288588 | NAMEIGOS | 286384 | Boundary Cell Mining | 8-Jan-20 | 200 | 748 | 100% | Active |
| 4288588 | NAMEIGOS | 189186 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 125769 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 208958 | Single Cell Mining Claim | 8-Jan-20 | 400 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 274252 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288589 | NAMEIGOS | 220373 | Single Cell Mining Claim | 8-Jan-20 | 400 | 623 | 100% | Active |
| 4288588 | NAMEIGOS | 102956 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288588 | NAMEIGOS | 102957 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| 4288587 | NAMEIGOS | 286342 | Boundary Cell Mining | 8-Jan-20 | 200 | 125 | 100% | Active |
| 4288587 | NAMEIGOS | 286343 | Boundary Cell Mining | 8-Jan-20 | 200 | 0 | 100% | Active |
| | ABRAHAM,CO OPER, TEDDER | 531096 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 587 | 100% | Active |
| | ABRAHAM,TE DDER | 531094 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 436 | 100% | Active |
| | ABRAHAM,TE DDER | 531095 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 280 | 100% | Active |
| | COOPER | 531139 | Multi-cell Mining Claim | 9-Jan-20 | 9200 | 0 | 100% | Active |
| | COOPER | 531112 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 1909 | 100% | Active |
| | COOPER | 531163 | Multi-cell Mining Claim | 9-Jan-20 | 6000 | 0 | 100% | Active |
| | COOPER,STRI CKLAND | 531166 | Multi-cell Mining Claim | 9-Jan-20 | 800 | 0 | 100% | Active |
| | COOPER,STRI CKLAND, TEDDER | 531152 | Multi-cell Mining Claim | 9-Jan-20 | 6800 | 0 | 100% | Active |
| | COOPER,TED DER | 531151 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 0 | 100% | Active |
| | COOPER,TED DER | 531111 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 1184 | 100% | Active |
| | COOPER,TED DER | 531097 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 498 | 100% | Active |
| | COOPER,TED DER | 531100 | Multi-cell Mining Claim | 9-Jan-20 | 9600 | 125 | 100% | Active |
| 4288250 | MOSAMBIK | 125756 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288250 | MOSAMBIK | 293144 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288250 | MOSAMBIK | 153728 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |

| | | | | | | | | |
|---------|-----------------------|--------|--------------------------|----------|-------|------|------|--------|
| 4288237 | MOSAMBIK | 273604 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288249 | MOSAMBIK | 276267 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288237 | MOSAMBIK | 188477 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288237 | MOSAMBIK | 226382 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288237 | MOSAMBIK | 170250 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288249 | MOSAMBIK | 336697 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288249 | MOSAMBIK | 221060 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288250 | MOSAMBIK | 274244 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288237 | MOSAMBIK | 118071 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288249 | MOSAMBIK | 117527 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288250 | MOSAMBIK | 273605 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| | MOSAMBIK | 531287 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 0 | 100% | Active |
| | MOSAMBIK | 531348 | Multi-cell Mining Claim | 9-Jan-20 | 8800 | 2604 | 100% | Active |
| 4288237 | MOSAMBIK,N AMEIGOS | 265657 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288237 | MOSAMBIK,N AMEIGOS | 344618 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | MOSAMBIK,N AMEIGOS | 531286 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 0 | 100% | Active |
| | MOSAMBIK,N AMEIGOS | 531288 | Multi-cell Mining Claim | 9-Jan-20 | 8400 | 0 | 100% | Active |
| | MOSAMBIK,N AMEIGOS | 531347 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 1491 | 100% | Active |
| | MOSAMBIK,N AMEIGOS | 531349 | Multi-cell Mining Claim | 9/Jan/2r | 6400 | 810 | 100% | Active |
| | MOSAMBIK,N AMEIGOS | 531350 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 1308 | 100% | Active |
| 4288231 | NAMEIGOS | 225048 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288232 | NAMEIGOS | 102261 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288231 | NAMEIGOS | 159665 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288230 | NAME1605 | 127131 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288232 | NAMEIGOS | 229063 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288233 | NAMEIGOS | 154316 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288230 | NAMEIGOS | 103256 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288231 | NAMEIGOS | 104062 | Boundary Cell Mining | 9-Jan-20 | 200 | 0 | 100% | Active |
| 4288232 | NAMEIGOS | 118285 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288232 | NAMEIGOS | 219164 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288232 | NAMEIGOS | 276303 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288233 | NAMEIGOS | 125852 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288232 | NAMEIGOS | 170953 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288233 | NAMEIGOS | 286410 | Single Cell Mining Claim | 9-Jan-20 | 400 | 62 | 100% | Active |
| 4288233 | NAMEIGOS | 189211 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531316 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531309 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288233 | NAMEIGOS | 118287 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| 4288233 | NAMEIGOS | 170954 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531283 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 0 | 100% | Active |
| | NAMEIGOS | 531284 | Multi-cell Mining Claim | 9-Jan-20 | 9200 | 0 | 100% | Active |
| | NAMEIGOS | 531285 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 0 | 100% | Active |
| | NAMEIGOS | 531290 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531291 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531292 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531293 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531294 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |

| | | | | | | | | |
|---------|---------------------------|--------|--------------------------|-----------|-------|-------|---|--------|
| | NAMEIGOS | 531295 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531296 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531297 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531298 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531299 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531300 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531301 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531302 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531305 | Single Cell Mining Claim | 9-Jan-20 | 400 | 311 | 100% | Active |
| | NAMEIGOS | 531306 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531317 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531351 | Multi-cell Mining Claim | 9-Jan-20 | 9600 | 437 | 100% | Active |
| | NAMEIGOS | 531352 | Multi-cell Mining Claim | 9-Jan-20 | 10000 | 3440 | 100% | Active |
| | TEDDER | 531079 | Multi-cell Mining Claim | 9-Jan-20 | 9200 | 0 | 100% | Active |
| | TEDDER | 531046 | Multi-cell Mining Claim | 9-Jan-20 | 8800 | 346 | 100% | Active |
| | TEDDER | 531047 | Multi-cell Mining Claim | 9-Jan-20 | 9600 | 0 | 100% | Active |
| | TEDDER | 531098 | Multi-cell Mining Claim | 9-Jan-20 | 9600 | 0 | 100% | Active |
| | TEDDER | 531099 | Multi-cell Mining Claim | 9-Jan-20 | 9600 | 0 | 100% | Active |
| | | 531126 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | | 531304 | Single Cell Mining Claim | 9-Jan-20 | 400 | 0 | 100% | Active |
| | COOPER | 531115 | Multi-cell Mining Claim | 10-Jan-20 | 9200 | 0 | 100% | Active |
| | COOPER | 531116 | Multi-cell Mining Claim | 10-Jan-20 | 9600 | 0 | 100% | Active |
| | COOPER | 531117 | Multi-cell Mining Claim | 10-Jan-20 | 10000 | 2829 | 100% | Active |
| | COOPER | 531118 | Multi-cell Mining Claim | 10-Jan-20 | 10000 | 623 | 100% | Active |
| | COOPER,STRICKLAND | 531119 | Multi-cell Mining Claim | 10-Jan-20 | 8000 | 561 | 100% | Active |
| | COOPER,STRICKLAND | 531120 | Multi-cell Mining Claim | 10-Jan-20 | 6000 | 0 | 100% | Active |
| | COOPER,STRICKLAND | 531121 | Multi-cell Mining Claim | 10-Jan-20 | 6400 | 0 | 100% | Active |
| | COOPER,STRICKLAND | 531164 | Multi-cell Mining Claim | 10-Jan-20 | 7200 | 0 | 100% | Active |
| | ABRAHAM | 531086 | Multi-cell Mining Claim | 18-Jan-20 | 9600 | 6857 | 100% | Active |
| | ABRAHAM,COOPER | 531087 | Multi-cell Mining Claim | 18-Jan-20 | 9600 | 3707 | 100% | Active |
| | ABRAHAM | 531083 | Multi-cell Mining Claim | 22-Feb-20 | 9600 | 2428 | 100% | Active |
| | COOPER | 531090 | Multi-cell Mining Claim | 10-Mar-20 | 9600 | 2410 | 100% | Active |
| | COOPER | 531114 | Multi-cell Mining Claim | 10-Mar-20 | 10000 | 2309 | 100% | Active |
| | ODLUM | 531205 | Multi-cell Mining Claim | 27-Mar-20 | 4800 | 66972 | 100% | Active |
| | MOSAMBIK | 532869 | Multi-cell Mining Claim | 10-Apr-20 | 8000 | 0 | 100% | Active |
| | NAMEIGOS | 514033 | Single Cell Mining Claim | 10-Apr-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531331 | Multi-cell Mining Claim | 10-Apr-20 | 7600 | 2016 | 100% | Active |
| | NAMEIGOS | 514035 | Single Cell Mining Claim | 10-Apr-20 | 400 | 0 | 100% | Active |
| | NAMEIGOS | 531281 | Multi-cell Mining Claim | 10-Apr-20 | 10000 | 0 | 100% | Active |
| | NAMEIGOS | 531282 | Multi-cell Mining Claim | 10-Apr-20 | 9600 | 1753 | 100% | Active |
| | NAMEIGOS | 531289 | Multi-cell Mining Claim | 10-Apr-20 | 5600 | 2238 | 100% | Active |
| | NAMEIGOS,STRICKLAND | 531280 | Multi-cell Mining Claim | 10-Apr-20 | 9600 | 0 | 100% | Active |
| | HAMBLETON | 531211 | Multi-cell Mining Claim | 23-Dec-21 | 3200 | 2381 | 100% | Active |
| | HAMBLETON | 531259 | Multi-cell Mining Claim | 23-Dec-22 | 1200 | 851 | 100% | Active |
| | Frecheville, Holloway, | | | | | | | |
| 1223744 | STOUGHTON, FRECHEVILLE | 287517 | Boundary Cell | 27-Dec-19 | 200 | 0 | | Active |
| | | | | | | | | |
| 1223744 | STOUGHTON, FRECHEVILLE | 228212 | Boundary Cell | 27-Dec-19 | 400 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | Active |
| | | | | | | | | |
| | | | | | | | Harte Gold 90/Pelangio Exploration Inc 10 | |

| | | | | | | | | | |
|---------|---|--------|---------------|-----------|------|---|--|------|--------|
| 4215075 | FRECHEVILLE | 155472 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215076 | FRECHEVILLE | 100110 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | FRECHEVILLE , STOUGHTON | 317714 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | FRECHEVILLE , STOUGHTON | 131794 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215061 | MISTAKEN ISLANDS AREA, STOUGHTON | 111755 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215069 | STOUGHTON | 244350 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215068 | STOUGHTON | 234526 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 206596 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215069 | STOUGHTON | 337943 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215070 | STOUGHTON | 111378 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215070 | STOUGHTON | 245152 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215070 | STOUGHTON | 187120 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215069 | STOUGHTON | 197174 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 245812 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 185737 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 333357 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215065 | STOUGHTON | 290563 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215065 | STOUGHTON | 171922 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 265862 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 133895 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 150477 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215070 | STOUGHTON | 133770 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 168648 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215069 | STOUGHTON | 167200 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215069 | STOUGHTON | 185118 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 206598 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215069 | STOUGHTON | 167201 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 168649 | Boundary Cell | 22-Feb-20 | 400 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 168650 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 168651 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| 4215072 | STOUGHTON | 265863 | Boundary Cell | 22-Feb-20 | 200 | 0 | | 100% | Active |
| | FRECHEVILLE | 537502 | Multi-Cell | 22-Feb-20 | 5400 | 0 | | 100% | Active |
| | FRECHEVILLE , STOUGHTON | 537500 | Multi-Cell | 22-Feb-20 | 3400 | 0 | | 100% | Active |
| | MISTAKEN ISLANDS AREA, STOUGHTON | 537476 | Multi-Cell | 22-Feb-20 | 7000 | 0 | | 100% | Active |
| | MISTAKEN ISLANDS AREA, STOUGHTON | 537478 | Multi-Cell | 22-Feb-20 | 1800 | 0 | | 100% | Active |
| | MISTAKEN ISLANDS AREA, STOUGHTON | 537451 | Multi-Cell | 22-Feb-20 | 9000 | 0 | | 100% | Active |
| | STOUGHTON | 537448 | Multi-Cell | 22-Feb-20 | 9600 | 0 | | 100% | Active |
| | STOUGHTON | 537449 | Multi-Cell | 22-Feb-20 | 6600 | 0 | | 100% | Active |
| | STOUGHTON | 537450 | Multi-Cell | 22-Feb-20 | 7800 | 0 | | 100% | Active |
| | STOUGHTON | 537479 | Multi-Cell | 22-Feb-20 | 4000 | 0 | | 100% | Active |
| 3001951 | MARRIOTT, STOUGHTON | 162381 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001951 | MARRIOTT, STOUGHTON | 330435 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001951 | MARRIOTT, STOUGHTON | 103795 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001951 | MARRIOTT, STOUGHTON | 168373 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001952 | MARRIOTT, STOUGHTON | 221158 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001952 | MARRIOTT, STOUGHTON | 229139 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |

| | | | | | | | | | |
|---------|------------------------|--------|---------------|-----------|------|--------|---|------|--------|
| 3001951 | MARRIOTT, STOUGHTON | 151748 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001950 | STOUGHTON | 300518 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001950 | STOUGHTON | 167174 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001950 | STOUGHTON | 185100 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| 3001950 | STOUGHTON | 151747 | Boundary Cell | 11-Apr-20 | 200 | 0 | | 100% | Active |
| | STOUGHTON | 537446 | Multi-Cell | 11-Apr-20 | 4400 | 0 | | 100% | Active |
| | STOUGHTON | 537447 | Multi-Cell | 11-Apr-20 | 4800 | 0 | | 100% | Active |
| 1086361 | MARRIOTT | 150290 | Boundary Cell | 30-Aug-20 | 200 | 78648 | | 100% | Active |
| 1086363 | MARRIOTT | 252539 | Boundary Cell | 30-Aug-20 | 200 | 12491 | | 100% | Active |
| 1086360 | MARRIOTT | 329144 | Boundary Cell | 30-Aug-20 | 200 | 59328 | | 100% | Active |
| 1086362 | MARRIOTT | 108657 | Boundary Cell | 30-Aug-20 | 200 | 37992 | | 100% | Active |
| 1086362 | MARRIOTT | 265078 | Boundary Cell | 30-Aug-20 | 200 | 37993 | | 100% | Active |
| 1086360 | MARRIOTT | 130537 | Boundary Cell | 30-Aug-20 | 200 | 0 | | 100% | Active |
| 1086361 | MARRIOTT | 289563 | Boundary Cell | 30-Aug-20 | 200 | 104928 | | 100% | Active |
| 1086363 | MARRIOTT | 332771 | Boundary Cell | 30-Aug-20 | 200 | 26091 | | 100% | Active |
| 1086360 | MARRIOTT | 183693 | Boundary Cell | 30-Aug-20 | 200 | 104928 | | 100% | Active |
| 1086364 | MARRIOTT | 167881 | Boundary Cell | 30-Aug-20 | 200 | 0 | | 100% | Active |
| 1086364 | MARRIOTT | 133127 | Boundary Cell | 30-Aug-20 | 200 | 0 | | 100% | Active |
| 1202431 | MARRIOTT, STOUGHTON | 111802 | Boundary Cell | 12-Sep-20 | 200 | 0 | | | Active |
| 1176747 | STOUGHTON | 180576 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1176747 | STOUGHTON | 271837 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1207260 | STOUGHTON | 277728 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1176747 | STOUGHTON | 246627 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1202428 | STOUGHTON | 200808 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1204094 | STOUGHTON | 184494 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1204094 | STOUGHTON | 317747 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1176747 | STOUGHTON | 180577 | Boundary Cell | 12-Sep-20 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| | MARRIOTT, STOUGHTON | 537443 | Multi-Cell | 12-Sep-20 | 5400 | 43717 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| | STOUGHTON | 537445 | Multi-Cell | 12-Sep-20 | 2800 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| | STOUGHTON | 537444 | Multi-Cell | 27-Dec-20 | 4400 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1202431 | MARRIOTT | 205228 | Boundary Cell | 31-Jan-23 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |
| 1202431 | MARRIOTT | 205229 | Boundary Cell | 31-Jan-23 | 200 | 0 | Harte Gold 90/Pelangio Exploration Inc 10 | | Active |

EXHIBIT “K”

EXHIBIT "K"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

FORBEARANCE AGREEMENT

AMONG

HARTE GOLD CORP.,

- and -

**THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT,
as the Lenders**

- and -

**BNP PARIBAS,
as Qualified Risk Management Lender**

- and -

**BNP PARIBAS,
as Administrative Agent and Technical Agent**

DATED AS OF JULY 30, 2021

FASKEN

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- Exhibit I - FORM OF REPORT

FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of July 30, 2021.

A M O N G :

HARTE GOLD CORP.

- and -

THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT,

(hereinafter referred to as the “**Lenders**”)

- and –

BNP PARIBAS, in its capacity as a Qualified Risk Management Lender

- and -

BNP PARIBAS, in its capacity as administrative agent and technical agent for the Lenders under the Credit Agreement

CONTEXT:

- A.** On August 28, 2020, the parties entered into an amended and restated credit agreement, as amended by a first amending agreement dated December 11, 2020, a second amending agreement dated June 8, 2021 and the Waiver and Consent dated as of June 30, 2021 (as may be further amended, restated, supplemented or otherwise modified from time to time, collectively the “**Existing Credit Agreement**”).
- B.** The Borrower has advised the Administrative Agent that as of July 30, 2021 and during the Forbearance Period, the Borrower will be in Default under the Credit Agreement and the other Finance Documents.
- C.** The Borrower has requested the Administrative Agent and the other Finance Parties to forbear them exercising their respective rights under the Credit Agreement and the other Finance Documents as a result of the Subject Defaults.
- D.** The Administrative Agent and other Finance Parties are willing to forbear from exercising their rights and remedies during the Forbearance Period on the terms and conditions set out in this Agreement.

THEREFORE, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each capitalized term used and not otherwise defined in this Agreement will have the meaning assigned to it in the Credit Agreement and the Intercreditor Agreement, as applicable.

1.2 Other Definitions

In this Agreement the following terms have the following meanings:

- 1.2.1 **“Additional Default”** means: (i) a default or failure to comply with any of terms or conditions under this Agreement, or (ii) a Default by an Obligor or an Event of Default of any Obligor (other than the Subject Defaults) under the Credit Agreement or any other Finance Document prior to or on or after the date of this Agreement.
- 1.2.2 **“Agent Consultant”** means Ernst & Young Inc. as consultant engaged by legal counsel to the Administrative Agent pursuant to an engagement letter dated June 29, 2021.
- 1.2.3 **“Agreement”** means this agreement, including all Schedules and Exhibits, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter, in writing, by the Parties.
- 1.2.4 **“Borrower”** means Harte Gold Corp., in its capacity as borrower under the Credit Agreement and party to the other Finance Documents.
- 1.2.5 **“Borrower Consultant”** means FTI Consulting Canada Inc.
- 1.2.6 **“Cash Flow Budget”** means, (i) at any time prior to the Updated Cash Flow Budget being accepted, or deemed accepted, as satisfactory by the Administrative Agent, the Initial Cash Flow Budget and (ii) at all times thereafter, the Updated Cash Flow Budget.
- 1.2.7 **“Claims”** and **“Claim”** are defined in Section 7.3.1.
- 1.2.8 **“Communication”** means any notice, demand, request, consent, approval or other communication, which is required or permitted by this Agreement to be given or made by a Party.
- 1.2.9 **“Credit Agreement”** means the Existing Credit Agreement as modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter, in writing, by the Parties (for certainty, as used in relation to the period from and after execution of this Agreement, references herein to the Credit Agreement shall include such modifications, amendments, revisions, supplements and other changes to the Existing Credit Agreement as are contemplated by this Agreement).
- 1.2.10 **“Definitive Documents”** means collectively, the executed binding definitive transaction documents in respect of the Successful Bid.

- 1.2.11 “**Initial Cash Flow Budget**” means the cash flow budget attached hereto as Schedule 4.
- 1.2.12 “**Existing Credit Agreement**” is defined under “Context” above.
- 1.2.13 “**Existing Indebtedness**” means the outstanding Secured Obligations existing as of July 29, 2021 as more particularly described in Section 2.1.
- 1.2.14 “**Existing Security**” is defined in Section 2.4.
- 1.2.15 “**Finance Documents**” has the meaning given thereto in the Credit Agreement.
- 1.2.16 “**Forbearance Period**” is defined in Section 3.1.1.
- 1.2.17 “**Guarantors**” has the meaning given thereto in the Credit Agreement.
- 1.2.18 “**Obligors**” or “**Obligor**” means the Borrower and the Guarantors, or any one of them.
- 1.2.19 “**Parties**” means, collectively, the Borrower, the Agents and the other Finance Parties party hereto; and “**Party**” means any one of them.
- 1.2.20 “**Qualified Phase 1 Bids**” is defined in Section 4.1.7.3.1.
- 1.2.21 “**Qualified Phase 2 Bids**” is defined in Section 4.1.7.3.2.
- 1.2.22 “**Releasees**” and “**Releasee**” are defined in Section 7.3.1.
- 1.2.23 “**SISP**” has the meaning given thereto in the Waiver & Consent.
- 1.2.24 “**SISP Outline**” means the SISP Outline and Timeline attached hereto as Schedule 5.
- 1.2.25 “**Subject Defaults**” means those Defaults or Events of Default under the Credit Agreement which the Borrower has advised the Administrative Agent will occur during the Forbearance Period, as specified in Schedule 1 attached hereto.
- 1.2.26 “**Successful Bid**” means a successful Qualified Phase 2 Bid selected by the Borrower in respect of which the Borrower in consultation with the Borrower Consultant has determined to negotiate definitive transaction documents.
- 1.2.27 “**Terminating Event**” is defined in Section 5.5.
- 1.2.28 “**Updated Cash Flow Budget**” is defined in Section 4.1.3.1.
- 1.2.29 “**Waiver & Consent**” means the Waiver & Consent dated June 30, 2021 entered into by BNP Paribas, as Administrative Agent and Lender and the Borrower (as may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter, in writing, by the relevant Parties).

1.3 Entire Agreement

This Agreement, together with the Credit Agreement and the other Finance Documents and the other agreements and documents to be delivered under this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Credit Agreement, the other Finance Documents or the other agreements and documents delivered under this Agreement.

1.4 Banking Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Banking Day, the payment is to be made or action taken on the next Banking Day following.

1.5 Certain Rules of Interpretation

- 1.5.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.
- 1.5.2 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.5.3 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless the context requires otherwise.
- 1.5.4 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a Banking Day, the time period will end on the next Banking Day.
- 1.5.5 Unless otherwise specified, any reference in this Agreement to any (a) statute includes all regulations made under that statute, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time, and (b) to any agreement means such agreement as amended, supplemented, restated, or replaced subject to compliance with any restrictions thereon in the Finance Documents.
- 1.5.6 Unless otherwise specified, the word “dollar” and the “\$” sign refer to lawful currency of the United States, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in lawful money of the United States.

1.6 Schedules and Exhibits

The following is a list of the Schedules and Exhibits attached hereto:

| Schedule | Subject Matter | Section Reference |
|-----------------|--------------------------|--------------------------|
| Schedule 1 | Subject Defaults | 1.2.25 |
| Schedule 2 | Existing Security | 1.2.14 |
| Schedule 3 | Existing Indebtedness | 1.2.13 |
| Schedule 4 | Initial Cash Flow Budget | 1.2.11 |
| Schedule 5 | SISP Outline | 1.2.24 |
| Exhibit I | Form of Report | 4.1.3.4.2 |

ARTICLE 2 ACKNOWLEDGMENT

2.1 Acknowledgement of Secured Obligations

Each Obligor confirms, acknowledges and agrees that the Existing Indebtedness as at July 29, 2021 is in the aggregate amount set forth in Schedule 3. Each Obligor further acknowledges and agrees that the amount set forth in Schedule 3 in respect of Existing Indebtedness under the Qualified Risk Management Agreements is an estimate thereof as of July 29, 2021 and the actual Existing Indebtedness thereunder may be in an amount greater or less than the amount set forth therein.

2.2 Continuing Effect of Amendments

The Parties hereto each acknowledge, confirm and agree that the Credit Agreement and each other Finance Document remains in full force and effect as at the date hereof, except as specifically amended by this Agreement. The Credit Agreement shall henceforth be read and construed in conjunction with this Agreement.

2.3 Other Confirmations and Acknowledgements

Each Obligor confirms, acknowledges and agrees that:

- 2.3.1 each of the recitals in the “Context” is true and correct;
- 2.3.2 subject to Section 3.1 of this Agreement, on July 30, 2021, all of the Secured Obligations will be payable upon demand by the Administrative Agent or any other applicable Finance Party and that the Administrative Agent and each other Finance Party has the exercisable right to demand immediate payment from the Obligors of the outstanding Secured

Obligations under the Credit Agreement and the other Finance Documents on or at any time following July 30, 2021;

- 2.3.3 as of the date of this Agreement, no Default or Event of Default has occurred and is continuing under the Credit Agreement or any other Finance Document;
- 2.3.4 as of July 30, 2021 and during the Forbearance Period, other than the Subject Defaults, no Default or Event of Default will have occurred or be continuing under the Credit Agreement or any other Finance Document;
- 2.3.5 the Administrative Agent and the other Finance Parties have not waived the Subject Defaults and nothing contained in this Agreement or the transactions contemplated by this Agreement will be deemed to constitute any such waiver;
- 2.3.6 interest and fees continue to accrue on the Secured Obligations under the Credit Agreement and the other Finance Documents in accordance with the Credit Agreement and the other Finance Documents at the rates applicable to the Secured Obligations, which includes, without limitation, the interest accruing and payable under Article 7 of the Credit Agreement. Without limiting the foregoing, from and following July 31, 2021, interest shall accrue at the rate that is applicable during the continuance of an event of default as set forth in the Credit Agreement and the other Finance Documents, as applicable;
- 2.3.7 each Obligor consents to the immediate enforcement of all or any part of the rights and remedies accorded to the Administrative Agent and the other Finance Parties under the Credit Agreement and the other Finance Documents and Applicable Law in any manner determined by the Administrative Agent and the other Finance Parties (including, without limitation, the immediate appointment of a receiver, interim receiver or receiver and manager) upon the expiry or earlier termination of the Forbearance Period;
- 2.3.8 each Obligor will grant all access and provide, on reasonable notice during regular business hours, all information and documentation to, and will otherwise cooperate fully with the Administrative Agent and the other Finance Parties and their advisors (including the Agent Consultant), and pay all reasonable fees and disbursements of the Administrative Agent's legal counsel (including the fees and disbursements of the Agent Consultant);
- 2.3.9 the Administrative Agent has and will continue to have valid, enforceable and perfected first ranking Liens over and in respect of the Secured Assets granted to or held by the Administrative Agent from time to time as continuing and collateral security for the payment and performance of the Secured Obligations and all other amounts owing from time to time under this Agreement, the Credit Agreement and the other Finance Documents, subject to Permitted Liens;
- 2.3.10 the Credit Agreement, the other Finance Documents to which each Obligor is a party and this Agreement are in full force and effect and constitute legal, valid and binding obligations of each Obligor, enforceable against each such Obligor in accordance with their respective terms;

- 2.3.11 the Obligors do not have any valid claim for set-off, counter-claim, damages or other defence on any basis whatsoever in respect of the Secured Obligations or against the Administrative Agent and the other Finance Parties and if there are any such claims, then each Obligor hereby expressly waives and releases them to the fullest extent permitted under Applicable Law;
- 2.3.12 the Administrative Agent and the other Finance Parties are and will be entitled to the rights, remedies and benefits provided for in this Agreement, the Credit Agreement and the other Finance Documents subject to Applicable Law; and
- 2.3.13 this Agreement constitutes a Credit Document for all purposes of the Credit Agreement and the other Finance Documents.

2.4 Security

The Obligors acknowledge and agree that the Security Documents delivered to, and Liens granted therein to, the Administrative Agent as listed in Schedule 2 attached hereto (collectively, the “**Existing Security**”) shall stand as security for the payment and performance of each and every one of the Obligors’ obligations and indebtedness to the Administrative Agent and the other Finance Parties including without limitation, the obligations under this Agreement.

2.5 Drawdown

The Borrower acknowledges and agrees that during the Forbearance Period, the Lenders shall have no obligation to extend credit to the Borrower under any Credit Facility and the Borrower is not permitted to draw on either Credit Facility.

ARTICLE 3 FORBEARANCE IN RESPECT OF CERTAIN EVENTS OF DEFAULT

3.1 Forbearance

- 3.1.1 In reliance upon the acknowledgments, confirmations, representations, warranties and covenants of the Obligors contained in this Agreement, and subject to the terms and conditions of this Agreement and any documents or instruments executed in connection with this Agreement, the Administrative Agent and the other Finance Parties agree to forbear from exercising their rights and remedies under the Credit Agreement and the other Finance Documents and/or Applicable Law in respect of or arising out of or relating to the Subject Defaults, subject to the conditions, amendments and modifications contained in this Agreement, during the period (the “**Forbearance Period**”) commencing on the date of this Agreement and ending on the earlier of:
 - 3.1.1.1 September 30, 2021; and
 - 3.1.1.2 the occurrence or existence of any Terminating Event.
- 3.1.2 On the last day of the Forbearance Period, the obligation of the Administrative Agent and the other Finance Parties under Section 3.1.1 to forbear will automatically and without

further action terminate and be of no further force or effect, it being expressly agreed that the effect of that termination will be to permit the Administrative Agent and the other Finance Parties to immediately exercise all or any part of their rights and remedies under this Agreement, the Credit Agreement, the other Finance Documents and Applicable Law (whether against all or any combination of the Obligor(s)), including without limitation:

- 3.1.2.1 to demand immediate payment of all of the Secured Obligations and enforce all of the Administrative Agent's and the other Finance Parties' rights and remedies under this Agreement, the Credit Agreement, the other Finance Documents and Applicable Law, in each case without any further notice, passage of time or forbearance of any kind; and
- 3.1.2.2 to appoint a receiver, interim receiver or receiver and manager of any of the Obligor(s) pursuant to this Agreement, the Credit Agreement, the other Finance Documents or Applicable Law (or apply to a court of competent jurisdiction to do so).

3.2 No Other Waivers; Reservation of Rights

The Administrative Agent and the other Finance Parties have not waived, and are not by this Agreement or the implementation of this Agreement waiving, any Existing Default or any Additional Default (whether the same or similar to the Subject Defaults or otherwise), and the Administrative Agent and the other Finance Parties have not agreed to forbear with respect to any of their rights or remedies concerning any Additional Default (whether the same or similar to the Subject Defaults or otherwise) which may have occurred prior to or be continuing as of the date of this Agreement or which may occur or be continuing after the date of this Agreement. The Administrative Agent and the other Finance Parties have not waived any of such rights or remedies, and nothing in this Agreement, and no delay on their part in exercising any such rights or remedies, should be construed as a waiver of those rights or remedies.

ARTICLE 4 OBLIGATIONS OF THE OBLIGORS DURING FORBEARANCE PERIOD

4.1 Covenants of the Obligor(s)

During the Forbearance Period, each applicable Obligor covenants and agrees as follows:

- 4.1.1 each Obligor will strictly adhere to all the terms, conditions and covenants of this Agreement, the Credit Agreement and the other Finance Documents including, without limitation, terms requiring prompt payment to the Administrative Agent and the other Finance Parties of principal and interest amounts when due, except to the extent that those terms, conditions and covenants are otherwise specifically amended by this Agreement, or modified and agreed to in writing by the parties to such agreement and acknowledged and approved in writing by the Administrative Agent and each applicable Finance Party;
- 4.1.2 the Borrower shall not request, a drawdown of, a rollover of or conversion to, any LIBOR Loan;

4.1.3 the Borrower shall:

- 4.1.3.1 on or prior to August 31, 2021, provide to the Administrative Agent and the Agent Consultant an updated rolling 13-week cash flow forecast in the same form as the Initial Cash Flow Budget and in substance satisfactory to the Administrative Agent (the “**Updated Cash Flow Budget**”);
 - 4.1.3.1.1 Within three (3) Banking Days of delivery of the updated rolling 13-week cash flow forecast by the Borrower, the Administrative Agent shall confirm to the Borrower by email whether or not the updated rolling 13-week cash flow forecast has been accepted as satisfactory to the Administrative Agent (the “**Cash Flow Notice**”);
 - 4.1.3.1.2 If the Administrative Agent does not deliver the Cash Flow Notice within three (3) Banking Days of delivery of the updated rolling 13-week cash flow forecast by the Borrower, the updated rolling 13-week cash flow forecast delivered by the Borrower shall be deemed to be accepted as satisfactory to the Administrative Agent;
- 4.1.3.2 at all times (A) keep the Administrative Agent apprised of its business and affairs and the status and progress of the SISP, and (B) immediately notify the Administrative Agent and of any material changes therein or in any of the Secured Assets;
- 4.1.3.3 be in compliance with the Cash Flow Budget at all times, provided the Borrower shall be permitted a cumulative aggregate negative variance in net cash flow (excluding debt service payments and hedge payments) from the Cash Flow Budget of up to ten percent (10%) (for certainty, such variance shall be calculated as the difference, expressed as a percentage, between (A) the actual aggregate net cash flow (excluding debt service payments and hedge payments) of the Borrower during the period from the start of the Cash Flow Budget to the calculation date, and (B) the budgeted aggregate net cash flow (excluding debt service payments and hedge payments) of the Borrower during such period as set out in the Cash Flow Budget);
- 4.1.3.4 on Friday of every week, commencing on Friday, August 6, 2021, provide to the Administrative Agent and the Agent Consultant:
 - 4.1.3.4.1 a variance report in form and substance acceptable to the Administrative Agent acting reasonably (each, a “**Variance Report**”), certified by a senior officer of the Borrower, showing on a line-by-line basis the actual receipts and disbursements and the total available Liquidity for the last day of the prior week and noting therein (A) all variances on a line-by-line basis from the amounts in the Cash Flow Budget and (B) the cumulative aggregate variance from the amounts in the Cash Flow Budget (calculated in the manner described in section 4.1.3.3 above), with explanations for all material variances; and

- 4.1.3.4.2 a report in form and substance satisfactory to the Administrative Agent, substantially in the form of the sample report attached hereto as Exhibit I;
- 4.1.3.5 notwithstanding anything to the contrary contained in any other Finance Document, agree to the termination by the Administrative Agent or any Qualified Risk Management Lender of any Qualified Risk Management Agreement by written notice from the Administrative Agent or such Qualified Risk Management Lender party thereto to the Borrower and that upon receipt of such written notice from the applicable Finance Party, the Borrower shall promptly (and in any event not later than three (3) Banking Days following receipt of such written notice) make, do, execute and deliver, or cause to be made, done, executed and delivered all such documents, agreements, acts, deeds, assurances and things as may be necessary to effect a consensual termination of any Qualified Risk Management Agreement;
- 4.1.3.6 on August 13, 2021 and September 17, 2021, the Borrower shall provide to the Administrative Agent and the Agent Consultant an updated rolling 13-week cash flow forecast in substantially the same form as the Cash Flow Budget;
- 4.1.4 notwithstanding anything to the contrary contained in this Agreement, the Credit Agreement or any other Finance Document:
 - 4.1.4.1 no Obligor shall make a Permitted Subordinated Debt Payment (as defined in the Intercreditor Agreement) other than Permitted Subordinated Debt Payments described in paragraph (d) of the definition thereof;
 - 4.1.4.2 during the Forbearance Period, no Obligor shall, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions and whether or not as part of a sale/leaseback transaction) any of its Secured Assets or enter into any agreement to do any of the foregoing, except with the prior written consent of the Administrative Agent and the other Finance Parties (such consent to be provided in their sole and absolute discretion);
 - 4.1.4.3 during the Forbearance Period, no Company shall enter into or grant, create, assume or suffer to exist any Lien affecting any of its property, assets or undertaking, save and except only Permitted Liens in existence as of the date hereof.
- 4.1.5 **Security:** The Obligors will from time to time execute and deliver additional Guarantees and Security Documents and such supplements, amendments or additions as may be requested by the Administrative Agent to any of the existing Liens held by the Administrative Agent (together with supporting resolutions, certificates and other documentation as may be reasonably required) in order to better effect the intent of this Agreement, the Credit Agreement and the other Finance Documents.

- 4.1.6 **No Non-arm's Length Payments:** Without derogation to any negative covenants contained in the Credit Agreement or any other term set forth in the Intercreditor Agreement, no Obligor shall make any payments of interest, principal, bonuses, management fees, incentives, payments or salary or other distributions of cash or assets to any Person with which it does not deal with at arm's length except for payments of salaries in the ordinary course of business and consistent with historical salary payments (excluding bonuses), payments consistent with the Cash Flow Budget and Permitted Subordinated Debt Payments described in paragraph (d) of the definition thereof).
- 4.1.7 **Sale or Investment Solicitation Process:** The Borrower agrees to continue the SISP and agrees as follows:
- 4.1.7.1 to diligently and in good faith pursue the SISP with a view to (in addition to such other considerations as the independent committee of the Borrower's board of directors deem appropriate having regard to their legal duties) the payment in full in cash of the Secured Obligations on or before October 29, 2021;
 - 4.1.7.2 to carry out the SISP in accordance with the SISP Outline;
 - 4.1.7.3 without limiting Section 4.1.7.2,
 - 4.1.7.3.1 on or before August 13, 2021, the Borrower shall have received one or more non-binding letters of intent which the Borrower in consultation with the Borrower Consultant reasonably determines are qualified to advance to Phase 2 of the SISP (the "**Qualified Phase 1 Bids**");
 - 4.1.7.3.2 on or before September 24, 2021, the Borrower shall have received one or more binding Phase 2 offers which the Borrower in consultation with the Borrower Consultant reasonably determines have satisfied the criteria for a Phase 2 bid (the "**Qualified Phase 2 Bids**"); and
 - 4.1.7.3.3 the Qualified Phase 1 Bids, the Qualified Phase 2 Bids, the Successful Bid and the Definitive Documents shall be satisfactory to the Administrative Agent, acting reasonably;
 - 4.1.7.4 to provide the Administrative Agent and the Agent Consultant:
 - 4.1.7.4.1 copies of all marketing, process and other materials which it intends to provide to prospective interested parties, including all bid process letters and draft forms of letters of interest or definitive agreements, which materials shall be to the satisfaction of the Administrative Agent, acting reasonably; and
 - 4.1.7.4.2 subject to the prior receipt by the Borrower of confirmation that BNP Paribas (as Administrative Agent, Lender and Qualified Risk Management Lender) will not submit a proposal in the SISP for the acquisition of the business or assets of the Borrower in an amount which

exceeds the Secured Obligations, promptly following receipt or designation, as applicable, a summary of all non-binding letters of intent and binding offers received in the SISP and copies of all Qualified Phase 1 Bids, Qualified Phase 2 Bids, Successful Bids and Definitive Documents.

- 4.1.7.5 to provide the Administrative Agent with all information reasonably requested by the Administrative Agent or any of its advisors from time to time in respect of the Borrower's operations, the SISP (subject to the prior receipt by the Borrower of the confirmation referenced in Section 4.1.7.4.2) and any other matters relating to the Borrower, the Project or the Secured Assets as the Administrative Agent or its advisors may reasonably require; and
 - 4.1.7.6 prior to or contemporaneously with the completion of the transaction pursuant to and in accordance with the SISP and SISP Outline, the Borrower shall pay in full all outstanding Secured Obligations.
- 4.1.8 **Further Assurances:** Each Obligor will provide any further or additional documents, whether provided for in this Agreement, the Credit Agreement, any other Finance Documents or otherwise, that the Administrative Agent may require to ensure that the Administrative Agent has and continues to have a first ranking Lien on the Secured Assets, subject to Permitted Liens (including all amendments or supplements to any of this Agreement, the Credit Agreement or any other Finance Document (including all Security Documents) and all additional or supplemental debentures, hypothecs, mortgages, charges, assignments, pledges and/or other security deemed necessary or desirable by the Administrative Agent).

4.2 Covenants in the Credit Agreement and the other Finance Documents

Except as expressly modified in this Agreement by specific reference, all of the covenants in this Agreement are in addition to and not in substitution for the covenants of the Obligors in the Credit Agreement and the other Finance Documents.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS

Each of the Obligors represents, warrants and covenants with and to the Administrative Agent and the other Finance Parties as follows:

5.1 Representations in Finance Documents

Except for any representation and warranty set out in any of the Finance Documents relating to the non-existence of an Existing Default, or stated to be made as at a particular date, each of the representations and warranties made by or on behalf of the Obligors to the Administrative Agent and the other Finance Parties in the Credit Agreement or any of the other Finance Documents is, in all material respects, true and correct on the date of this Agreement.

5.2 Full Effect of Documents

This Agreement, the Credit Agreement and the other Finance Documents are in full force and effect, except as modified by this Agreement.

5.3 No Conflict

The execution and delivery and performance of this Agreement by each Obligor will not violate any requirement of Applicable Law or any Material Project Document of each Obligor, and will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues except as expressly contemplated herein.

5.4 The Administrative Agent May Pursue Rights and Remedies

Nothing in this Agreement will prejudice the Administrative Agent and the other Finance Parties' rights to pursue any of their rights or remedies including, without limitation, enforcing their rights under any of this Agreement, the Credit Agreement or any of the other Finance Documents or under Applicable Law following the expiry or termination of the Forbearance Period.

5.5 Terminating Events

Other than as provided in this Agreement or as may otherwise be consented to in writing by the Administrative Agent, the occurrence of any of the following events will constitute a "**Terminating Event**" under this Agreement:

- 5.5.1 if any Additional Default occurs;
- 5.5.2 if any representation, warranty or other statement made or deemed to be made by any Obligor in this Agreement, the Credit Agreement or any of the other Finance Documents or in any of the documents or instruments to be delivered to the Administrative Agent or any other Finance Party as contemplated by this Agreement is untrue in any material respect (unless stated to be made as at a particular date and subject to applicable cure periods, if any);
- 5.5.3 if, any action is taken by or against or consented to by any of the Obligors to institute proceedings to be liquidated, adjudicated a bankrupt or insolvent or consent to the institution of liquidation, bankruptcy, insolvency or similar proceedings against any of the Obligors, or file a petition (or similar action or proceeding) or consent seeking reorganization, arrangement, or relief from creditors, or take or commence any other steps or proceedings under any one or more of the applicable insolvency, liquidation, bankruptcy or analogous statutes or laws and, in the case of any action taken against any of the Obligors in connection with any of the foregoing that is contested by the relevant Obligor(s), such petition, application or other proceeding is undismissed and unstayed for a period of 10 Banking Days after the institution thereof;
- 5.5.4 if any of the Obligors contests or denies in any manner the legality, validity, binding nature or enforceability of this Agreement, the Credit Agreement or any of the other Finance

Documents or any liabilities and obligations to the Administrative Agent or any other Finance Party under or relating to this Agreement, the Credit Agreement or any of the other Finance Documents; or

- 5.5.5 if any step is taken or event occurs that would materially prejudice or jeopardize the Administrative Agent's or any other Finance Party's priority rights with respect to the Secured Assets under this Agreement, the Credit Agreement or the other Finance Documents.

Upon the occurrence of a Terminating Event, the Forbearance Period will automatically terminate without requirement for any notice to any Obligor or any other action whatsoever by the Administrative Agent, subject to Applicable Law.

ARTICLE 6 CONDITIONS PRECEDENT TO THIS AGREEMENT

6.1 Conditions Precedent

- 6.1.1 The forbearance and other accommodations granted by the Administrative Agent and the other Finance Parties hereunder shall only be effective and binding upon the Administrative Agent and the other Finance Parties if the following conditions precedent (the "**Conditions Precedent**") have been complied with in a manner satisfactory to the Administrative Agent on or before 12:00 p.m. (EDT) on July 30, 2021, or such other time or date as specified below:
- 6.1.1.1 the Administrative Agent has received a duly authorized, executed and delivered PDF copy of this Agreement executed by each of the Obligors;
 - 6.1.1.2 the board of directors of the Borrower shall have established an independent committee consistent with good commercial practice to oversee and direct the SISP, which committee shall exclude, *inter alia*, all nominees or representatives of any holder of non-equity securities, creditor, royalty holder, offtake party or other contract counterparty of the Borrower;
 - 6.1.1.3 the payment of all fees, disbursements and taxes of Administrative Agent's legal counsel (including the fees, disbursements and taxes of the Agent Consultant) invoiced, due and owing to Administrative Agent's legal counsel and the Agent Consultant at such time, whether accrued in relation to the matters herein contemplated or otherwise in relation to the Credit Agreement or other Finance Document pursuant to a delivered invoice; and
 - 6.1.1.4 all other documentation reasonably required by the Administrative Agent and its counsel in connection with this Agreement (including, without limitation, such further assurances, resolutions, and additional confirmations or other agreements relating to the Administrative Agent's Liens), all duly authorized, executed and delivered in form and substance satisfactory to the Administrative Agent in its sole discretion.

The Conditions Precedent are for the sole benefit of the Administrative Agent and the other Finance Parties and may be waived only by the Administrative Agent in writing. If the conditions precedent are not complied with to the satisfaction of the Administrative Agent as and by the time provided for above, and the Administrative Agent has not waived satisfaction thereof at its sole discretion, then the forbearance and other accommodations granted by the Administrative Agent hereunder shall be terminated and of no force or effect.

ARTICLE 7 GENERAL

7.1 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Credit Agreement or the other Finance Documents are intended or implied, and in all other respects the Credit Agreement and the other Finance Documents are specifically acknowledged, ratified and confirmed by the Obligors. To the extent of conflict between the terms of this Agreement, the Credit Agreement and the other Finance Documents, the terms of this Agreement will govern.

7.2 Costs and Expenses

The Obligors hereby absolutely and unconditionally jointly and severally agree to pay to and fully indemnify the Administrative Agent, on demand by the Administrative Agent at any time and as often as may be required, whether or not all or any of the transactions contemplated by this Agreement are consummated, all fees and disbursements of all counsel to the Administrative Agent, the other Finance Parties, the Agent Consultant, any financial advisor retained by the Administrative Agent, the other Finance Parties, all other consultants to and agents of the Administrative Agent, the other Finance Parties and all other expenses incurred by the Administrative Agent, the other Finance Parties in connection with this Agreement, the Credit Agreement and the other Finance Documents including without limitation: (a) legal expenses in connection with the preparation, negotiation and interpretation of this Agreement, the other agreements or documents contemplated by this Agreement, the Credit Agreement and the other Finance Documents and the administration of this Agreement, the Credit Agreement and the other Finance Documents generally; (b) all documented expenses of the Agent Consultant and advisors and consultants to and agents of the Administrative Agent, the other Finance Parties (including legal expenses on a full indemnity basis) incurred in connection with the protection and enforcement of this Agreement, the Credit Agreement or any of the other Finance Documents or in connection with any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution, reorganization, liquidation, moratorium, arrangement or assignment for the benefit of creditors involving any Obligor; in each of the foregoing events whether under the laws of Canada, Ontario or other applicable jurisdiction, or any local or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

7.3 Release

- 7.3.1 In consideration of this Agreement and for other good and valuable consideration, each Obligor, on their own behalf and on behalf of their respective successors, assigns, and other legal representatives, absolutely, unconditionally and irrevocably releases the Administrative Agent and the other Finance Parties, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, legal counsel, consultants (whether engaged by the Administrative Agent, any other Finance Party or legal counsel), employees, agents and other representatives, and their successors and assigns (all of which are referred to collectively as the “**Releasees**” and individually as a “**Releasee**”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities (individually, a “**Claim**” and collectively, “**Claims**”) known or unknown, both at law or in equity, that such Obligor or any of their respective successors, assigns, or other legal representatives may now or later have or claim against any of the Releasees by reason of any circumstance, action, cause or thing which arises at any time on or prior to the date of this Agreement, including for or on account of, or in relation to, or in any way in connection with (a) this Agreement, the Credit Agreement, or any of the other Finance Documents or any transactions under or related to, this Agreement, the Credit Agreement or any of the other Finance Documents; (b) any and all proposed refinancings of the Borrower by the Lenders (past or present), including, without limitation, any and all prior proposed offers of finance (whether consummated or not), term sheets, indicative and non-binding term sheets or negotiations for financing, between the Lenders and the Borrower;
- 7.3.2 each Obligor understands, acknowledges and agrees that the release set out in Section 7.3.1 may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release;
- 7.3.3 each Obligor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of the release set out in Section 7.3.1; and
- 7.3.4 each Obligor represents and warrants to and in favour of each Releasee that it has not assigned any of the Claims to a third party.

7.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document delivered in connection with this Agreement will survive the execution and delivery of this Agreement and the other documents and no investigation by the Administrative Agent or the other Finance Parties or any closing will affect the representations and warranties or the right of the Administrative Agent or the other Finance Parties to rely upon them.

7.5 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada effective therein.

7.6 Reviewed by Legal Counsel

Each Obligor represents and warrants to the Administrative Agent and the other Finance Parties that it:

- 7.6.1 understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement;
- 7.6.2 has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and any documents executed in connection herewith with, such lawyers and other persons as such Obligor may wish; and
- 7.6.3 has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person.

The Parties hereto acknowledge and agree that neither this Agreement nor the other documents or instruments executed pursuant hereto will be construed more favourably in favour of one than the other based upon which Party drafted the same, it being acknowledged that all Parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents and instruments executed pursuant hereto or in connection herewith.

7.7 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and attorns to the exclusive jurisdiction of the courts of Ontario sitting in Toronto to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by Applicable Law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that country, or that the subject matter of this Agreement may not be enforced in those courts, and irrevocably agrees not to seek, and hereby waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 7.7, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

7.8 Mutual Waiver of Jury Trial

Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the Parties wish applicable provincial and federal laws to apply (rather than arbitration rules), the Parties desire that their disputes be resolved by a judge applying those Applicable Laws. Therefore, to achieve the best combination of the benefits of the judicial system and of arbitration, the Parties waive all rights to trial by jury in any action, suit, or proceeding brought to resolve any dispute, whether arising in contract, tort, or otherwise between the Administrative Agent, the other Finance Parties and any Obligor, arising out of, connected with, or related or incidental to, the relationship established between them in connection with this Agreement, the Credit Agreement or any of the other Finance Documents or the transactions related to this Agreement, the Credit Agreement or any of the other Finance Documents.

7.9 Time of Essence

Time is of the essence in all respects of this Agreement.

7.10 Unaffected Creditor Status of the Administrative Agent and the other Finance Parties

The Administrative Agent and the other Finance Parties shall at all times be treated as an “unaffected creditor” in any insolvency, restructuring, reorganization and/or arrangement proceeding with respect to an Obligor including, without limitation, proceedings under the *Companies' Creditors Arrangement Act*. The Obligors acknowledge that the Administrative Agent and the other Finance Parties have relied to their detriment on this covenant in entering into this Agreement.

7.11 Notices

Any Communication or notice must be in writing and delivered in accordance with the Credit Agreement and other Finance Documents, as applicable.

7.12 Confirmation of Documents and Terms

Each of the Obligors hereby agrees to the terms of this Agreement and confirms to and agrees with the Administrative Agent and the other Finance Parties that its liabilities and obligations, and the Liens created under or pursuant to all Security Documents, Finance Documents and other documents and instruments executed in connection with the Advance and accommodations provided for or contemplated in the Credit Agreement continue in full force and effect in accordance with their respective terms and that all Security Documents and other Finance Documents executed by it secure and shall continue to secure the Secured Obligations.

7.13 No Merger or Novation

All Security Documents and other Finance Documents and other documents and instruments provided to the Administrative Agent and the other Finance Parties or otherwise entered into by the Obligors prior to the date hereof were and are in connection with the extension of credit and accommodations provided for or contemplated in the Credit Agreement, there being no novation or merger of the Credit Agreement (as amended pursuant to this Agreement), any of the Administrative Agent's Liens under the Security Documents or any of the other Finance Documents, and all Secured Obligations continue under the Credit Agreement (as amended by this Agreement) and the other Finance Documents.

7.14 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

7.15 Assignment and Enurement

No Obligor will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Administrative Agent and the Lenders. The Administrative Agent and the Lenders may assign this Agreement and any of their rights and obligations under this Agreement without the consent of or notice to any Obligor. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

7.16 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

7.16.1.1 the legality, validity or enforceability of the remaining provisions of this Agreement; or

7.16.1.2 the legality, validity or enforceability of that provision in any other jurisdiction.

7.17 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

7.18 Electronic Signatures

Delivery of this Agreement by facsimile or other electronic transmission (including through “pdf” format via email) constitutes valid and effective delivery.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement effective as of the 30th day of July, 2021.

BORROWER:

HARTE GOLD CORP.

Harte Gold Corp.
161 Bay Street, Suite 2400

Toronto, ON M5J 2S1

Attention: Graham du Preez
Email: gdupreez@hartegold.com

With a copy to:
Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9
Attention: Justin Parappally
Telefax: (416) 869-5591
Email: jparappally@stikeman.com

By: 
Name: Graham du Preez

Title: EVP & CFO

AGENTS:

BNP Paribas
787 7th Ave
New York, New York 10019
USA

Attention: Brock Harris
Email: brock.harris@us.bnpparibas.com

**BNP PARIBAS, as Administrative Agent and
Technical Agent**



By: _____

Name: Antonio Pichardo

Title: Director



By: _____

Name: Carlos Urquiaga

Title: Managing Director

LENDER:

BNP Paribas
787 7th Ave
New York, New York 10019
USA

Attention: Brock Harris
Email: brock.harris@us.bnpparibas.com

BNP PARIBAS, as Lender



By: _____
Name: Antonio Pichardo
Title: Director




By: _____
Name: Carlos Urquiaga
Title: Managing Director


QUALIFIED RISK MANAGEMENT LENDER:

BNP Paribas
787 7th Ave
New York, New York 10019
USA

Attention: Brock Harris
Email: brock.harris@us.bnpparibas.com

**BNP PARIBAS, as Qualified Risk
Management Lender**

By: 
Name: Antonio Pichardo
Title: Director

By: 
Name: Carlos Urquiaga
Title: Managing Director

SCHEDULE 1
SUBJECT DEFAULTS

The Borrower has informed the Administrative Agent that the following Defaults or Events of Default will arise under the Credit Agreement and other Finance Documents during the Forbearance Period:

1. The Borrower will fail to furnish the Administrative Agent with its audited financial statements without any going concern qualifications for the Fiscal Year ending December 31, 2020.
2. The Borrower will fail to make the following payments when due:
 - (a) the June and July 2021 Payments (as defined in the Waiver & Consent) on or prior to July 30, 2021,
 - (b) certain interest payments under the Credit Agreement due on July 30, 2021 and August 31, 2021, respectively; and
 - (c) certain settlement payments due under certain Qualified Risk Management Agreements due August 3, 2021 and September 2, 2021, respectively;
3. The Borrower will fail to comply with the Financial Covenants (as defined in the Waiver & Consent); and
4. The Borrower will fail to deliver to the Administrative Agent the deliverables contemplated by Section 2(c) of the Waiver & Consent by the date specified therein.

SCHEDULE 2
EXISTING SECURITY

Security Documents

1. General Security Agreement dated June 10, 2019 entered into by the Borrower and the Administrative Agent.
2. Demand Debenture dated June 10, 2019 entered into by the Borrower in favour of the Administrative Agent.

**SCHEDULE 3
EXISTING INDEBTEDNESS**

| | |
|--------------------------------------|------------------|
| Principal | USD61,006,529.97 |
| Interest | USD1,045,418.73 |
| Qualified Risk Management Agreement* | USD22,733,408 |
| Legal Expenses** | CAD15,000 |

*Estimated

**For services rendered July 28 – 29, 2021.

SCHEDULE 4 INITIAL CASH FLOW BUDGET

| Harte Gold Corporation Short Term Cash Flow | | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cash Flow | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | 13 Weeks | 16 Weeks |
| Periodicity | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 13 Weeks | 16 Weeks |
| Period Start Date | 2021-07-24 | 2021-07-31 | 2021-08-07 | 2021-08-14 | 2021-08-21 | 2021-08-28 | 2021-09-04 | 2021-09-11 | 2021-09-18 | 2021-09-25 | 2021-10-02 | 2021-10-09 | 2021-10-16 | 2021-10-23 | 2021-10-30 | 2021-11-06 | 2021-07-24 | 2021-07-24 |
| Period End Date | 2021-07-30 | 2021-08-06 | 2021-08-13 | 2021-08-20 | 2021-08-27 | 2021-09-03 | 2021-09-10 | 2021-09-17 | 2021-09-24 | 2021-10-01 | 2021-10-08 | 2021-10-15 | 2021-10-22 | 2021-10-29 | 2021-11-05 | 2021-11-12 | 2021-07-24 | 2021-07-24 |
| Cashflow | | | | | | | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | | | | | | | |
| Revenues - Dore | 131 | 1,675 | 1,675 | 1,675 | 1,671 | 1,656 | 1,656 | 1,657 | 1,650 | 1,610 | 1,610 | 1,610 | 1,610 | 1,610 | 1,610 | 1,610 | 16,830 | 24,177 |
| Revenues - Concentrates | 132 | 375 | - | 2,247 | - | 468 | 3,924 | - | 3,330 | 1,329 | 1,814 | 1,310 | 1,336 | 1,447 | 1,447 | 1,447 | 7,354 | 9,259 |
| Treatment/Refining | (22) | (200) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (433) | (481) | (540) |
| Revenues | (100) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) |
| Revenues | 131 | 1,390 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 15,370 | 21,112 |
| Net Revenues | (100) | 1,205 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 1,227 | 15,185 | 20,572 |
| Net Revenues/(Payoffs) | | 1,330 | 1,416 | 1,488 | 1,584 | 1,598 | 1,657 | 1,558 | 1,527 | 1,384 | 1,747 | 1,679 | 1,748 | 1,828 | 1,828 | 1,828 | 17,324 | 24,177 |
| Total Receipts | | 1,330 | 1,416 | 1,488 | 1,584 | 1,598 | 1,657 | 1,558 | 1,527 | 1,384 | 1,747 | 1,679 | 1,748 | 1,828 | 1,828 | 1,828 | 17,324 | 24,177 |
| Operating Costs | | | | | | | | | | | | | | | | | | |
| Mining, Mill and Site Costs | 141 | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (1,374) | (13,061) | (19,816) |
| Corporate G&A | 142 | (1,377) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (1,383) | (1,383) |
| Professional Fees | 143 | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) | (1,488) |
| Other - Payroll (Ineligible) | 144 | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (1,735) | (10,415) | (13,840) |
| Total Operating Cash Flows | | (1,330) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (1,386) | (13,945) | (19,500) |
| Capital Development | | | | | | | | | | | | | | | | | | |
| Capital and Exploration | 145 | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) | (1,841) |
| Regional Exploration | 146 | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) |
| Pre-Tax Unlevered Cash Flows | | (4,000) | (460) | 102 | 198 | (2,131) | 999 | 352 | 893 | (1,002) | 1,465 | (2,033) | 462 | (1,365) | 642 | (2,139) | (6,077) | (8,904) |
| Financing | | | | | | | | | | | | | | | | | | |
| BNP Interest | 147 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| BNP Principal | 148 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Inflows/(Outflows) | 149 | (4,000) | (460) | 102 | 198 | (2,131) | 999 | 352 | 893 | (1,002) | 1,465 | (2,033) | 462 | (1,365) | 642 | (2,139) | (6,077) | (8,904) |
| Total Financing Cash Flows | | (4,000) | (460) | 102 | 198 | (2,131) | 999 | 352 | 893 | (1,002) | 1,465 | (2,033) | 462 | (1,365) | 642 | (2,139) | (6,077) | (8,904) |
| Cash | | | | | | | | | | | | | | | | | | |
| Beginning Balance | 150 | 10,012 | 5,585 | -972 | 5,122 | 3,046 | 2,916 | 3,013 | 3,263 | 4,145 | 3,952 | 3,466 | 2,508 | 893 | 1,381 | (1,041) | 10,012 | 10,012 |
| Net Cash Inflows/(Outflows) | 151 | (4,477) | (613) | 150 | (787) | (2,131) | 97 | 348 | 780 | (1,000) | 1,462 | (2,037) | 891 | (1,365) | 125 | (2,139) | (6,731) | (13,137) |
| Ending Balance | | 5,535 | 4,972 | 5,122 | 5,046 | 2,916 | 3,013 | 3,263 | 4,145 | 3,952 | 3,466 | 2,508 | 891 | 1,381 | (1,041) | 10 | (6,731) | (13,137) |

Notes:
 (1) The forecast revenues are based on periodic shipments of Dore and concentrates at an estimated gold price of US\$1,750/oz and a forecast exchange rate of CAD\$1.33=US\$1. Forecast for gold production is based on management estimates.
 (2) Revenues are calculated based on net revenues at 2% - Production Revenues due 45 days after quarter end and 2% - Agreed Revenues due 30 days after quarter end.
 (3) Hedge payments are calculated based on contracts terms including floor and ceiling price and required or settled monthly hedge obligations are settled in cash.
 (4) Site costs are based on forecast determined by activity levels and known commitments.
 (5) Corporate G&A are based on forecast costs for operations at Harte office.
 (6) Professional fees include work to address current liability issues outside the ordinary course and include estimated fees for financial and legal advisors.
 (7) Payroll costs are forecast based on activity levels, a step increase in payroll costs are forecast for July based on certain vacant positions being filled.
 (8) Capital and exploration costs include costs to upgrade and expand mine production.
 (9) Exploration capital includes drilling and other costs for exploration purposes.
 (10) Lease costs include obligations for production equipment and other leased items.

SCHEDULE 5 SISP OUTLINE

Harte Gold

SISP Outline and Timeline

| Week | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|-----|-----|------|------|------|-----|------|------|------|-----|------|------|------|------|------|-------|-------|-------|
| Ending | 7/2 | 7/9 | 7/16 | 7/23 | 7/30 | 8/6 | 8/13 | 8/20 | 8/27 | 9/3 | 9/10 | 9/17 | 9/24 | 10/1 | 10/8 | 10/15 | 10/22 | 10/29 |
| Task | | | | | | | | | | | | | | | | | | |
| Update marketing materials, NDA etc. as required | | | | | | | | | | | | | | | | | | |
| Prepare list of potential interested parties for contact | | | | | | | | | | | | | | | | | | |
| Contact potential interested buyers | | | | | | | | | | | | | | | | | | |
| Negotiate and execute NDAs | | | | | | | | | | | | | | | | | | |
| Facilitate preliminary due diligence | | | | | | | | | | | | | | | | | | |
| Phase 1 Bid Deadline | | | | | | | | | | | | | | | | | | |
| Clarification of Phase 1 bids | | | | | | | | | | | | | | | | | | |
| Selection of qualified bidders to advance to Phase 2 | | | | | | | | | | | | | | | | | | |
| Facilitate remaining detailed due diligence, including management presentations, site visits etc | | | | | | | | | | | | | | | | | | |
| Phase 2 Bid Deadline | | | | | | | | | | | | | | | | | | |
| Clarification of Phase 2 bids | | | | | | | | | | | | | | | | | | |
| Selection of successful transaction | | | | | | | | | | | | | | | | | | |
| Negotiation of definitive documents | | | | | | | | | | | | | | | | | | |
| Obtain necessary corporate, regulatory and any other applicable approvals | | | | | | | | | | | | | | | | | | |
| Close | | | | | | | | | | | | | | | | | | |

**EXHIBIT I
FORM OF REPORT**

Attached.



SAFETY

| | Daily | MTD | YTD |
|-----------------|-------|-----|-----|
| Property Damage | 0 | 0 | 7 |
| Near Miss | 0 | 0 | 27 |
| First Aid | 0 | 0 | 4 |
| Medical Aid | 0 | 1 | 5 |
| Modified Work | 0 | 0 | 0 |
| Lost Time | 0 | 0 | 0 |

ENVIRONMENTAL

| | Daily | MTD | YTD |
|-------------------------|-------|-----|-----|
| Reportable Spill | 0 | 0 | 1 |
| Non-Reportable Spill | 0 | 0 | 17 |
| Non-Compliance Incident | 0 | 0 | 0 |

Description of Environmental Spills or Non-compliance

No Environmental Incidents

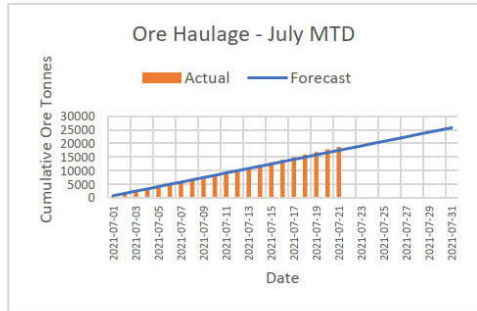
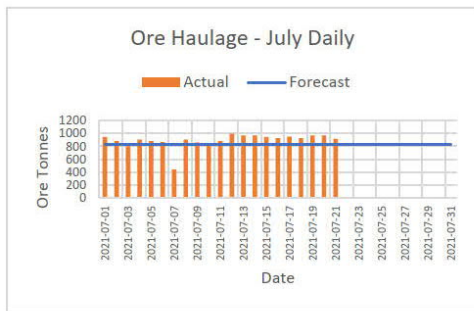
| | Daily | MTD | YTD |
|---|--------|----------|----------|
| Discharged To Environment (m ³) | 387 | 11,130.0 | 47,720.0 |
| Pumped From U/G (m ³) | 626 | 10,127.0 | 84,653.0 |
| TMF Water Level (m) | 402.48 | | |
| TMF Freeboard below 405.0m (m) | 2.52 | | |

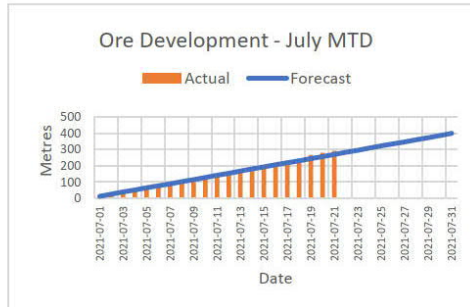
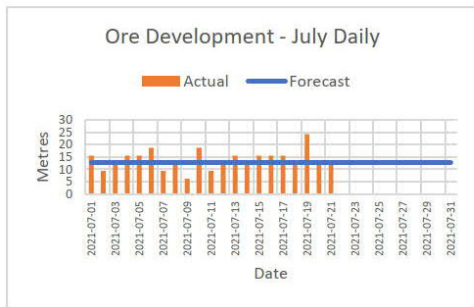
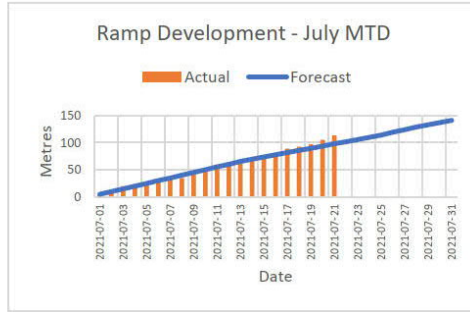
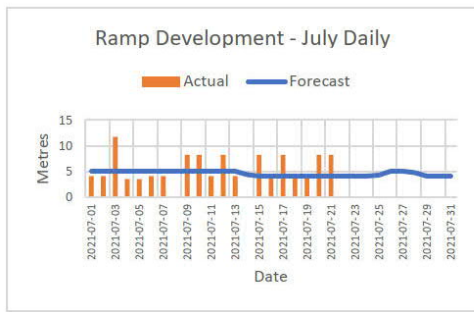
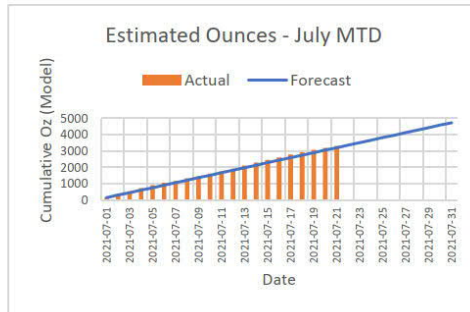
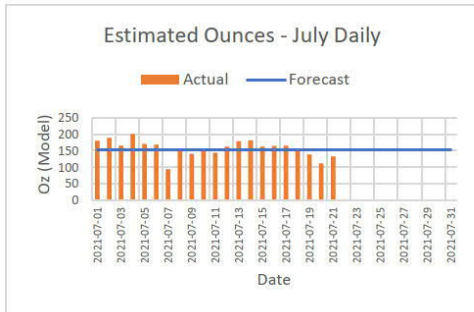
Environmental Narrative

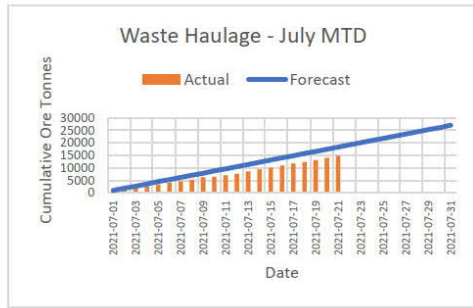
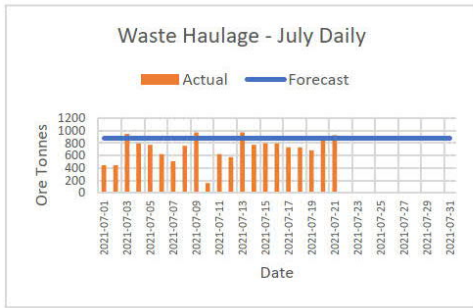
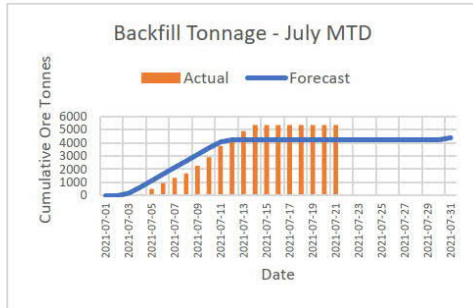
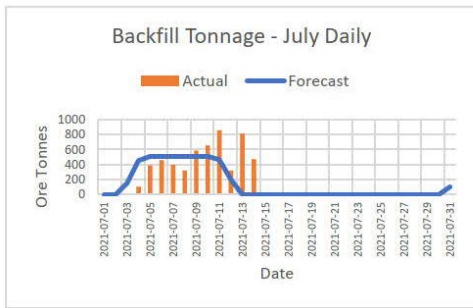
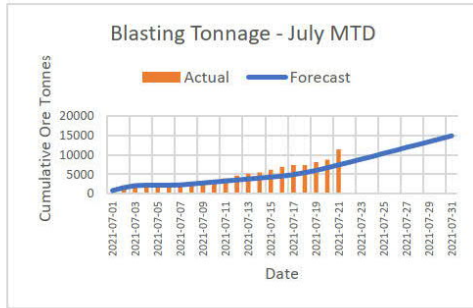
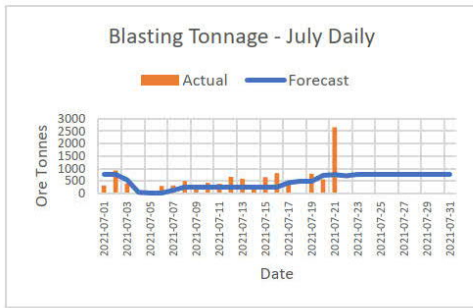
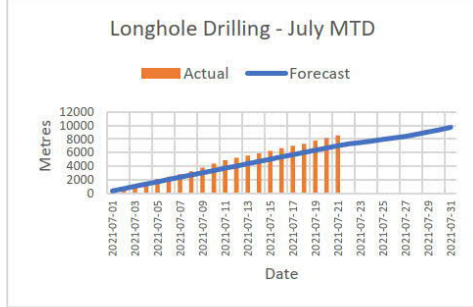
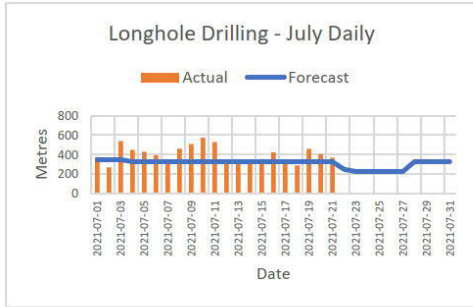
Pumping from underground to TMF - Discharging to environment - Fixed rain gauge on TMF level logger

MINING

| | | Daily | | MTD | | YTD | |
|---------------------|----------|----------|--------|----------|--------|---------|---------|
| | | Forecast | Actual | Forecast | Budget | Budget | Actual |
| Waste Development | (m) | 8.0 | 4.1 | 155 | 140 | 1,657 | 1,265 |
| Ramp Development | (m) | 4.0 | 8.2 | 97 | 173 | 1,394 | 1,213 |
| Ore Development | (m) | 12.8 | 12.4 | 269 | 206 | 2,139 | 2,164 |
| Production Drilling | (m) | 330 | 368 | 6,990 | 9,128 | 81,660 | 66,294 |
| LH Stope Blasting | (tonnes) | 750 | 2,644 | 7,366 | 9,871 | 110,903 | 91,797 |
| Rock Backfill | (tonnes) | 0 | 0 | 4,262 | 9,200 | 56,572 | 70,148 |
| Waste Haulage | (tonnes) | 871 | 924 | 18,285 | 16,930 | 176,083 | 183,421 |
| Ore Haulage | (tonnes) | 831 | 913 | 17,455 | 14,870 | 167,236 | 147,368 |







Mining Narrative

- Overall strong day.

| | Available | Total | Availability | MTD | YTD |
|-------------------|-----------|-------|--------------|--------|-------|
| U/G Haul Trucks | 5.0 | 5 | ● 100% | ● 93% | ● 85% |
| 2 Yard U/G Scoops | 4.0 | 7 | ● 57% | ● 71% | ● 62% |
| 6 Yard U/G Scoops | 3.0 | 4 | ● 75% | ● 82% | ● 78% |
| 2 Boom Jumbos | 3.0 | 3 | ● 100% | ● 88% | ● 87% |
| 1 Boom Jumbo | 3.0 | 3 | ● 100% | ● 120% | ● 83% |
| Scissor Decks | 3.0 | 4 | ● 75% | ● 76% | ● 91% |

GEOLOGY

Training on geologic interpretation
 Ongoing training and drill planning for upcoming programs critical to mine plan
 Administrative tasks (tags, training, etc.)
 Diamond Drillers on days off.
 Assays not processed between July 1st to 5th due to back log.

MILLING

All values are reconciled values

| | Daily | | MTD | | YTD | |
|-------------------------------|--------|--------|--------|--------|---------|---------|
| | Budget | Actual | Budget | Actual | Budget | Actual |
| July 21, 2021 | | | | | | |
| <i>Comminution + Tailings</i> | | | | | | |
| Ore Milled (dmt) | 800 | 981 | 16,800 | 19,083 | 161,600 | 144,855 |
| Tailings to Dry Stack (dmt) | 638 | 756 | 13,398 | 9,840 | 128,876 | 100,700 |
| Tailings to Dry Stack (%) | 81% | 78% | 81% | 52% | 81% | 70% |

July 20, 2021

| | | | | | | |
|-------------------------------|-----|-----|--------|--------|---------|---------|
| <i>Comminution + Tailings</i> | | | | | | |
| Ore Milled (dmt) | 800 | 971 | 16,000 | 18,102 | 160,800 | 143,874 |
| Tailings to Dry Stack (dmt) | 638 | 497 | 12,760 | 9,084 | 128,238 | 99,944 |
| Tailings to Dry Stack (%) | 81% | 52% | 81% | 51% | 81% | 70% |

Grades

| | | | | | | |
|---------------------------------|------|------|------|------|------|------|
| Mill Feed (g/tonne) | 6.31 | 5.52 | 6.31 | 7.51 | 6.71 | 6.23 |
| Flotation Concentrate (g/tonne) | 100 | 100 | 100 | 137 | 100 | 120 |
| Tailings (g/tonne) | 0.38 | 0.38 | 0.38 | 0.39 | 0.40 | 0.37 |

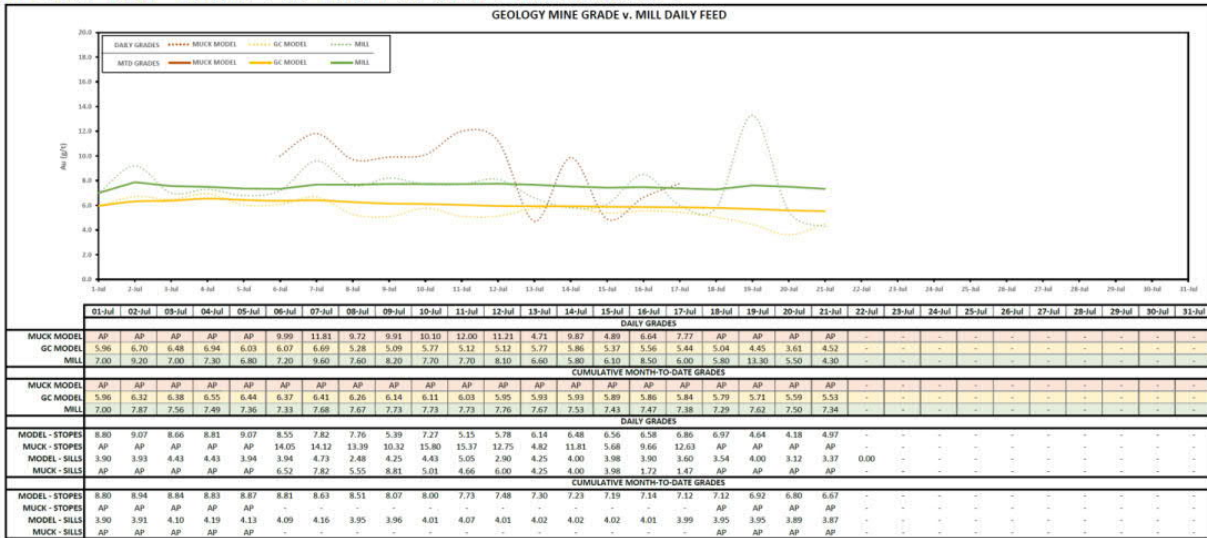
Recovery

| | | | | | | |
|---------------|-----|-----|-------|-------|--------|--------|
| Mill (%) | 94% | 93% | 94% | 95% | 94% | 94% |
| Au (troy oz.) | 153 | 160 | 3,051 | 4,141 | 32,595 | 27,072 |

Mill Narrative

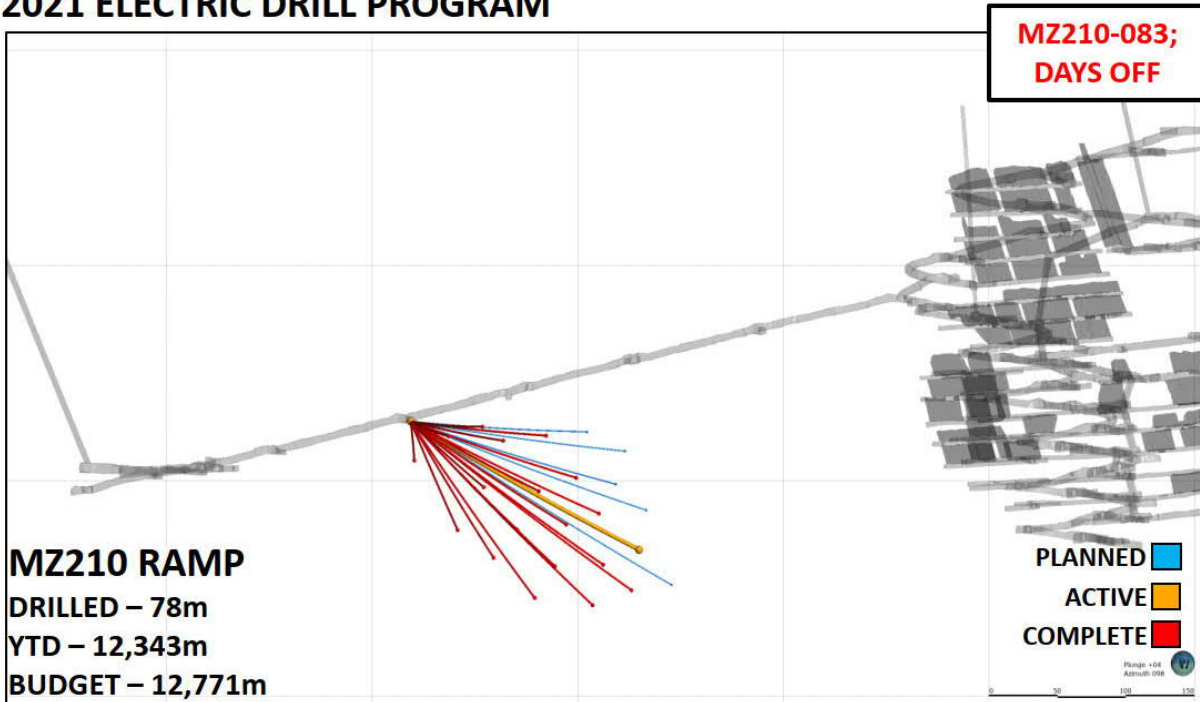
0 hr down time; 5 Flotation conc bags produced; 39 bags in the Con shed; 0 bullion poued; 3 in the safe; ETP still running on 1 stripping tank and 1 conditioning tank due to repairs needed on the other tanks, Baker Vessels recharged and online; Paste plant coming back to normal operation; Pouring bullion today.

MONTHLY MINE v. MILL PERFORMANCE



- *ALL REPORTED UNDERGROUND DATA DOES NOT ACCOUNT FOR IMPACT OF STOCKPILES*
- *ALL ASSAY DATA IS CONTINUOUSLY UPDATED AND MAY ONLY BE PARTIALLY REPORTED*
- *MUCK MODEL BASED ON ORE MOVEMENT IN UNDERGROUND (NOT HAULAGE TO SURFACE)*

2021 ELECTRIC DRILL PROGRAM

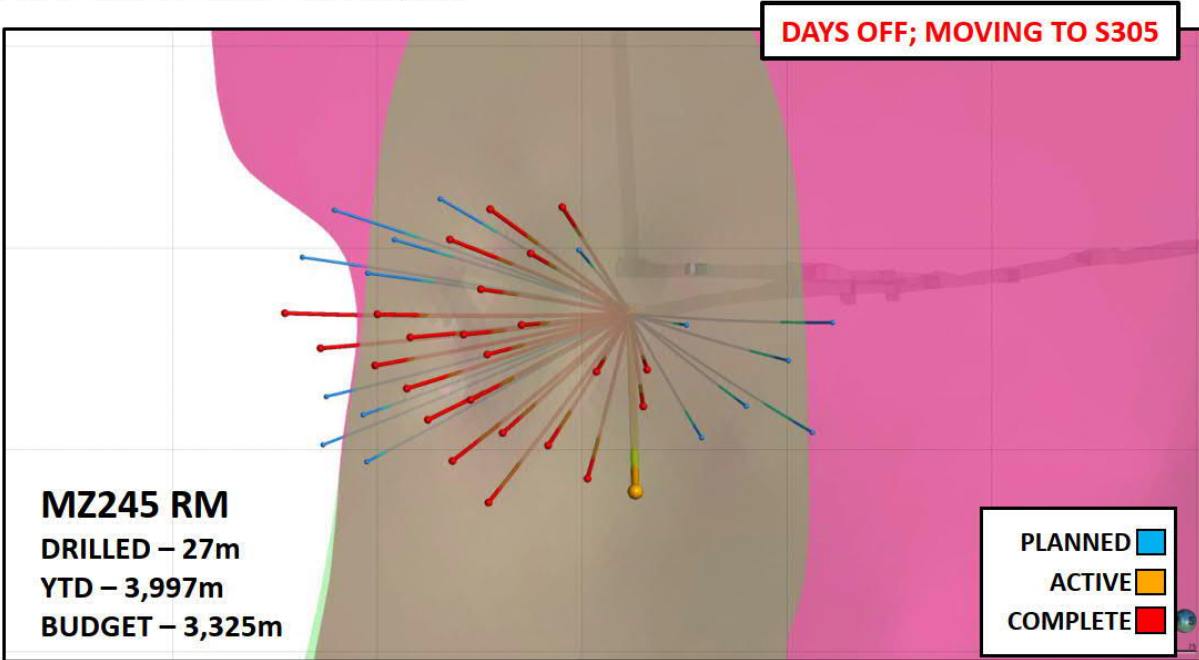


FINAL HOLES MAY DIFFER FROM THE PLANNED LAYOUT



GEOLOGY DAILY SNAPSHOT | 22 July 2021

2021 VAG DRILL PROGRAM



FINAL HOLES MAY DIFFER FROM THE PLANNED LAYOUT

EXHIBIT “L”

EXHIBIT "L"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

FIRST AMENDING AGREEMENT TO FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of September 30, 2021.

A M O N G :

HARTE GOLD CORP., as Borrower

- and -

THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT, as Lenders

- and -

BNP PARIBAS, as Qualified Risk Management Lender

- and -

BNP PARIBAS, as Administrative Agent and Technical Agent

CONTEXT:

- A.** On July 30, 2021, the parties hereto entered into a forbearance agreement (the “**Existing Forbearance Agreement**”).
- B.** The Borrower has requested that the Agents, the Qualified Risk Management Lender and the Lenders amend certain terms and conditions set forth in the Existing Forbearance Agreement.
- C.** The Agents, the Qualified Risk Management Lender and the Lenders are willing to amend certain terms and conditions set forth in the Existing Forbearance Agreement on the terms and conditions set out in this Agreement.

THEREFORE, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each capitalized term used and not otherwise defined in this Agreement will have the meaning assigned to it in the Existing Forbearance Agreement, as amended by this Agreement.

**ARTICLE 2
AMENDMENTS TO EXISTING FORBEARANCE AGREEMENT**

2.1 General Rule

Subject to the terms and conditions herein contained, the Existing Forbearance Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this Agreement into the Existing Forbearance Agreement.

2.2 Amendments

- 2.2.1 Section 3.1.1.1 of the Existing Forbearance Agreement is hereby amended by deleting the reference therein to “September 30, 2021” and replacing it with “October 15, 2021”.
- 2.2.2 Section 4.1.3.1 of the Existing Forbearance Agreement is hereby amended by deleting the words “on or prior to August 31, 2021” and replacing them with “on or prior to September 30, 2021”.
- 2.2.3 Section 4.1.3.6 of the Existing Forbearance Agreement is hereby amended by deleting the words “on August 13, 2021 and September 17, 2021” and replacing them with “on August 13, 2021, September 17, 2021, September 30, 2021 and October 15, 2021”.
- 2.2.4 Section 4.1.7.3.2 of the Existing Forbearance Agreement is hereby amended by deleting the words “on or before September 24, 2021” and replacing them with “on or before October 15, 2021”.
- 2.2.5 Schedule 2 of the Existing Forbearance Agreement is hereby deleted in its entirety and replaced with Schedule 2 attached hereto.

**ARTICLE 3
CONDITIONS PRECEDENT TO THIS AGREEMENT**

3.1 Conditions Precedent

- 3.1.1 The effectiveness of this Agreement is subject to receipt by the Administrative Agent of a duly executed PDF copy of this Agreement executed by each of the parties hereto.

**ARTICLE 4
GENERAL**

4.1 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Existing Forbearance Agreement are intended or implied, and in all other respects the Existing Forbearance Agreement is specifically acknowledged, ratified and confirmed by the Obligors.

4.2 Future References to the Existing Forbearance Agreement

On and after the date of this Agreement, each reference in the Existing Forbearance Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Existing Forbearance Agreement, and each reference in any related document to the “Forbearance Agreement”, “thereunder”, “thereof”, or words of like import referring to the Existing Forbearance Agreement, shall mean and be a reference to the Existing Forbearance Agreement as amended hereby. The Existing Forbearance Agreement, as amended hereby shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

4.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada effective therein.

4.4 Time of Essence

Time is of the essence in all respects of this Agreement.

4.5 Assignment and Enurement

No Obligor will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Agents, the Qualified Risk Management Lender and the Lenders. The Agents, the Qualified Risk Management Lender and the Lenders may assign this Agreement and any of their rights and obligations under this Agreement without the consent of or notice to any Obligor. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

4.6 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

4.7 Electronic Signatures

Delivery of this Agreement by facsimile or other electronic transmission (including through “pdf” format via email) constitutes valid and effective delivery.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement effective as of the 30 day of September, 2021.

BORROWER:

HARTE GOLD CORP.

By: Graham du Preez
Name:
Title:

By: _____
Name:
Title:

AGENTS:

**BNP PARIBAS, as Administrative Agent and
Technical Agent**



By:

Name: Antonio Pichardo

Title: Director



By:

Name: Carlos Urquiaga

Title: Managing Director

QUALIFIED RISK MANAGEMENT LENDER:

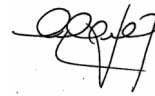
**BNP PARIBAS, as Qualified Risk
Management Lender**



By:

Name: Antonio Pichardo

Title: Director



By:

Name: Carlos Urquiaga

Title: Managing Director

LENDER:

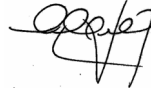
BNP PARIBAS, as Lender



By:

Name: Antonio Pichardo

Title: Director



By:

Name: Carlos Urquiaga

Title: Managing Director

SCHEDULE 2
EXISTING SECURITY

Security Documents

1. General Security Agreement dated June 10, 2019 entered into by the Borrower and the Administrative Agent.
2. Demand Debenture dated June 10, 2019 entered into by the Borrower in favour of the Administrative Agent.
3. Control Agreement dated June 5, 2020 entered into by the Borrower and the Administrative Agent.

EXHIBIT “M”

EXHIBIT "M"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

SECOND AMENDING AGREEMENT TO FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of October 15, 2021.

A M O N G :

HARTE GOLD CORP., as Borrower

- and -

THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT, as Lenders

- and -

BNP PARIBAS, as Qualified Risk Management Lender

- and -

BNP PARIBAS, as Administrative Agent and Technical Agent

CONTEXT:

- A.** On July 30, 2021, the parties hereto entered into a forbearance agreement (the “**Original Forbearance Agreement**”).
- B.** On September 30, 2021, the parties hereto amended the Original Forbearance Agreement pursuant to a first amending agreement to forbearance agreement (the Original Forbearance Agreement as so amended, the “**Existing Forbearance Agreement**”).
- C.** The Borrower has requested that the Agents, the Qualified Risk Management Lender and the Lenders amend certain terms and conditions set forth in the Existing Forbearance Agreement.
- D.** The Agents, the Qualified Risk Management Lender and the Lenders are willing to amend certain terms and conditions set forth in the Existing Forbearance Agreement on the terms and conditions set out in this Agreement.

THEREFORE, the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Each capitalized term used and not otherwise defined in this Agreement will have the meaning assigned to it in the Existing Forbearance Agreement, as amended by this Agreement.

**ARTICLE 2
AMENDMENTS TO EXISTING FORBEARANCE AGREEMENT**

2.1 General Rule

Subject to the terms and conditions herein contained, the Existing Forbearance Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this Agreement into the Existing Forbearance Agreement.

2.2 Amendments

- 2.2.1 Section 3.1.1.1 of the Existing Forbearance Agreement is hereby amended by deleting the reference therein to “October 15, 2021” and replacing it with “October 29, 2021”.
- 2.2.2 Section 4.1.7.3.2 of the Existing Forbearance Agreement is hereby amended by deleting the words “on or before October 15, 2021” and replacing them with “on or before October 29, 2021”.

**ARTICLE 3
CONDITIONS PRECEDENT TO THIS AGREEMENT**

3.1 Conditions Precedent

- 3.1.1 The effectiveness of this Agreement is subject to receipt by the Administrative Agent of a duly executed PDF copy of this Agreement executed by each of the parties hereto.

**ARTICLE 4
GENERAL**

4.1 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Existing Forbearance Agreement are intended or implied, and in all other respects the Existing Forbearance Agreement is specifically acknowledged, ratified and confirmed by the Obligors.

4.2 Future References to the Existing Forbearance Agreement

On and after the date of this Agreement, each reference in the Existing Forbearance Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Existing Forbearance Agreement, and each reference in any related document to the “Forbearance Agreement”, “thereunder”, “thereof”, or words of like import referring to the Existing Forbearance Agreement, shall mean and be a reference to the Existing Forbearance Agreement as amended hereby. The Existing Forbearance Agreement, as amended hereby shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

4.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada effective therein.

4.4 Time of Essence

Time is of the essence in all respects of this Agreement.

4.5 Assignment and Enurement

No Obligor will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Agents, the Qualified Risk Management Lender and the Lenders. The Agents, the Qualified Risk Management Lender and the Lenders may assign this Agreement and any of their rights and obligations under this Agreement without the consent of or notice to any Obligor. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

4.6 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

4.7 Electronic Signatures

Delivery of this Agreement by facsimile or other electronic transmission (including through “pdf” format via email) constitutes valid and effective delivery.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement effective as of the 15th day of October, 2021.

BORROWER:

HARTE GOLD CORP.

By: Graham du Preez
Name:
Title:

By: _____
Name:
Title:

AGENTS:

**BNP PARIBAS, as Administrative Agent and
Technical Agent**



By: _____

Name: Antonio Pichardo

Title: Director



By: _____

Name: Carlos Urquiaga

Title: Managing Director


QUALIFIED RISK MANAGEMENT LENDER:

**BNP PARIBAS, as Qualified Risk
Management Lender**



By: _____

Name: Antonio Pichardo
Title: Director



By: _____

Name: Carlos Urquiaga
Title: Managing Director

LENDER:

BNP PARIBAS, as Lender



By: _____

Name: Antonio Pichardo

Title: Director



By: _____

Name: Carlos Urquiaga

Title: Managing Director

EXHIBIT “N”

EXHIBIT "N"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

THIRD AMENDING AGREEMENT TO FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of October 29, 2021.

A M O N G :

HARTE GOLD CORP., as Borrower

- and -

THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT, as Lenders

- and -

BNP PARIBAS, as Qualified Risk Management Lender

- and -

BNP PARIBAS, as Administrative Agent and Technical Agent

CONTEXT:

- A.** On July 30, 2021, the parties hereto entered into a forbearance agreement (the “**Original Forbearance Agreement**”).
- B.** On September 30, 2021 and October 15, 2021, the parties hereto amended the Original Forbearance Agreement pursuant to a first amending agreement to forbearance agreement and a second amending agreement to forbearance agreement, respectively, (the Original Forbearance Agreement as so amended, the “**Existing Forbearance Agreement**”).
- C.** The Borrower has requested that the Agents, the Qualified Risk Management Lender and the Lenders amend certain terms and conditions set forth in the Existing Forbearance Agreement.
- D.** The Agents, the Qualified Risk Management Lender and the Lenders are willing to amend certain terms and conditions set forth in the Existing Forbearance Agreement on the terms and conditions set out in this Agreement.

THEREFORE, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each capitalized term used and not otherwise defined in this Agreement will have the meaning assigned to it in the Existing Forbearance Agreement, as amended by this Agreement.

ARTICLE 2 AMENDMENTS TO EXISTING FORBEARANCE AGREEMENT

2.1 General Rule

Subject to the terms and conditions herein contained, the Existing Forbearance Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this Agreement into the Existing Forbearance Agreement.

2.2 Amendments

2.2.1 Section 3.1.1.1 of the Existing Forbearance Agreement is hereby amended by deleting the reference therein to “October 29, 2021” and replacing it with “November 30, 2021”.

2.2.2 Section 4.1.3.1 of the Existing Forbearance Agreement is hereby amended by deleting the words “on or prior to September 30, 2021” and replacing them with “on or prior to October 29, 2021”.

2.2.3 Section 4.1.3.4 of the Existing Forbearance Agreement is hereby deleted in its entirety and replaced with the following:

“4.1.3.4 provide to the Administrative Agent and the Agent Consultant:

4.1.3.4.1 on Tuesday of every week, commencing on Tuesday, November 2, 2021, a variance report in form and substance acceptable to the Administrative Agent acting reasonably (each, a “**Variance Report**”), certified by a senior officer of the Borrower, showing on a line-by-line basis the actual receipts and disbursements and the total available Liquidity for the last day of the prior week and noting therein (A) all variances on a line-by-line basis from the amounts in the Cash Flow Budget and (B) the cumulative aggregate variance from the amounts in the Cash Flow Budget (calculated in the manner described in section 4.1.3.3 above), with explanations for all material variances; and

4.1.3.4.2 on or prior to 5:00 p.m. (Toronto time) on each Banking Day, commencing on November 3, 2021, a report in form and substance satisfactory to the Administrative Agent, substantially in the form of the sample report attached hereto as Exhibit I;”.

2.2.4 Section 4.1.3.6 of the Existing Forbearance Agreement is hereby amended by deleting the words “on August 13, 2021, September 17, 2021, September 30, 2021 and October 15,

2021” and replacing them with “on August 13, 2021, September 17, 2021, September 30, 2021, October 15, 2021 and November 12, 2021”.

- 2.2.5 Section 4.1.7.3.2 of the Existing Forbearance Agreement is hereby amended by deleting the words “on or before October 29, 2021” and replacing them with “on or before November 30, 2021”.

ARTICLE 3 CONDITIONS PRECEDENT TO THIS AGREEMENT

3.1 Conditions Precedent

- 3.1.1 The effectiveness of this Agreement is subject to receipt by the Administrative Agent of a duly executed PDF copy of this Agreement executed by each of the parties hereto.

ARTICLE 4 GENERAL

4.1 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Existing Forbearance Agreement are intended or implied, and in all other respects the Existing Forbearance Agreement is specifically acknowledged, ratified and confirmed by the Obligors.

4.2 Future References to the Existing Forbearance Agreement

On and after the date of this Agreement, each reference in the Existing Forbearance Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Existing Forbearance Agreement, and each reference in any related document to the “Forbearance Agreement”, “thereunder”, “thereof”, or words of like import referring to the Existing Forbearance Agreement, shall mean and be a reference to the Existing Forbearance Agreement as amended hereby. The Existing Forbearance Agreement, as amended hereby shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

4.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada effective therein.

4.4 Time of Essence

Time is of the essence in all respects of this Agreement.

4.5 Assignment and Enurement

No Obligor will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Agents, the Qualified Risk Management

Lender and the Lenders. The Agents, the Qualified Risk Management Lender and the Lenders may assign this Agreement and any of their rights and obligations under this Agreement without the consent of or notice to any Obligor. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

4.6 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

4.7 Electronic Signatures

Delivery of this Agreement by facsimile or other electronic transmission (including through “pdf” format via email) constitutes valid and effective delivery.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement effective as of the 29th day of October, 2021.

BORROWER:

HARTE GOLD CORP.

By: *Graham du Preez*
Name:
Title:

By: _____
Name:
Title:


AGENTS:

**BNP PARIBAS, as Administrative Agent and
Technical Agent**



By: _____

Name: Antonio Pichardo
Title: Director



By: _____

Name: Carlos Urquiaga
Title: Managing Director

QUALIFIED RISK MANAGEMENT LENDER:

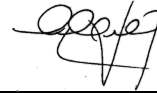
**BNP PARIBAS, as Qualified Risk
Management Lender**



By: _____

Name: Antonio Pichardo

Title: Director



By: _____

Name: Carlos Urquiaga

Title: Managing Director

LENDER:

BNP PARIBAS, as Lender



By: _____

Name: Antonio Pichardo
Title: Director



By: _____

Name: Carlos Urquiaga
Title: Managing Director

EXHIBIT “O”

EXHIBIT "O"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

FOURTH AMENDING AGREEMENT TO FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of November 17, 2021.

A M O N G :

HARTE GOLD CORP., as Borrower

- and -

THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT, as Lenders

- and -

BNP PARIBAS, as Qualified Risk Management Lender

- and -

BNP PARIBAS, as Administrative Agent and Technical Agent

CONTEXT:

- A.** On July 30, 2021, the parties hereto entered into a forbearance agreement (the “**Original Forbearance Agreement**”).
- B.** On September 30, 2021, October 15, 2021 and October 29, 2021, the parties hereto amended the Original Forbearance Agreement pursuant to a first amending agreement to forbearance agreement, a second amending agreement to forbearance agreement and a third amending agreement to forbearance agreement, respectively, (the Original Forbearance Agreement as so amended, the “**Existing Forbearance Agreement**”).
- C.** The Borrower has requested that the Agents, the Qualified Risk Management Lender and the Lenders amend certain terms and conditions set forth in the Existing Forbearance Agreement.
- D.** The Agents, the Qualified Risk Management Lender and the Lenders are willing to amend certain terms and conditions set forth in the Existing Forbearance Agreement on the terms and conditions set out in this Agreement.

THEREFORE, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each capitalized term used and not otherwise defined in this Agreement will have the meaning assigned to it in the Existing Forbearance Agreement, as amended by this Agreement.

ARTICLE 2 AMENDMENTS TO EXISTING FORBEARANCE AGREEMENT

2.1 General Rule

Subject to the terms and conditions herein contained, the Existing Forbearance Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this Agreement into the Existing Forbearance Agreement.

2.2 Amendments

2.2.1 Section 1.1 of the Existing Forbearance Agreement is hereby amended by adding the following new definition in alphabetical order:

“**Disclosure Certificate**” means a disclosure certificate, in the form attached as Schedule 6 and signed by an authorized signatory of the applicable Lender without personal liability.”.

2.2.2 Section 4.1.6 of the Existing Forbearance Agreement is hereby amended by deleting the words “except for payments of salaries in the ordinary course of business and consistent with historical salary payments” and replacing them with “except for payments of salaries and non-discretionary bonuses to underground workers in the ordinary course of business and consistent with such historical salary and bonus payments”

2.2.3 The following new Section 4.1.7.4.3 is hereby added to the Existing Forbearance Agreement immediately following Section 4.1.7.4.2:

“4.1.7.4.3 If any Lender has sold all or any part of its rights and obligations under the Credit Documents pursuant to the Credit Agreement and delivered a Disclosure Certificate to the Borrower in respect of such Sale then, unless and until the Purchasing Lender has confirmed in writing to the Borrower that it will not bid in excess of the debt assigned to it pursuant to such Sale, the Purchasing Lender shall not be restricted in bidding, and shall be entitled to bid for the Borrower, its business or its assets in such amount as it determines (including, for certainty, in an amount in excess of the debt assigned to such Purchasing Lender pursuant to any Sale), whether in connection with the SISF or any other present or future process administered by or on behalf of the Borrower.”.

- 2.2.4 Section 4.1.7.4.2 of the Existing Forbearance Agreement is hereby deleted in its entirety and replaced with the following:

“4.1.7.4.2 Provided that the Borrower has received from each Lender (including any Purchasing Lender), the Administrative Agent and the Qualified Risk Management Lender confirmation that it will not submit a proposal for the acquisition of the business or assets of the Borrower in an amount which exceeds its portion of the Secured Obligations, promptly following receipt or designation, as applicable, a summary of all non-binding letters of intent and binding offers received in the SISP and copies of all Qualified Phase 1 Bids, Qualified Phase 2 Bids, Successful Bids and Definitive Documents. For greater certainty, notwithstanding any provision of this Agreement, the Credit Agreement or the other Finance Documents, no Lender (including a Purchasing Lender), Administrative Agent or Qualified Risk Management Lender (other than BNP Paribas, which has previously provided the confirmation referenced above) will be entitled to receive any confidential information regarding proposals or offers to acquire the business or assets of the Borrower, whether obtained in the SISP or otherwise, until the Borrower has received the confirmations provided for in this section 4.1.7.4.2.”

- 2.2.5 Section 4.1.7.5 of the Existing Forbearance Agreement is hereby amended by deleting the word “confirmation” and replacing it with the word “confirmations” and by deleting “; and” and replacing it with “.”

- 2.2.6 Section 7.14 of the Existing Forbearance Agreement is hereby deleted in its entirety and replaced with the following:

“7.14 Amendment and Waiver

Subject to the last sentence of this Section 14.14, no supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided. The consent of BNP Paribas, as Qualified Risk Management Lender to any supplement, modification, amendment, waiver, discharge or termination of this Agreement shall only be required if at the time of such supplement, modification, amendment, waiver, discharge or termination, BNP Paribas is a Lender under the Credit Agreement.”.

- 2.2.7 Schedule 1 to the Existing Forbearance Agreement is hereby deleted in its entirety and replaced with Schedule 1 attached hereto.

- 2.2.8 Schedule 6 attached hereto is hereby added as a new Schedule 6 to the Existing Forbearance Agreement.

ARTICLE 3
CONDITIONS PRECEDENT TO THIS AGREEMENT

3.1 Conditions Precedent

- 3.1.1 The effectiveness of this Agreement is subject to receipt by the Administrative Agent of a duly executed PDF copy of this Agreement executed by each of the parties hereto.

ARTICLE 4
GENERAL

4.1 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Existing Forbearance Agreement are intended or implied, and in all other respects the Existing Forbearance Agreement is specifically acknowledged, ratified and confirmed by the Obligors.

4.2 Future References to the Existing Forbearance Agreement

On and after the date of this Agreement, each reference in the Existing Forbearance Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Existing Forbearance Agreement, and each reference in any related document to the “Forbearance Agreement”, “thereunder”, “thereof”, or words of like import referring to the Existing Forbearance Agreement, shall mean and be a reference to the Existing Forbearance Agreement as amended hereby. The Existing Forbearance Agreement, as amended hereby shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

4.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada effective therein.

4.4 Time of Essence

Time is of the essence in all respects of this Agreement.

4.5 Assignment and Enurement

No Obligor will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Agents, the Qualified Risk Management Lender and the Lenders. The Agents, the Qualified Risk Management Lender and the Lenders may assign this Agreement and any of their rights and obligations under this Agreement without the consent of or notice to any Obligor. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

4.6 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

4.7 Electronic Signatures

Delivery of this Agreement by facsimile or other electronic transmission (including through "pdf" format via email) constitutes valid and effective delivery.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement effective as of the 17th day of November, 2021.

BORROWER:

HARTE GOLD CORP.

By: Fraser Bouchier
Name:
Title:

By: Graham du Preez
Name:
Title:

AGENTS:

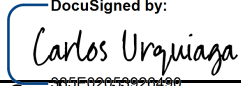
**BNP PARIBAS, as Administrative Agent and
Technical Agent**

By: DocuSigned by:
Carlos Urquiaga
Name: Carlos Urquiaga
Title: Managing Director

By: DocuSigned by:
Brock Harris
Name: Brock Harris
Title: Managing Director

QUALIFIED RISK MANAGEMENT LENDER:

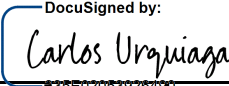
**BNP PARIBAS, as Qualified Risk
Management Lender**

By: 
Name: Carlos Urquiaga
Title: Managing Director

By: 
Name: Brock Harris
Title: Managing Director

LENDER:

BNP PARIBAS, as Lender

By: 
Name: Carlos Urquiaga
Title: Managing Director

By: 
Name: Brock Harris
Title: Managing Director

SCHEDULE 1
SUBJECT DEFAULTS

The Borrower has informed the Administrative Agent that the following Defaults or Events of Default will arise under the Credit Agreement and other Finance Documents during the Forbearance Period:

1. The Borrower will fail to furnish the Administrative Agent with its audited financial statements without any going concern qualifications for the Fiscal Year ending December 31, 2020.
2. The Borrower will fail to make the following payments when due:
 - (a) the June and July 2021 Payments (as defined in the Waiver & Consent) on or prior to July 30, 2021,
 - (b) quarterly principal repayments to the Lenders of the drawn amount under the NRT Facility on September 30, 2021;
 - (c) certain interest payments under the Credit Agreement due on July 30, 2021, August 31, 2021, September 30, 2021, October 29, 2021 and November 30, 2021 respectively; and
 - (d) certain settlement payments due under certain Qualified Risk Management Agreements due August 3, 2021, September 2, 2021, October 4, 2021 and November 2, 2021 respectively;
3. The Borrower has failed to make payments to Appian as required under the Appian Financing Agreement.
4. The Borrower will fail to comply with the Financial Covenants (as defined in the Waiver & Consent); and
5. The Borrower will fail to deliver to the Administrative Agent the deliverables contemplated by Section 2(c) of the Waiver & Consent by the date specified therein.

**SCHEDULE 6
DISCLOSURE CERTIFICATE**

CERTIFICATE

TO: Harte Gold Corp. (“**Harte Gold**” or the “**Company**”)
AND TO: FTI Consulting Canada Inc. (“**FTI**”)
RE: Forbearance Agreement dated as of July 30, 2021 (as amended from time to time, the “**Forbearance Agreement**”)

The undersigned [[●]], [[●]] and [[●]], [[●]] of [●] (“[●]”), in such capacity and not in a personal capacity and without personal liability, certify for and on behalf of [●], intending that the same shall be relied upon by you without further inquiry, that:

1. We have made or caused to be made such inquiries as are necessary to make the statements of fact contained in this Certificate and we have furnished this Certificate with the intent that it shall be relied upon by Harte Gold and FTI.
2. On [xxx], [●] entered into an *Assignment Agreement* (the “**Assignment Agreement**”) with [xxx] (the “**Assignee**”). The Assignment Agreement provides for the assignment to Assignee of certain credit facilities extended by [●], in its capacity as Lender to Harte Gold under and pursuant to an amended and restated credit agreement, as amended by a first amending agreement dated December 11, 2020, a second amending agreement dated June 8, 2021, the Waiver and Consent dated as of June 30, 2021 and a third amending agreement dated [●], 2021 and related security and agreements.
3. To the knowledge of the undersigned after making or causing to be made the inquiries referenced above, as of the date hereof, [●] and those of its affiliates and its and its affiliates’ respective managers, directors, officers, members, partners, associates, and employees and its and its affiliates’ attorneys, subcontractors, consultants, accountants, auditors, financing sources, advisors, agents to whom any Confidential Information (as defined below) has been disclosed by [●] (collectively, and as the same may apply to [●] or the Assignee, the “**Representatives**”) have not disclosed to Assignee or its Representatives the identity of any bidders or prospective bidders or the terms of any bid proposals or offers received under or in connection with the SISP (as defined in the Forbearance Agreement) or of any potential bid proposals or offers discussed among [●] and any or all of the Company, FTI and any prospective bidder (collectively, the “**Confidential Information**”). [●] and its Representatives undertake not to disclose any Confidential Information to Assignee after the date hereof.
4. Under the Assignment Agreement, the Assignee has acknowledged, confirmed and agreed: i) that [●] has not disclosed, shared or transferred any Confidential Information to the Assignee or any of its Representatives; (ii) that [●] will not disclose, share or transfer any Confidential Information to the Assignee or any of its Representatives; and (iii) that the Company and FTI will not disclose, share or transfer any Confidential Information to the Assignee or any of its Representatives unless and until such time that the Assignee confirms in writing to the Company and FTI that the Assignee will not bid in excess of the debt assigned to it under the Assignment Agreement for the Company, its business or its assets whether under or in connection with the SISP or any other process.

DATED this ___th day of [●], 202_.

For and on behalf of [●] and without
personal liability

Name:

Title:

Name:

Title:

EXHIBIT “P”

EXHIBIT "P"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

FIFTH AMENDING AGREEMENT TO FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of November 30, 2021.

A M O N G :

HARTE GOLD CORP., as Borrower

- and -

THE LENDERS THAT ARE PARTIES TO THE CREDIT AGREEMENT, as Lenders

- and -

BNP PARIBAS, as Qualified Risk Management Lender

- and -

BNP PARIBAS, as Administrative Agent and Technical Agent

CONTEXT:

- A.** On July 30, 2021, the parties hereto entered into a forbearance agreement (the “**Original Forbearance Agreement**”).
- B.** On September 30, 2021, October 15, 2021, October 29, 2021 and November 18, 2021, the parties hereto amended the Original Forbearance Agreement pursuant to a first amending agreement to forbearance agreement, a second amending agreement to forbearance agreement and a third amending agreement to forbearance agreement, respectively, (the Original Forbearance Agreement as so amended, the “**Existing Forbearance Agreement**”).
- C.** The Borrower has requested that the Agents, the Qualified Risk Management Lender and the Lenders amend certain terms and conditions set forth in the Existing Forbearance Agreement.
- D.** The Agents, the Qualified Risk Management Lender and the Lenders are willing to amend certain terms and conditions set forth in the Existing Forbearance Agreement on the terms and conditions set out in this Agreement.

THEREFORE, the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Each capitalized term used and not otherwise defined in this Agreement will have the meaning assigned to it in the Existing Forbearance Agreement, as amended by this Agreement.

**ARTICLE 2
AMENDMENTS TO EXISTING FORBEARANCE AGREEMENT**

2.1 General Rule

Subject to the terms and conditions herein contained, the Existing Forbearance Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this Agreement into the Existing Forbearance Agreement.

2.2 Amendments

- 2.2.1 Section 3.1.1.1 of the Existing Forbearance Agreement is hereby amended by deleting the reference therein to “November 30” and replacing it with “December 6”; and
- 2.2.2 Section 4.1.7.1 of the Existing Forbearance Agreement is hereby amended by deleting the reference therein to “October 29” and replacing it with “December 31”.
- 2.2.3 Schedule 1 to the Existing Forbearance Agreement is hereby deleted in its entirety and replaced with Schedule 1 attached hereto.

**ARTICLE 3
CONDITIONS PRECEDENT TO THIS AGREEMENT**

3.1 Conditions Precedent

- 3.1.1 The effectiveness of this Agreement is subject to receipt by the Administrative Agent of a duly executed PDF copy of this Agreement executed by each of the parties hereto.

**ARTICLE 4
GENERAL**

4.1 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Existing Forbearance Agreement are intended or implied, and in all other respects the Existing Forbearance Agreement is specifically acknowledged, ratified and confirmed by the Obligors.

4.2 Future References to the Existing Forbearance Agreement

On and after the date of this Agreement, each reference in the Existing Forbearance Agreement to “this agreement”, “hereunder”, “hereof”, or words of like import referring to the Existing Forbearance Agreement, and each reference in any related document to the “Forbearance Agreement”, “thereunder”, “thereof”, or words of like import referring to the Existing Forbearance Agreement, shall mean and be a reference to the Existing Forbearance Agreement as amended hereby. The Existing Forbearance Agreement, as amended hereby shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

4.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada effective therein.

4.4 Time of Essence

Time is of the essence in all respects of this Agreement.

4.5 Assignment and Enurement

No Obligor will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Agents, the Qualified Risk Management Lender and the Lenders. The Agents, the Qualified Risk Management Lender and the Lenders may assign this Agreement and any of their rights and obligations under this Agreement without the consent of or notice to any Obligor. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

4.6 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

4.7 Electronic Signatures

Delivery of this Agreement by facsimile or other electronic transmission (including through “pdf” format via email) constitutes valid and effective delivery.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement effective as of the 30th day of November, 2021.

BORROWER:

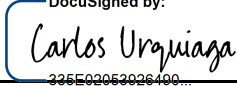
HARTE GOLD CORP.

By: *Frazer Bouchier*
Name:
Title:

By: *Graham du Preez*
Name:
Title:

AGENTS:

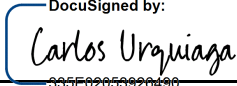
**BNP PARIBAS, as Administrative Agent and
Technical Agent**

By:  DocuSigned by:
Carlos Urquiaga
235E02063026400...
Name: Carlos Urquiaga
Title: Managing Director

By:  DocuSigned by:
Brock Harris
7177302FBA56457...
Name: Brock Harris
Title: Managing Director

QUALIFIED RISK MANAGEMENT LENDER:

**BNP PARIBAS, as Qualified Risk
Management Lender**

By:  DocuSigned by:
305E02053920490...
Name: Carlos Urquiaga
Title: Managing Director

By:  DocuSigned by:
7477302FBA66467...
Name: Brock Harris
Title: Managing Director

LENDER:

CUE MINERALS PTY LTD, as Lender

By: 
Name: **Luke Tonkin**
Title: **DIRECTOR**

By: 
Name: **David Berg**
Title: **Company Secretary**

SCHEDULE 1
SUBJECT DEFAULTS

The Borrower has informed the Administrative Agent that the following Defaults or Events of Default will arise under the Credit Agreement and other Finance Documents during the Forbearance Period:

1. The Borrower will fail to furnish the Administrative Agent with its audited financial statements without any going concern qualifications for the Fiscal Year ending December 31, 2020.
2. The Borrower will fail to make the following payments when due:
 - (a) the June and July 2021 Payments (as defined in the Waiver & Consent) on or prior to July 30, 2021,
 - (b) quarterly principal repayments to the Lenders of the drawn amount under the NRT Facility on September 30, 2021;
 - (c) certain interest payments under the Credit Agreement due on July 30, 2021, August 31, 2021, September 30, 2021, October 29, 2021 and November 30, 2021 respectively; and
 - (d) certain settlement payments due under certain Qualified Risk Management Agreements due August 3, 2021, September 2, 2021, October 4, 2021, November 2, 2021 and December 2, 2021 respectively;
3. The Borrower has failed to make payments to Appian as required under the Appian Financing Agreement.
4. The Borrower will fail to comply with the Financial Covenants (as defined in the Waiver & Consent); and
5. The Borrower will fail to deliver to the Administrative Agent the deliverables contemplated by Section 2(c) of the Waiver & Consent by the date specified therein.

EXHIBIT “Q”

EXHIBIT "Q"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

ASSIGNMENT AGREEMENT

Reference is made to (i) the Amended and Restated Credit Agreement made as of August 28, 2020, (as amended to the date hereof, the “**Credit Agreement**”) between, inter alia, Harte Gold Corp., as borrower (“**Harte**”), the Lenders named therein, and BNP Paribas, as Administrative Agent of the Finance Parties (in that capacity, the “**Administrative Agent**”) and BNP Paribas, as Technical Agent; and (ii) the Forbearance Agreement made as of July 30, 2021 (as amended to the date hereof, the “**Forbearance Agreement**”) between such parties. Terms defined in the Credit Agreement and the Forbearance Agreement, as applicable, are used herein as therein defined.

1. BNP Paribas, as Lender (the “**Assignor**”) and **Cue Minerals Pty Ltd** a wholly owned subsidiary of **Silver Lake Resources Limited** (the “**Assignee**”) agree as follows:

- (a) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a 100% interest in and to all of the Assignor’s rights and obligations under the Credit Agreement as it relates to the NRT Facility and the RT Facility (collectively, the “**Credit Facilities**”) as of the Effective Date (as defined below) (including, without limitation, such percentage interest in the Assignor’s Individual Commitments with respect to each Credit Facility as in effect on the Effective Date, the credit extended by the Assignor under the Credit Facilities and outstanding on the Effective Date and the corresponding rights and obligations of the Assignor under all of the Credit Documents as it relates to the Credit Facilities). The Assignor and the Assignee hereby agree that the purchase price for such sale and assignment shall be USD\$65,328,289.72 (the “**Purchase Price**”), which shall be paid by the Assignee in accordance with Exhibit “A” attached hereto.
- (b) The Assignor (i) represents and warrants that as of the date hereof its Individual Commitment under the NRT Facility is USD\$41,300,000 and under the RT Facility is USD\$22,000,000 (in each case without giving effect to the assignment contemplated hereby, being the only assignment thereof as of the Effective Date), the aggregate outstanding amount of credit extended by it under the Credit Facilities is USD\$63,300,000, and the Obligors owe the Assignor the sum of USD\$65,328,289.72 under the Credit Agreement (comprised of USD\$63,006,529.97 of principal and, USD\$2,321,759.75 of interest; (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any other instrument or document furnished pursuant thereto; (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Obligor or the performance or observance by the Obligors of any of their obligations under the Credit Documents or any other instrument or document furnished pursuant thereto; (v) gives notice to the Administrative Agent and Harte of the assignment to the Assignee hereunder; (vi) represents and warrants that it has full power and authority, and has taken all necessary action, to execute and deliver this Assignment

and to consummate the transactions contemplated hereby; (vii) represents and warrants that it has not consented in writing to any specific transaction involving the acquisition of all or substantially all of the business or assets of Harte; (viii) represents and warrants that, to the knowledge of the Assignor, no Person has challenged, contested or brought into question the validity, priority, perfection or enforceability of the Secured Obligations, the Security or the amounts owed under the Credit Facility as set forth in this Assignment; (ix) represents and warrants that it has provided the Assignee with true and complete copies of all the Credit Documents and Qualified Risk Management Agreements; (x) represents and warrants that the redactions to the Forbearance Agreement made publicly available on www.sedar.com are solely with respect to the SISP terms, certain contact information of the parties, the quantum of certain of Harte's outstanding debt as of the date of execution of the Forbearance Agreement, cash flow forecasts as of the date of execution of the Forbearance Agreement, and a form of report to be provided by Harte; (xi) represents and warrants that it has not made any agreement whereby the Secured Obligations or the Security has been limited, encumbered, released, forbore, postponed, subordinated, discharged, amended, compromised or assigned, impaired or alienated, in whole or in part, except as evidenced in the Credit Documents and the Forbearance Agreement; and (xii) represents and warrants that the certificate attached hereto has been or, concurrently with this Assignment becoming effective, will be, provided to Harte and constitutes a Disclosure Certificate.

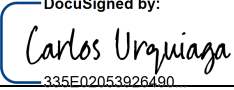
- (c) The effective date of this Assignment (the “**Effective Date**”) shall be the date on which a copy of a fully executed copy of this Assignment has been delivered to Harte and the Administrative Agent in accordance with Section 15.5(c) of the Credit Agreement and the Assignor has received payment of the Purchase Price which has been made in accordance with paragraph (a) of this Assignment.
- (d) The Assignee hereby agrees to the specific Individual Commitments with respect to the NRT Facility, in the amount of USD\$41,300,000, and the RT Facility, in the amount of USD\$22,000,000, and to the address, email address and telefacsimile number set out after its name on the signature page hereof for the purpose of notices as provided in Section 15.1 of the Credit Agreement.
- (e) The Assignee represents and warrants to the Assignor and the Administrative Agent that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Assignee in accordance with its terms. The Assignor represents and warrants to the Assignee that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Assignor in accordance with its terms.
- (f) As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Credit Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Credit Documents that have been assigned to it pursuant to this Assignment and (ii) the Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Credit Documents.

- (g) The Assignee hereby releases and forever discharges the Assignor of and from any and all obligations and losses and expenses arising under or by reason of the Credit Documents and the Secured Obligations, such release to take effect immediately upon the Effective Date.
2. The Assignee acknowledges and agrees that BNP Paribas may give notice of its intention to resign as Administrative Agent and/or Technical Agent under the Finance Documents at any time following the Effective Date and that upon receipt of such notice, the Assignee (if at the time it remains Majority Lender) shall promptly and no later than thirty (30) days appoint an agent of its choice as the Administrative Agent and/or Technical Agent, as the case may be. It being understood that, until such time as such successor Agent has replaced BNP Paribas under all Security Documents, BNP Paribas shall continue to retain its role under such Security Documents for the benefit of Finance Parties until such transfers are effected.
3. The Assignee hereby acknowledges, confirms and agrees: i) that the Assignor has not disclosed, shared or transferred any Confidential Information to the Assignee or any of its Representatives; (ii) that BNP will not disclose, share or transfer any Confidential Information to the Assignee or any of its Representatives; and (iii) that Harte and its financial advisor FTI Consulting Canada Inc. (“**FTI**”) will not disclose, share or transfer any Confidential Information to the Assignee or any of its Representatives unless and until such time that the Assignee confirms in writing to the Company and FTI that the Assignee will not bid in excess of the debt assigned to it under this Assignment for Harte, its business or its assets whether under or in connection with the SISP or any other process. For the purposes of this paragraph 3, the following terms shall have the following meanings:
- (a) “**Confidential Information**” means the identity of any bidders or prospective bidders or the terms of any bid proposals or offers received under or in connection with the SISP or of any potential bid proposals or offers discussed among BNP and any or all of the Company, FTI and any prospective bidder; and
- (b) “**Representatives**” means the Assignee’s affiliates and its affiliates’ managers, directors, officers, members, partners, associates, and employees and its and its affiliates’ attorneys, subcontractors, consultants, accountants, auditors, financing sources, advisors, agents; and
- (c) “**SISP**” has the meaning ascribed to it in the Forbearance Agreement dated as of July 30, 2021 among Harte and BNP Paribas in its capacities as lender, qualified risk management lender, administrative agent and technical agent.
4. The Assignee hereby expressly ratifies the power of attorney given in favour of the Agents under Article 14 of the Credit Agreement.
5. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Documents for periods prior to the Effective Date directly between themselves.
6. Time is of the essence of each provision of this Assignment.

7. This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
8. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Assignment by facsimile transmission or e-mail in portable document format (PDF) by parties hereto, shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

[Remainder of Page Intentionally Left Blank]

BNP PARIBAS, as Assignor

By: 
Name: Carlos Urquiaga
Title: Managing Director

By: 
Name: Brock Harris
Title: Managing Director

CUE MINERALS PTY LTD, as Assignee

By: _____
Name:
Title:

Address:


Attention: _____
Telefax: _____
Email: _____

BNP PARIBAS, as Assignor

By: _____
Name:
Title:

By: _____
Name:
Title:

CUE MINERALS PTY LTD, as Assignee

By:  _____
Name: Luke Tonkin
Title: Director

Address:
Suite 4, Level 3, South Shore Centre

85 South Perth Esplanade

South Perth, WA, 6151

Attention: Len Eldridge

Telefax: +61 8 6313 3888

Email: leldridge@slrltd.com.au

EXHIBIT "A"

USD Wire Instructions

| | |
|-----------------|-------------------------------|
| Bank: | BNP Paribas, New York |
| ABA: | 026-007-689 |
| Swift: | BNPAUS3N |
| Account name: | Loan Service Clearing Account |
| Account number: | 00200-521315-USD-434-91 |

CERTIFICATE

TO: Harte Gold Corp. (“**Harte Gold**” or the “**Company**”)
AND TO: FTI Consulting Canada Inc. (“**FTI**”)
RE: Forbearance Agreement dated as of July 30, 2021 (as amended from time to time, the “**Forbearance Agreement**”)

The undersigned Brock Harris, Managing Director and Carlos Urquiaga, Managing Director of BNP Paribas (“**BNP**”), in such capacity and not in a personal capacity and without personal liability, certify for and on behalf of BNP, intending that the same shall be relied upon by you without further inquiry, that:

1. We have made or caused to be made such inquiries as are necessary to make the statements of fact contained in this Certificate and we have furnished this Certificate with the intent that it shall be relied upon by Harte Gold and FTI.
2. On November 19, 2021, BNP entered into an *Assignment Agreement* (the “**Assignment Agreement**”) with Cue Minerals Pty Ltd (the “**Assignee**”) . The Assignment Agreement provides for the assignment to Assignee of certain credit facilities extended by BNP, in its capacity as Lender to Harte Gold under and pursuant to an amended and restated credit agreement, as amended by a first amending agreement dated December 11, 2020, a second amending agreement dated June 8, 2021, the Waiver and Consent dated as of June 30, 2021 and a third amending agreement dated November 18, 2021 and related security and agreements.
3. To the knowledge of the undersigned after making or causing to be made the inquiries referenced above, as of the date hereof, BNP and those of its affiliates and its and its affiliates’ respective managers, directors, officers, members, partners, associates, and employees and its and its affiliates’ attorneys, subcontractors, consultants, accountants, auditors, financing sources, advisors, agents to whom any Confidential Information (as defined below) has been disclosed by BNP (collectively, and as the same may apply to BNP or the Assignee, the “**Representatives**”) have not disclosed to Assignee or its Representatives the identity of any bidders or prospective bidders or the terms of any bid proposals or offers received under or in connection with the SISP (as defined in the Forbearance Agreement) or of any potential bid proposals or offers discussed among BNP and any or all of the Company, FTI and any prospective bidder (collectively, the “**Confidential Information**”). BNP and its Representatives undertake not to disclose any Confidential Information to Assignee after the date hereof.
4. Under the Assignment Agreement, the Assignee has acknowledged, confirmed and agreed: i) that BNP has not disclosed, shared or transferred any Confidential Information to the Assignee or any of its Representatives; (ii) that BNP will not disclose, share or transfer any Confidential Information to the Assignee or any of its Representatives; and (iii) that the Company and FTI will not disclose, share or transfer any Confidential Information to the Assignee or any of its Representatives unless and until such time that the Assignee confirms in writing to the Company and FTI that the Assignee will not bid in excess of the debt assigned to it under the Assignment Agreement for the Company, its business or its assets whether under or in connection with the SISP or any other process.

[Remainder of Page Intentionally Left Blank]

DATED this 19th day of November, 2021.

For and on behalf of **BNP PARIBAS**
and without personal liability

DocuSigned by:

Carlos Urquiaga

Name: Carlos Urquiaga

Title: Managing Director

Brock Harris

Name: Brock Harris

Title: Managing Director

EXHIBIT “R”

EXHIBIT "R"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made as of the 28th day of August, 2020, by and between HARTE GOLD CORP. (the “**Company**”) and ANR INVESTMENTS 2 B.V. (the “**Investor**”);

WHEREAS the Company and the Investor are party to a financing agreement dated July 14, 2020 (the “**Financing Agreement**”);

AND WHEREAS the parties hereto desire to amend the Financing Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereby agree as follows:

1. Capitalized terms used, but not otherwise defined, herein have the meaning given to them in the Financing Agreement.
2. The following definitions shall be added to Section 1.1 of the Financing Agreement:

“**Equity Structuring Fee**” means a fee payable by the Company to ANR or such other Affiliate of the Investor that may be designated by ANR, to be calculated as follows:

$$\text{US\$11 million} \times ((A / 0.086) - 1) \times (B / 29,036)$$

Where:

A = the volume-weighted average price of the Common Shares on the TSX over the term of the Facility multiplied by the average CAD-USD daily exchange rate as published by the Bank of Canada over the term of the Facility

B = the sum over the term of the Facility of the number of calendar days any specified Principal Amount is outstanding multiplied by that Principal Amount in US\$ million

provided that notwithstanding the above formula, the Equity Structuring Fee shall not be equal to less than zero;

“**Principal Amount**” means the aggregate amount of principal outstanding under the Facility; and

“**Trading Day**” means any day on which the TSX is open for trading or quotation.

3. The following paragraphs shall be added as Section 2.16 of the Financing Agreement:

2.16 **Equity Structuring Fee**

- (a) On the terms and subject to the conditions of this Agreement and in consideration of the transactions contemplated by this Agreement, the Company agrees, upon the earlier of (i) the maturity date of the Facility or (ii) the date on which the Facility is repaid or converted in full, to pay to ANR or such other Affiliate of the Investor that may be designated by ANR, the Equity Structuring Fee, payable in cash or, at the sole election of the Company and subject to the Company obtaining all necessary approvals including the approval of the TSX, in Common Shares at the then current

volume-weighted average price of the Common Shares on the TSX for the five Trading Days preceding the payment of the Equity Structuring Fee.

- (b) If at any time prior to the maturity date of the Facility, the Company increases the principal amount available under the Facility in excess of US\$28 million, the Parties agree to immediately negotiate in good faith a revised definition of the Equity Structuring Fee.
 - (c) The Company may withhold from any amount payable in respect of the Equity Structuring Fee, whether payable in cash or in shares, such amounts as are required to be withheld or deducted pursuant to the Tax Act. The Company has the right to satisfy such withholding obligations by:
 - i. retaining the amount necessary to satisfy such withholdings from any payment to the recipient of the Equity Structuring Fee (the "Recipient");
 - ii. where there is no cash component of the Equity Structuring Fee, the Recipient, as a condition of receiving the Equity Structuring Fee, may remit the amount of any such withholdings to the Company in advance; andwhere the Recipient does not remit the amount of any such withholdings to the Company in advance pursuant to Section 2.16(c)(ii), the Company shall have the right to dispose of a portion of the shares to be paid as the Equity Structuring Fee sufficient to satisfy the withholdings, provided the Company uses commercially reasonable efforts to maximize the proceeds of any such disposition.
 - (d) Prior to any deduction or withholding of any amount, the Company shall first obtain an opinion from independent and qualified legal counsel agreed to by both the Company and Recipient that sets forth the legal basis and requirements for such deduction or withholding, and shall provide such opinion to the Recipient. The Company and Recipient agree to share the costs of any such opinion equally.
 - (e) The Investor agrees to indemnify the Company against all withholding obligations and reasonable costs and expenses (including reasonable legal fees on a full indemnity basis) which the Company may suffer or incur as a result of or arising from the Company failing to withhold the appropriate amount of Taxes required to be withheld or deducted pursuant to the Tax Act in respect of the Equity Structuring Fee.
 - (f) The provisions of Section 2.16(c), (d) and (e) shall survive the termination of this Agreement.
4. Section 4.2(c) of the Financing Agreement is amended by inserted the underlined text as follows:
- "(c) subject to the Intercreditor Agreement, create, incur, assume or amend the terms of any Debt, other than Permitted Debt (excluding any amendments to the BNP Facility which for the avoidance of doubt shall require the Investor's consent);"

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this amending agreement as of the date first written above.

HARTE GOLD CORP.

By: 
Name: Sam Coetzer
Title: President & Chief Executive Officer

ANR INVESTMENTS 2 B.V.

By: _____
Name: Michael Scherb
Title: Director A

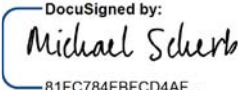
By: _____
Name: Adriano Fagundes
Title: Director B


IN WITNESS WHEREOF the parties have executed this amending agreement as of the date first written above.

HARTE GOLD CORP.

By: _____
Name: Sam Coetzer
Title: President & Chief Executive Officer

ANR INVESTMENTS 2 B.V.

By:  _____
Name: Michael Scherb
Title: Director A

By:  _____
Name: Adriano Fagundes
Title: Director B

FINANCING AGREEMENT

HARTE GOLD CORP.

- and -

ANR INVESTMENTS 2 B.V.

July 14, 2020

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FINANCING AGREEMENT

THIS AGREEMENT made the 14th day of July, 2020

BETWEEN:

ANR INVESTMENTS 2 B.V., a company existing under the laws of the Netherlands,

(hereinafter referred to as the “**Investor**”),

- and -

HARTE GOLD CORP., a corporation existing under the laws of the Province of Ontario,

(hereinafter referred to as the “**Company**”).

WHEREAS the Company has agreed to issue to the Investor, and the Investor has agreed to purchase from the Company, or to cause the Subscriber (as defined herein) to purchase from the Company, on the Initial Closing (as defined herein) 9,500,000 Series B special shares (the “**Subscription Shares**”) in the capital of the Company at a price of US\$1.00 per Subscription Share, in reliance upon the representations, warranties and covenants and on the terms and conditions contained herein;

AND WHEREAS the Investor has agreed to make available to the Company, or to cause the Lender (as defined herein) to make available to the Company, and the Company has agreed to enter into, on the Final Closing (as defined herein) a non-revolving convertible credit facility agreement (the “**Facility**”) in the initial principal amount of US\$18.5 million, in reliance of and upon the representations, warranties and covenants and on the terms and conditions contained herein;

AND WHEREAS the Company has agreed to grant to the Investor, and the Investor has agreed to purchase from the Company or to cause the Royalty Holder (as defined herein) to purchase from the Company, on the Final Closing the Additional Royalty (as defined herein) for the aggregate purchase price of US\$2.0 million, in reliance upon the representations, warranties and covenants and on the terms and conditions contained herein;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the Parties (as defined herein) hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Party), the Parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Defined Terms**

For the purposes of this Agreement (including the recitals and the Schedules hereto), unless the context otherwise requires, the following terms shall have the respective

meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“2010 Halverson Royalty” means the 3% net smelter return royalty granted by the Company pursuant to the option agreement dated June 28, 2010 between the Company, [names redacted] in respect of the option granted to the Company to acquire claim numbers 4228496, 422849 and 4228499, Odlum Township, Sault Ste. Marie mining district;

“2017 Halverson Royalty” means the 3% net smelter return royalty granted by the Company pursuant to the property option agreement made effective as of August 14, 2017 between the Company and [names redacted] in respect of the option granted to the Company to acquire claim number 4281896, Odlum Township, Sault Ste. Marie mining district;

“Act” means the *Business Corporations Act* (Ontario);

“Additional Royalty” means 0.5% net smelter return royalty on the Sugar Zone Property to be granted by the Company to the Royalty Holder pursuant to Section 2.11 in substantially the form attached hereto as Schedule A;

“Affiliate” shall have the meaning ascribed to such term in the *Securities Act* (Ontario), as in effect on the date of this Agreement and, in the case of the Investor, also includes Appian Natural Resources Fund LP, Appian Natural Resources Fund II LP and Appian Capital Advisory LLP and their respective Affiliates and any investment fund advised or managed by any of them;

“Anti-Corruption Laws” shall have the meaning set out in Section 3.1(ccc);

“Anti-Money Laundering Laws” shall have the meaning set out in Section 3.1(aaa);

“ANR” means ANR Investments B.V.;

“Appian Offtake Agreement” means the offtake agreement dated January 9, 2018 between the Company and ANR, as amended May 3, 2018;

“Appian Royalty” means the 1.5% net smelter return royalty on the Sugar Zone Property granted by the Company to 2729992 Ontario Corp. pursuant to a royalty agreement dated December 19, 2019;

“associate” means an associate for the purposes of Securities Laws;

“Authorization” means, with respect to any Person, any authorization, Order, Permit, approval, non-objection, confirmation of compliance of procedure, grant, Licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, or by-law, rule or regulation of any Governmental Entity, whether or not having the force of law, having jurisdiction over such Person;

“Automatic Conversion” means the automatic conversion on the Final Closing Date of the Subscription Shares into an additional US\$9,500,000 principal amount of the Facility in accordance with the Special Share Terms;

“BNP” means BNP Paribas;

“BNP Consent” means the consent of BNP to the Facility and the Additional Royalty on terms and conditions, including the Intercreditor Agreement and security arrangements, satisfactory to the Investor, acting reasonably;

“BNP Facility” means the US\$72,500,000 senior debt financing facility made available to the Company by BNP, consisting of a US\$52,500,000 6-year term loan and a US\$20,000,000 3-year revolving credit facility, pursuant to a credit agreement dated June 10, 2019, as amended on May 15, 2020, and as the same may be as further amended, modified, supplemented, restated, replaced extended, increased or refinanced from time to time;

“Board” means the board of directors of the Company;

“Budget” means the 18-month budget for the Company agreed by the Parties and shared electronically among the Parties and their legal counsel, a summary of which is attached to the Disclosure Letter;

“Business Day” means any day, other than a Saturday, Sunday or statutory holiday, or a day on which banks in Toronto, Ontario, London, England or Jersey, Channel Islands are required by law to be closed;

“Buyout Period” means the period from the Initial Closing Date to the exercise of the buyout option by the Company pursuant to Section 2.10;

“Capital Lease” means, as applied to any Person, any lease of any property (whether real, personal or mixed and including, without limitation, equipment) by that Person as lessee that, in conformity with generally accepted accounting principles, is, or is required to be, accounted for as a finance lease obligation on the balance sheet of that Person;

“Claim” means (i) any suit, action, proceeding, dispute, investigation, claim, arbitration, Order, summons, citation, directive, ticket, charge, demand or prosecution, whether legal or administrative; or (ii) any appeal or application for review; at Law or in equity or by any Governmental Entity;

“Common Shares” means common shares in the capital of the Company and any other securities which carry voting rights or which carry a residual right to participate in the earnings of the Company and in its assets upon liquidation or winding-up;

“Company Annual Financial Statements” means the audited consolidated financial statements of the Company as at, and for the year ended December 31, 2019 including the notes thereto;

“Company Financial Statements” means the Company Annual Financial Statements and the Company Interim Financial Statements;

“Company Interim Financial Statements” means the unaudited condensed interim financial statements of the Company as at, and for the three months ended March 31, 2020 including the notes thereto;

“Company Mineral Rights” shall have the meaning set out in Section 3.1(ee)(ii);

“Company Real Property Interests” shall have the meaning set out in Section 3.1(ee)(ii);

“Company Technical Report” means the technical report entitled “Technical Report and Feasibility Study on the Sugar Zone Gold Operation Sault Ste. Marie Mining Division, Ontario UTM Zone 16U NAD83 646,140 m E,5,406,900 m N for Harte Gold Corp.” prepared by P&E Mining Consultants Inc. and having an effective date of February 14, 2019, as filed May 2, 2019 with the Securities Regulators under NI 43-101;

“Constating Documents” means the articles, by-laws or other similar organizational document, in each case, as amended, of the applicable entity;

“Contingent Obligation” means, with respect to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the **“primary obligations”**) of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Obligation does not include endorsements of instruments for deposit or collection in the ordinary course of business;

“Contract” means any contract, agreement, license, claim, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which the Company is a party or by which it is bound or to which any of its properties or assets is subject;

“Convertible Securities” means any securities (including debt securities) convertible into, exchangeable for, or otherwise carrying the right of the holder to purchase or otherwise acquire Common Shares or any other securities which carry voting rights or which carry a residual right to participate in the earnings of the Company and in its assets upon liquidation or winding-up;

“Corona/Harte JV Royalty” means the 2% net smelter return royalty granted by the Company pursuant to the joint venture agreement dated July 10, 1998 between Corona Gold Corporation, the Company, [names redacted];

“Debt” means, with respect to any Person, all obligations that, in accordance with IFRS, would then be classified as a liability of such Person, and, without duplication, includes, with respect to such Person:

- (i) an obligation in respect of borrowed money or for the deferred purchase price of Property or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;
- (ii) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;
- (iii) an obligation under a Capital Lease;
- (iv) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;
- (v) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person; or
- (vi) a Contingent Obligation to the extent that the primary obligation so guaranteed would be classified as "Debt" (within the meaning of this definition) of such Person,

provided, however, that there will not be included for the purpose of this definition any obligation that is on account of (A) reserves for deferred income taxes or general contingencies, or (B) trade accounts payable, Existing Royalty Obligations, the Additional Royalty, impact benefit agreement payments and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business (which, for the avoidance of doubt, shall, insofar as complying with the foregoing, exclude such liabilities (for the purpose of "Debt") as arising as then defined under those circumstances itemized in paragraphs (i), (ii), (iii), (iv), (viii), (ix), (x), (xiv), (xv), (xvii) and (xviii) of the definition of Permitted Encumbrances so long as such items (insofar as applicable) do not, at such time, constitute indebtedness (in any form whether secured or unsecured) and which are, in any event, contingent liabilities, not outstanding and not in default, and which are not then, or otherwise expected to be, due or overdue prior to the expected maturity date of this Agreement);

"Disclosure Letter" means the letter delivered by the Company to the Investor upon the execution of this Agreement in connection with the representations and warranties of the Company in Section 3.1 of this Agreement;

"Disclosure Record" means the Company's annual reports, financial statements, annual information forms, information circulars, material change reports, technical reports, press releases and all documents filed with the Securities Regulators on the System for Electronic Document Analysis and Retrieval (SEDAR) prior to the Final Closing Time;

"Distribution" means (i) any payment, declaration of dividend or other distribution, whether in cash or Property, to any holder of shares of any class of the Company, or (ii) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares of the Company, or of any options, warrants or other rights to acquire any of such shares, other than, in each case, to the Investor;

"Early Settlement Amount" means, at any given time, the sum of (i) an amount equal to the difference between the Aggregate Gold Quantity (as defined in the Appian Offtake

Agreement) and the number of ounces of Refined Gold Delivered (as defined in the Appian Offtake Agreement) to the Offtaker under the Appian Offtake Agreement as of such time multiplied by the Realized Price and (ii) an amount equal to the difference between the Aggregate Gold Quantity (as defined in the New Appian Offtake) and the number of ounces of Refined Gold Delivered (as defined in the New Appian Offtake) to the Offtaker under the New Appian Offtake as of such time multiplied by the Realized Price;

“Encumbrance” means any Claim, encumbrance, Lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse Claim, exception, reservation, easement, right of occupation, option, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing;

“Environment” means air (including the air within buildings and the air within other natural or man-made structures whether above or below ground), water (including drains or sewers and coastal waters), land (including land under water), organisms (including man) and any other meaning given to environment under any applicable Law;

“Environmental Law” means any and all applicable Law that relate or in any way pertain to the Environment, or the protection thereof, including applicable Law that regulates and controls the generation, presence, use, management, transport, storage, treatment, disposal or release of Hazardous Substances, or pollution, contamination, reclamation and remediation of the Environment or environmental assessments, or the taxation or other fiscal control of Hazardous Substances;

“Events of Default” means the events of default as set forth in Schedule H;

“Existing Royalty Obligations” means, collectively, (i) the Corona/Harte JV Royalty; (ii) the 2010 Halverson Royalty; (iii) the 2017 Halverson Royalty, (iv) the Pic Moberg Royalty and (v) the Appian Royalty;

“Facility” shall have the meaning set out in the recitals hereto;

“Facility Term Sheet” means the key terms and conditions of the Facility as set forth in Schedule G;

“Final Closing” means the closing of the Facility and the grant and purchase of the Additional Royalty in accordance with the provisions of this Agreement;

“Final Closing Date” means such date that is two Business Days following the satisfaction or waiver of each of the deliveries and conditions of the Final Closing set forth in Sections 5.5 and 5.6 or such other date as may be agreed by the Company and the Investor, which in any event will be no later than the Outside Date;

“Final Closing Time” means 8:00 a.m. (Toronto time) on the Final Closing Date or such other time as may be agreed by the Company and the Investor;

“Financing Proposal” means, other than the transactions contemplated by this Agreement, any proposal or offer to or from any Person or group of Persons acting “jointly or in concert” (where such phrase has the meaning ascribed thereto in applicable Securities Laws), whether or not in writing or subject to a due diligence or other condition,

relating to any issuance of Common Shares (other than pursuant to the exercise of any Convertible Securities of the Company outstanding on the date hereof) or Convertible Securities (other than stock options to directors, officers and employees of the Company) or Debt for borrowed money by the Company;

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

“Hazardous Substance” means any waste or other substance that is prohibited, listed, defined, designated or classified as hazardous, radioactive, corrosive, explosive, infectious, carcinogenic, or toxic or a pollutant or a contaminant under or pursuant to, or that could result in liability under, any applicable Environmental Laws including petroleum and all derivatives thereof or synthetic substitutes therefor, hydrogen sulphide, arsenic, cadmium, lead, mercury, polychlorinated biphenyls or polychlorinated biphenyls-containing equipment and material, mould, asbestos, asbestos-containing material, urea-formaldehyde, urea formaldehyde-containing material and any other material or substance that may impair the Environment;

“Hedge Arrangement” means, with respect to any Person, any arrangement or transaction between such Person and any other Person other than the Company that is a rate swap transaction, basis swap, forward rate transaction, commodity swap, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of such transactions or arrangements) designed to protect or mitigate against risks in interest, currency exchange or commodity price fluctuations;

“HSET Committee” means the Health, Safety, Environment and Technical Committee of the Board;

“IFRS” means international financial reporting standards from time to time approved by the International Accounting Standards Board, or any successor body;

“Initial Closing” means the closing of the purchase and sale of the Subscription Shares in accordance with the provisions of this Agreement;

“Initial Closing Date” means such date that is one Business Day following the satisfaction or waiver of each of the deliveries and conditions of the Initial Closing set forth in Sections 5.2 and 5.3 or such other date as may be agreed by the Company and the Investor;

“Initial Closing Time” means 8:00 a.m. (Toronto time) on the Initial Closing Date or such other time as may be agreed by the Company and the Investor;

“Intercreditor Agreement” means the intercreditor agreement to be entered into between the Lender and BNP pursuant to Section 2.8;

“Investor Representative” shall have the meaning set out in Section 4.4(c)(ii);

“Laws” means any domestic or foreign federal, provincial, state, regional, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, proclamation, directive, code, edict, Order, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity;

“Lender” means ANR or such other Affiliate of the Investor that may be designated by the Investor;

“Licence” means any licence, Permit, certificate, consent, Order, grant, approval, agreement, classification, restriction, registration or other Authorization of, from or required by any Governmental Entity;

“Lien” means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or Encumbrance of any kind, in each case, whether contingent or absolute;

“[name redacted] Equipment Lease Facility” means the master lease agreement to be entered into between the Company, as lessee, and [name redacted] or one of its nominated affiliates, as lessor, for an aggregate amount of up to Cdn\$15,000,000;

“Material Adverse Effect” means any fact, change, event, violation, circumstance or effect which is or is reasonably likely to have a material adverse effect on the Company’s business, affairs, liabilities (absolute, accrued, contingent or otherwise), capital, operations, financial condition, properties, assets or prospects, in all cases, whether or not arising in the ordinary course of business and considered on a consolidated basis, except any such fact, change, event, violation, circumstance or effect resulting from or arising in connection with:

- (i) any change affecting the gold mining industry as a whole;
- (ii) any change in general economic, business, regulatory, political or market conditions;
- (iii) any change in IFRS or Laws;
- (iv) any change in the price of gold;
- (v) any changes in currency or exchange rates;
- (vi) any action taken (or omitted to be taken) by the Company which is required to be taken (or omitted to be taken) pursuant to this Agreement;
- (vii) any change in the market price or trading volume of any securities of the Company (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred); or
- (viii) the failure of the Company to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flow for any period ending on or after the date of this Agreement (it being understood

that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred),

provided, however, that with respect to clauses (i) through to and including (v), such matter does not have a materially disproportionate effect on the Company, relative to other comparable companies and entities operating in the industry in which the Company operates;

“material change” means a material change for the purposes of Securities Laws;

“Material Contracts” means: (i) the Original Subscription Agreement; (ii) the subscription agreement dated as of December 29, 2017 between the Company and Orion Mine Finance Fund II LP; (iii) the side agreement dated as of December 29, 2017 between the Investor and the Company; (iv) the Appian Offtake Agreement; (v) the Orion Offtake Agreement, (vi) the subscription agreement dated as of June 6, 2019 between the Company and the Investor; (vii) the impact benefits agreement dated April 28, 2018 between the Company and Netmizaaggamig Nishnaabek (Pic Mobert) First Nation and Band Council; (viii) the Hydro One connection contract dated October 5, 2017; (ix) the construction agreement dated May 1, 2018 between the Company and Redpath Canada Limited; (x) the longhole drilling and blasting contract dated July 4, 2018 between the Company and Foraco Canada Ltd.; (xi) the gold concentrate purchase contract dated October 15, 2018 between the Company and Glencore Canada Corporation; (xii) the BNP Facility; (xiii) the Settlement Agreement and (xiv) all other Contracts to which the Company is a party or by which it is bound or may hereafter become a party or be bound, the breach or default of which would result in a Material Adverse Effect;

“material fact” means a material fact for the purposes of Securities Laws;

“Material Licences” means all Licences issued by any Governmental Entity, or any applicable stock exchange or securities commission, to the Company, and which are at any time on or after the date of this Agreement:

- (i) necessary or material to the Sugar Zone Property or the business of the Company or to the listing of its securities, the breach or default of which would result in a Material Adverse Effect, including for certainty the Company Mineral Rights; or
- (ii) designated by the Investor, in its sole discretion but acting reasonably, as a Material Licence, provided that the Investor has notified the Company of such designation;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“New Appian Offtake” means the offtake agreement to be entered into between the Offtaker and the Company pursuant to Section 2.9 in substantially the form attached hereto as Schedule B;

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions*;

“Offtaker” means ANR or such other Affiliate of the Investor that may be designated by the Investor;

“Operational Requirements” means the operational requirements as set forth in Schedule I;

“Order” means any judgment, decision, decree, injunction, ruling, writ, assessment or order of any Governmental Entity that is binding on any Person or its property under applicable Law;

“ordinary course of business” means the ordinary course of the Company’s business consistent with past practices and with good mining and business practice;

“Organizational Documents” means, with respect to any Person, such Person’s articles, memorandum or other charter documents, partnership agreement, joint venture agreement, declaration of trust, trust agreement, by-laws, unanimous shareholder agreement, or any and all other similar agreements, documents and instruments pursuant to which such Person is constituted, organized or governed;

“Original Subscription Agreement” means the subscription agreement dated as of November 22, 2016 between Investor and the Company, as amended;

“Orion Offtake Agreement” means the offtake agreement dated December 29, 2017 between the Company and OMF Fund II SO Ltd., as amended by the side letter dated June 1, 2018;

“OSC Rule 72-503” means OSC Rule 72-503 – *Distributions Outside of Canada*;

“Outside Date” means August 29, 2020 or such other date as may be agreed by the Company and the Investor;

“Payment” shall have the meaning set out in Section 2.15;

“Permit” means any license, permit, certificate, consent, Order, grant, approval, agreement, classification, restriction, registration or other Authorization of, from or required by any Governmental Entity;

“Permitted Debt” means:

- (i) Debt under the BNP Facility and the Facility;
- (ii) any closure or performance bond issued to a Governmental Entity or other Person to secure environmental reclamation, remediation, closure or other similar obligations in respect of the Sugar Zone Property;
- (iii) any unsecured Debt arising under Hedge Arrangements entered into in connection with protection against fluctuation in commodity prices and currency fluctuations (and not for investment or speculative purposes);
- (iv) Debt under the [name redacted] Equipment Lease Facility, Capital Leases and Purchase Money Obligations in respect of mobile equipment and

trailers on terms acceptable to the Investor as confirmed by the Investor in writing, provided that the aggregate Debt of the Company in respect of such the [name redacted] Equipment Lease Facility, Capital Leases and Purchase Money Obligations does not exceed US\$20,000,000 at any time; and

- (v) any other Debt in respect of Permitted Encumbrances, subject to any limits or restrictions set out under the definitions of Permitted Encumbrances and Permitted Debt;

“Permitted Encumbrances” means, with respect to any Person, the following:

- (i) Liens for Taxes, rates, assessments or other governmental charges or levies not yet due or delinquent, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (ii) Liens for Priority Payables not yet due or delinquent;
- (iii) undetermined or inchoate Liens, rights of distress and charges incidental to current operations that (A) have not at such time been filed or registered in accordance with applicable Law, (B) of which written notice has not been duly given to the Company in accordance with applicable Law, (C) relate to obligations not due or payable, or (D) if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (iv) restrictions, reservations, limitations, qualifications, exceptions, exclusions, provisos and conditions expressed in any original patent, grant or lease from the Crown or other Governmental Entity, other grants of real or immovable property, or interests therein, including (without limitation) in respect of any unpatented mining claims (including those under the *Mining Act* (Ontario) and those either generally or specifically set out in respect of the unpatented mining claims comprising the Property in the Mining Claims Database maintained by the Ontario Ministry of Northern Development and Mines), any Crown leases comprising the Property and any aboriginal or indigenous land claims and any statutory and common law limitations, exceptions, reservations and qualifications;
- (v) Permits, Licences, easements, rights-of-way, servitudes, covenants, rights of access, user licenses, and rights in land (including Licences, easements, rights-of-way and rights for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, pipelines or telephone and telegraph or cable conduits, poles, wires and cables), zoning and building restrictions that, in the aggregate, do not materially impair the usefulness, in the operation of the business of the Company, of the affected land;

- (vi) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (vii) Encumbrances on concentrates or minerals or the proceeds of sale of such concentrates or minerals arising or granted pursuant to a processing or refining arrangement entered into in the ordinary course and upon usual market terms, securing only the payment of the Company's portion of the fees, costs and expenses attributable to the processing of such concentrates or minerals under any such processing or refining arrangement, but only insofar as such Encumbrances relate to obligations which are at such time not past due or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (viii) the right reserved to or vested in any Governmental Entity by the terms of any lease, Licence, franchise, grant or Permit acquired by that Person or by any statutory provision to terminate any such lease, Licence, franchise, grant or Permit, or to require annual or other payments as a condition to the continuance thereof;
- (ix) the Encumbrance resulting from the deposit of cash or securities (A) in connection with bids, leases, contracts, tenders or expropriation proceedings, (B) to secure workmen's compensation, letters of credit, unemployment insurance, surety or appeal bonds, performance bonds, costs of litigation when required by law and public and statutory obligations or (C) in connection with the discharge of Encumbrances or claims incidental to construction and mechanics', warehouseman's, carriers' and other similar liens or construction and mechanics' and other similar Encumbrances arising in the ordinary course of business;
- (x) Liens and claims incidental to construction or current operations (including, without limitation, mechanics', warehousemen's, carriers', materialmen's, repairmen's and other similar Liens), and public, statutory and other like obligations incurred in the ordinary course of business;
- (xi) security given by a Person to a public utility or any Governmental Entity when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;
- (xii) the Encumbrance created by a judgement of or award rendered by a court of competent jurisdiction, or any claim filed, as long as the same is being contested diligently and in good faith by appropriate proceedings by that Person;
- (xiii) encroachments by the Property or structures thereon over neighbouring lands (including public streets) and encroachments by neighbouring lands or structures thereon over the Property, so long as, in each case (i) such encroachments are minor and, if required to be removed, would not

materially impair the use of the affected land for the purpose for which it is used, or (ii) there are written agreements permitting such encroachments;

- (xiv) all municipal and provincial by-laws and regulations and other municipal and provincial land use instruments, including, without limitation, official plans, zoning and building by-laws, restrictive covenants and other land use limitations, public or private, and other restrictions as to the use of the Property and other municipal and Governmental Entity land use instruments or restrictions affecting the use of land or the nature of any structures which may be erected thereon;
- (xv) the provisions of Section 78(3) of the *Land Titles Act* (Ontario) and the limitations and qualifications contained in Section 44(1) of the *Land Titles Act* (Ontario);
- (xvi) any rights of expropriation, access or use, or any other right conferred or reserved by or in any statute of Canada or the Province of Ontario or in any other Governmental Entity;
- (xvii) any unregistered claim or interest through or by possession or continuous use that a third party may have acquired in respect of the Property or any portion thereof and which either (i) existed at the time of acquisition by the Company of the Property or any portion thereof or (ii) has, following the date of acquisition of such Property by the Company, arisen in the ordinary course of owning such Property or through the passage of time, provided that same do not, either individually or in the aggregate, materially adversely affect the current use or operation of the Property by the Company;
- (xviii) Encumbrances on assets acquired by the Company which existed prior to, and not in connection with or in contemplation of, any acquisition;
- (xix) the White River Mortgages;
- (xx) any Existing Royalty Obligations and the Additional Royalty;
- (xxi) the existing Encumbrances created in respect of the BNP Facility and the Facility;
- (xxii) Encumbrances securing Debt arising under clause (iv) of the definition of Permitted Debt (but only to the extent such Encumbrances are limited to the relevant equipment and/or asset);
- (xxiii) first Encumbrance cash collateral to secure Debt under clause (ii) of the definition of "Permitted Debt";
- (xxiv) such other Encumbrances as are agreed to in writing by the Investor from time to time; and
- (xxv) any renewal, extension or replacement of any of the foregoing (other than paragraphs (xx), (xxi), and (xxiv));

“Person” means and includes any individual, company, limited partnership, general partnership, joint stock company, limited liability company, joint venture, association, company, trust, bank, trust company, pension fund, business trust or other organization, whether or not a legal entity and any Governmental Entity;

“Pic Mobert Royalty” means a 4% interest in the net profits generated from the Sugar Zone properties granted by the Company to the Netmizaaggamig Nishnaabek (Pic Mobert) First Nation pursuant to an impact and benefits agreement dated April 28, 2018, where net profits are calculated as revenue less “all in sustaining cost” according to the World Gold Council definition, subject to a minimum amount of Cdn\$500,000 per annum;

“Priority Payables” means, at any time of determination, the aggregate of all amounts due and payable at such time by the Company that are secured by a Lien (whether choate or inchoate) or a statutory right in favour of a Governmental Entity, which encumbers any Property and which ranks, or is capable of ranking prior to or *pari passu* with any Encumbrance on such Property granted in favour of the Investor, including without limitation, amounts due, deducted or withheld, as applicable, and not yet paid, contributed or remitted, as applicable, by the Company in respect of vacation pay, termination and severance pay, employee source deductions, goods and services, sales or harmonized sales Taxes, realty, municipal or similar Taxes, corporate Taxes, or pursuant to any legislation relating to workers’ compensation, employment insurance, the *Income Tax Act* (Canada), a Canadian pension plan, the *Wage Earner Protection Program Act* (Canada) or any similar legislation;

“Property” means, with respect to any Person, all or any portion of that Person’s undertaking and property, both real and personal;

“Purchase Money Obligations” means, with respect to a Person, Debt assumed by such Person as part of, or issued or incurred by such Person to pay or provide funds to pay, all or a part of the purchase price of any equipment or other tangible personal property hereafter or previously acquired by such Person;

“Realized Price” means the average net realized price received by the Offtaker during the Buyout Period, calculated as the average sale price per ounce of Sold and Delivered Gold received by the Offtaker during the Buyout Period less the average purchase price per ounce of Sold and Delivered Gold paid by the Offtaker to the Company during the Buyout Period;

“Release” means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal;

“Reporting Jurisdictions” means the provinces of British Columbia, Alberta, Saskatchewan, Ontario and New Brunswick;

“Representatives” means, in reference to a Party, its and its Affiliates’ officers, directors, employees, agents, legal counsel, accountants, consultants, advisors and other representatives;

“Requirements of Environmental Law” means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, Orders, approvals, notices, Permits, directives, and the like, of any federal, territorial, provincial, state, regional, municipal or local judicial, regulatory or administrative agency, board or Governmental Entity in Canada and any other jurisdiction in which the Company has operations or assets relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of the Company and the intended uses thereof in connection with such matters, including all such requirements relating to: (a) the protection, preservation or remediation of the natural Environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substances or conditions (matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments);

“Requirements of Law” means, with respect to any Person, the Organizational Documents of such Person and any applicable Law or any determination of a Governmental Entity, in each case applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject;

“Royalty Holder” means 2729992 Ontario Corp. or such other Affiliate of the Investor that may be designated by the Investor;

“Securities Laws” means all securities Laws in the Reporting Jurisdictions, together with published fee schedules, prescribed forms, policy statements, notices, Orders, blanket rulings and other regulatory instruments of the Securities Regulators and all rules and policies of the TSX;

“Securities Regulators” means, collectively, the securities regulators or other securities regulatory authorities in the Reporting Jurisdictions;

“Settlement Agreement” means the settlement agreement dated August 28, 2019 among the Company, ANR, Stephen G. Roman, Richard R. Faucher, Fergus P. Kerr, Richard H. Sutcliffe, Michael W. Scherb and Geoffrey Cohen;

“Shareholders” means holders of Common Shares at the relevant time;

“Sold and Delivered Gold” means the number of ounces of Refined Gold Delivered (as defined in the Appian Offtake Agreement and the New Appian Offtake) sold and delivered by the Company to the Offtaker under the Appian Offtake Agreement and the New Appian Offtake during the Buyout Period;

“Special Distribution” means a distribution of cash or property other than a Distribution;

“Special Share Terms” means the rights, privileges and restrictions attaching to the Subscription Shares pursuant to the special share terms attached as Schedule C;

“Stoughton-Abitibi Property” means the mining claims, mining leases and real property set forth in Schedule D hereto and any patented or unpatented mining or mineral claims, prospecting licenses, mining leases, mineral concessions, exploration Permits, and other rights which are issued as a succession, renewal, extension, replacement, modification, or substitution therefor;

“Subscriber” means ANR or such other Affiliate of the Investor that may be designated by the Investor;

“Subscription Price” shall have the meaning set out in Section 2.1;

“Subscription Shares” shall have the meaning set out in the recitals hereto;

“Subsidiary” means, at any time, with respect to any Person, any other Person, if at such time the first mentioned Person (i) owns, directly or indirectly, securities or other ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or Persons performing similar functions for such other Person, and (ii) directly or indirectly, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the board of directors or other persons performing similar functions for such other Person or otherwise exercise control over the management and policies of such other Person, and in either case will include any other Person in like relationship to a Subsidiary of such first mentioned Person;

“Sugar Zone Property” means the mining claims, mining leases and real property set forth in Schedule E and any patented or unpatented mining or mineral claims, prospecting licenses, mining leases, mineral concessions, exploration Permits, and other rights which are issued as a succession, renewal, extension, replacement, modification, or substitution therefor;

“Survival Period” means:

- (a) in relation to the representations and warranties of the Company and the Investor set forth in this Agreement, other than those specifically identified in subparagraphs (b) and (c) of this definition, a period commencing at the Initial Closing and ending on the date which is the latest of (i) two years from the date of this Agreement, (ii) if the Automatic Conversion does not occur, six months following conversion or retraction in full of the Subscription Shares and (iii) if the Automatic Conversion occurs, six months following conversion or repayment in full of the Facility;
- (b) in relation to the representations and warranties of the Company set forth in Sections 3.1(t) to **Error! Reference source not found.** inclusive, a period commencing at the Final Closing and ending on the date that is three months following the expiration of any limitation or similar period during which an assessment, reassessment, action or other proceeding that assesses liability for Taxes can be issued; and

- (c) in relation to the representations and warranties of the Investor set forth in Section 3.2(i), a period commencing at the Initial Closing and ending on the date that is three months following the expiration of any limitation or similar period during which an assessment, reassessment, action or other proceeding that assesses liability for Taxes can be issued.

“Taxes” means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include, all income or profits taxes, capital taxes, withholding taxes, payroll and employee withholding taxes, employment insurance, social insurance taxes, good and services taxes, harmonized sales taxes, sales taxes (including provincial sales taxes), franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, (including land transfer taxes) workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, and **“Tax”** shall have a corresponding meaning;

“Tax Act” means the *Income Tax Act* (Canada), as amended from time to time;

“Tax Return” means any return, report, declaration, designation, election, notice, filing, form, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any Laws, regulations or administrative requirements relating to any Tax;

“Term Sheet” means the binding term sheet between the Company and the Investor dated June 30, 2020;

“TRB” means the independent tailings review advisory board of the Company;

“Treaty” means the *Canada-Netherlands Income Tax Convention*, as amended from time to time;

“TSX” means the Toronto Stock Exchange or any successor thereto;

“TSX Company Manual” means the company manual of the TSX as amended from time to time, including such staff notices of the TSX from time to time which may supplement the same;

“TSX Conditional Acceptance” means the acceptance letter of the TSX to the transactions contemplated by this Agreement dated July 9, 2020;

“Underlying Shares” means the Common Shares issuable pursuant to the Subscription Shares, the Facility and the Upfront Warrants;

“Upfront Warrants” means the 5-year warrants to acquire 7,500,000 Common Shares at an exercise price Cdn\$0.1349 per Common Share to be granted by the Company to the Investor pursuant to Section 2.4(b) in the form of the Warrant Certificate;

“Upfront Shares” shall have the meaning set out in Section 2.4(a);

“**Upfront Securities**” means the Upfront Warrants and the Upfront Shares;

“**U.S. Person**” means a “U.S. Person” as defined in Rule 902(k) of the U.S. Securities Act;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**Warrant Certificate**” means the warrant certificate substantially in the form attached hereto as Schedule F;

“**White River Mortgages**” means, collectively, the mortgages/charges of land registered in respect of the lands/premises referenced below:

- (a) 107 Tukanee Lake Road, White River, ON, P0M 3G0;
- (b) 113 Tukanee Lake Road, White River, ON, P0M 3G0; and
- (c) White River Mobile Home Park, White River, ON, P0M 3G0; and

“**Withholding Obligations**” shall have the meaning set out in Section 2.15.

1.2 Rules of Construction

In this Agreement:

- (a) the terms “**Agreement**”, “**this Agreement**”, “**the Agreement**”, “**hereto**”, “**hereof**”, “**herein**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “**Article**”, “**Section**” or “**Schedule**” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
- (c) the division of this Agreement 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 Agreement;
- (d) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (e) the word “**including**” is deemed to mean “including without limitation”;
- (f) the terms “**Party**” and the “**Parties**” refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (h) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;

- (i) unless otherwise indicated, all dollar amounts refer to U.S. dollars;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

1.3 Time of Essence

Time shall be of the essence of this Agreement.

1.4 Governing Law and Submission to Jurisdiction

- (a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the Laws of the Province of Ontario and the federal Laws of Canada applicable in that province.
- (b) Each of the Parties irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

1.5 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

1.6 Entire Agreement

This Agreement (and the agreements to be delivered hereunder) constitutes the entire agreement between the Parties with respect to the Subscription Shares, the Upfront Securities, the Underlying Shares, the Additional Royalty, the Facility and the New Appian Offtake and supersedes all prior agreements, negotiations and discussions, whether written or oral, including the Term Sheet which the Parties agree is hereby terminated. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the Subscription Shares, the Upfront Securities, the Underlying Shares, the Additional Royalty, the Facility or the New Appian Offtake except as provided in this Agreement (and the agreements to be delivered hereunder).

1.7 Accounting Principles

Any reference in this Agreement to generally accepted accounting principles refers to accounting principles which have been established as generally accepted in Canada for financial reporting, applied on a consistent basis, including those principles recommended from time to time in the Handbook of the Canadian Institute of Chartered Accountants or any successor body thereto, and which are applicable in the circumstances as of the date in question. Accounting principles are applied on a “consistent basis” when the accounting principles applied in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

1.8 Knowledge

For the purposes of this Agreement, with respect to any matter, the phrase “knowledge of the Company” shall mean (i) the actual knowledge of Sam Coetzer, Martin Raffield, Graham du Preez and Shawn Howarth, and (ii) all information which ought to have been known by Sam Coetzer, Martin Raffield, Graham du Preez and Shawn Howarth after making reasonable inquiry of the directors, officers and employees of and consultants to the Company concerning the matters in question, in each case, without personal liability on the part of any of them.

1.9 Schedules

Attached to and forming part of this Agreement are the following Schedules:

- Schedule A – Additional Royalty
- Schedule B – New Appian Offtake
- Schedule C – Special Share Terms
- Schedule D – Stoughton-Abitibi Property
- Schedule E – Sugar Zone Property
- Schedule F – Upfront Warrants
- Schedule G – Facility Term Sheet
- Schedule H – Events of Default
- Schedule I – Operational Requirements

ARTICLE 2 SUBSCRIPTION SHARES, UPFRONT SECURITIES AND RELATED MATTERS

2.1 Investment in the Company

On the terms and subject to the conditions of this Agreement, the Investor agrees to cause the Subscriber to subscribe for and purchase from the Company at the Initial Closing Time, and the Company agrees to issue from treasury and sell to the Subscriber at the Initial Closing Time, the Subscription Shares at a purchase price per Subscription Share of US\$1.00 for a total purchase price equal to US\$9,500,000 (the “**Subscription Price**”).

2.2 Satisfaction of the Subscription Price

The Investor shall pay, or cause the Subscriber to pay, an amount equal to the Subscription Price by wire transfer to an account designated by the Company in writing, or in any other manner agreed upon by the Parties, upon the Initial Closing at the Initial Closing Time.

2.3 Issue and Delivery of Subscription Shares

The Subscription Price shall be paid against issue and delivery by the Company of the Subscription Shares registered in the name of the Subscriber, duly executed and issued by the Company and registered in the share register of the Company in the name of the Subscriber.

2.4 Upfront Securities

On the terms and subject to the conditions of this Agreement and in consideration of the transactions contemplated by this Agreement, the Company agrees to issue and deliver to the Subscriber at the Initial Closing Time:

- (a) an upfront arrangement fee equal to US\$600,000 payable to the Subscriber in 6,970,844 Common Shares priced at Cdn\$0.1173 per Common Share using a CDN-USD exchange rate of 0.7338 (the "**Upfront Shares**"); and
- (b) the Upfront Warrants,

each registered in the name of the Subscriber, duly executed and issued by the Company.

2.5 Use of Proceeds

The Company shall solely use the net proceeds of (i) the Subscription Price, (ii) the Facility and (iii) the Additional Royalty as follows:

- (a) US\$529,065 to be paid to the applicable Investor's Affiliates at the Initial Closing Time in respect of amounts outstanding under existing Appian Royalty and historic unpaid transactional expenses pursuant to Section 4.7;
- (b) up to US\$30 million (including proceeds referred to Section 2.5(a)) to support required expenditures under the Budget, including reimbursement of expenses incurred by the Investor and its Affiliates in connection with the Term Sheet, this Agreement and the transactions contemplated hereby pursuant to Section 4.7; and
- (c) after the Final Closing, to the extent available as determined by the Company:
 - (i) US\$2.5 million to support accelerated exploration activities or contingency purposes, subject to the prior written approval of the HSET Committee and the Investor; and
 - (ii) US\$2.5 million to partially prepay the BNP Facility.

2.6 Creation of Securities

The Company shall promptly fulfill all requirements and take all necessary action required to be taken by the Company to permit the creation, issuance and delivery by the Company of the Subscription Shares, the Upfront Securities and the Underlying Shares in accordance with applicable Laws.

2.7 TSX Requirements

The Company shall promptly fulfill all requirements and take all necessary action required to be taken by the Company from time to time to satisfy the requirements of the TSX Conditional Acceptance in a timely manner.

2.8 Facility and Intercreditor Agreement

On the terms and subject to the conditions of this Agreement, each of the Investor and the Company agree in good faith to negotiate the Facility to be entered into by the Lender and the Company on the Final Closing Date on terms and conditions substantially in accordance with the Facility Term Sheet and acceptable to each of the Parties acting reasonably. The Investor agrees in good faith to negotiate the Intercreditor Agreement with BNP to be entered into by the Lender and BNP on the Final Closing Date on terms and conditions acceptable to the Investor acting reasonably.

2.9 Offtake Amendment

On the terms and subject to the conditions of this Agreement, the Company shall, and the Investor shall cause the Offtaker to, enter into, on the Initial Closing Date, the New Appian Offtake.

2.10 Offtake Buyout

Subject to the Final Closing occurring and the Company not being in breach of the Appian Offtake Agreement and the New Appian Offtake at the time of the exercise of the option, the Company shall have the option to terminate the Appian Offtake Agreement and the New Appian Offtake (i) upon notice being given by the Company to the Investor and the Offtaker at any time between January 1, 2021 and December 31, 2021 and payment being made by the Company to the Offtaker within five Business Days of such notice of an amount equal to the Early Settlement Amount or (ii) If any one Person, or any one group of Persons acting jointly and in concert, (other than Appian and its Affiliates) acquires more than 50% of the Common Shares, upon notice being given by the Company to the Investor and the Offtaker at any time thereafter and payment being made by the Company to the Offtaker within five Business Days of such notice of an amount equal to the Early Settlement Amount. If the Appian Offtake Agreement and the New Appian Offtake are hereby terminated, then all rights and obligations under the Appian Offtake Agreement and the New Appian Offtake shall terminate (other than sections 1 (to the extent applicable to surviving provisions), 4, 5.2(b), 6.6(b) (in respect of the period prior to such termination), 9, 11, 12 and 13 shall survive such termination).

2.11 Additional Royalty

On the terms and subject to the conditions of this Agreement, the Company shall grant to the Royalty Holder, and the Investor shall cause the Royalty Holder to purchase from the Company, on the Final Closing Date, the Additional Royalty in consideration for US\$2 million.

2.12 Non-Payment of Royalties

Separate and apart from its obligations under the Appian Royalty and the Additional Royalty to be granted, the Company agrees that any non-payment of the Appian Royalty or the Additional Royalty shall bear interest at a rate of 10% per annum, calculated monthly, from the date of non-payment to the date of payment.

2.13 Post-Closing Filings

The Company shall, within 10 days of the Initial Closing, file with the Securities Regulators any report required to be filed by the Company under NI 45-106 or OSC Rule 72-503 in connection with the transactions contemplated hereby in the required form, and will provide the Investor's legal counsel with copies of such reports.

2.14 Compliance by ANR

The Investor agrees to cause ANR to comply with its obligations under this Agreement, whether as Subscriber, Lender or otherwise and hereby guarantees the Subscriber's obligations under this Agreement.

2.15 Withholding

The Company may withhold from any amount payable to the Subscriber in respect of the Subscription Shares, including without limitation dividends and amounts payable in respect of a disposition or conversion of Subscription Shares, whether payable in shares or otherwise (a "**Payment**"), such amounts as are required or permitted to be withheld or deducted pursuant to the Tax Act ("**Withholding Obligations**"). The Company has the right to satisfy any Withholding Obligations by:

- (a) retaining the amount necessary to satisfy the Withholding Obligations from any Payment to the Subscriber;
- (b) where there is no cash component of any Payment, the Subscriber, as a condition of receiving the Payment from the Company, may remit the amount of any such Withholding Obligations to the Company in advance; and
- (c) where the Subscriber does not remit the amount of any such Withholding Obligation to the Company in advance pursuant to Section 2.14(b), the Company shall have the right to dispose of a portion of any such Payment sufficient to satisfy the Withholding Obligations, provided the Company uses commercially reasonable efforts to maximize the proceeds of any such disposition.

The Investor agrees to indemnify the Company against all Withholding Obligations and reasonable costs and expenses (including reasonable legal fees on a full indemnity basis)

which it may suffer or incur as a result of or arising from the Subscriber not being entitled to benefits under the Treaty.

ARTICLE 3 **REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company

The Company hereby represents, warrants and covenants to the Investor as follows and acknowledges that the Investor is relying on such representations, warranties and covenants in connection with the transactions contemplated by this Agreement:

- (a) the Company is a valid and existing Company duly incorporated, continued or amalgamated and in good standing under the Act;
- (b) the Company is duly registered and licensed to carry on business, in the jurisdictions in which it carries on business or owns property where so required by the Laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) the Company has full corporate capacity, power and authority to carry on its business as now conducted, to own, lease and operate its properties and assets and to enter into this Agreement and to perform its obligations set out therein including, without limitation, to create, issue and sell the Subscription Shares, the Upfront Securities and the Underlying Shares, to create and grant the Additional Royalty and to enter into the Facility and the New Appian Offtake, as contemplated hereunder;
- (d) each of this Agreement, the Facility, the Subscription Shares, the Upfront Securities, the Underlying Shares, the New Appian Offtake and the Additional Royalty have been duly authorized by the Company and all requisite action has been taken on its part, and upon execution and delivery of the same, shall be a valid and binding obligation of the Company enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (e) subject to receipt of the BNP Consent in respect of the Facility and the Additional Royalty, the execution and delivery by the Company of this Agreement and the performance by it of its covenants thereunder including, without limitation, to create, issue and sell the Subscription Shares, the Upfront Securities and the Underlying Shares, the create and grant the Additional Royalty and to enter into the Facility and the New Appian Offtake, do not and will not:
 - (i) violate, conflict with or result in a breach of:
 - (A) any provision of the Constatng Documents of the Company;
 - (B) any Contract; or

- (C) any Law to which the Company is subject or otherwise bound;
 - (ii) give rise to any right of termination, or the acceleration of any indebtedness, under any Contract;
 - (iii) result in the creation or imposition of any Encumbrances upon any of the material properties or assets of the Company; or
 - (iv) other than as disclosed in the Disclosure Letter, give rise to any rights of first refusal or rights of first offer, or trigger any change in control provisions or similar provisions or any restriction or limitation under any Contract;
- (f) the Company has no Subsidiaries;
- (g) the minute books of the Company made available to the Investor in connection with its due diligence investigation of the Company are all of the minute books of the Company, are true and correct in all material respects, contain copies of all material proceedings (or certified copies thereof) of the Shareholders and the directors of the Company to the date of review of such minute books and there have been no other meetings, resolutions or proceedings of the Shareholders, directors or any committees of the directors of the Company to the date hereof not reflected in such minute books and other records, other than those which are not material to the Company;
- (h) other than the TSX Conditional Acceptance, the report required to be filed by the Company under NI 45-106 or OSC Rule 72-503, and the BNP Consent in respect of the Facility and the Additional Royalty, no authorization, consent or approval of, or filing with, any Governmental Entity or any other Person is necessary on the part of the Company in connection with the execution and delivery of this Agreement or the completion by it of the transactions contemplated hereby including, without limitation, the issuance and sale of the Subscription Shares, the Upfront Securities, the Underlying Shares, the creation and grant of the Additional Royalty and the entering into of the Facility and the New Appian Offtake as contemplated hereunder;
- (i) there is no act or proceeding against the Company in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Company or for the appointment of a trustee, receiver, manager or other administrator of the Company or any of its properties or assets, nor is any such act or proceeding, to the knowledge of the Company, threatened; and the Company has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation;
- (j) as of July 10, 2020, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 846,207,227 Common Shares are issued and outstanding as fully paid and non-assessable, an unlimited number of special shares, of which no special shares are issued and outstanding and 500,000 preference shares, of which no preference shares are issued and outstanding, and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option:

- (i) for the issue or allotment of any unissued shares in the capital of the Company or any other security convertible into or exchangeable for any such shares, with the exception of 49,224,605 outstanding options of the Company to purchase in total up to 49,224,605 Common Shares, 26,463,388 outstanding warrants of the Company to purchase up to 26,463,388 Common Shares, 3,750,000 outstanding Restricted Share Units of the Company to purchase up to 3,750,000 Common Shares and 5,000,000 Deferred Share Units to purchase up to 5,000,000 Common Shares; or
 - (ii) to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (k) the only issued and outstanding Convertible Securities of the Company are those options and warrants referred to in Section 3.1(j)(i);
- (l) by the Initial Closing Time, the Company will have reserved or set aside sufficient Common Shares in its treasury to allow for the Underlying Shares;
- (m) as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, as applicable, the Disclosure Record and all financial, marketing, sales, operational and legal information and due diligence material provided to the Investor by the Company do not contain any misrepresentations (as such term is defined in the Securities Laws) and are complete and accurate in all material respects and not misleading in any material respect;
- (n) other than as disclosed in the Disclosure Letter, the Company Financial Statements have been prepared in accordance with IFRS, present fairly, fully and correctly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Company, as of the date thereof, and there have been no adverse material changes in the financial position of the Company since the date thereof and other than as disclosed in the Disclosure Record, and the business of the Company has been carried on in the usual and ordinary course consistent with past practice since the date thereof;
- (o) the auditors of the Company who audited the Company Annual Financial Statements and who provided their audit report thereon are independent public accountants as required under Securities Laws and there has not been a reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the auditors of the Company since November 22, 2016;
- (p) the Company has complied and will comply fully with the requirements of all corporate Laws, including the Act, all Securities Laws and all Orders from a Securities Regulator thereunder, including, without limitation, the Securities Laws in relation to the issue and trading of its securities and in all matters relating to the offering and issuance of the Subscription Shares, the Upfront Securities and the Underlying Shares;

- (q) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets that could have a material effect on the annual or interim financial statements;
- (r) the Company has not entered into any joint venture agreement or partnership agreement;
- (s) other than as disclosed in the Company Financial Statements, the Company has no material liabilities and is not subject to any material Encumbrances or any material Claim;
- (t) other than as disclosed in the Company Financial Statements, all Taxes due and payable by the Company (whether or not shown on any Tax Return) have been fully and timely paid, and adequate provision has been made for any Taxes that are not yet due and payable, for all taxable periods, or portions thereof, ending on or before the date hereof;
- (u) all Tax Returns required to be filed by the Company have been filed on a timely basis with each appropriate Governmental Entity and all such Tax Returns are true, complete and correct;
- (v) other than as disclosed in the Company Financial Statements and the Disclosure Letter, no examination of or other proceeding with respect to any Tax Return of the Company is currently in progress and there are no issues or disputes outstanding with any Governmental Entity respecting any Taxes that have been paid, or may be payable, by the Company; and no Governmental Entity has given written notice to the Company of its intention to assert any deficiency or Claim for additional Taxes against the Company;
- (w) there are no outstanding agreements extending or waiving the statutory period of limitations applicable to any Claim with respect to Taxes for, or the period for the collection or assessment or reassessment of, Taxes due from the Company for any taxable period and no request for any such waiver or extension is currently pending;
- (x) other than as disclosed in the Company Financial Statements, the Company is not a party to any indemnification, allocation or sharing agreement with respect to Taxes that could give rise to a payment or indemnification obligation. The Company has no liability for Taxes of any Person under any Tax Law, as a transferee or successor, or otherwise;

- (y) no Claim with respect to Taxes has been made by any Governmental Entity in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax by that jurisdiction;
- (z) the Company has withheld or collected all amounts required to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Entity when required by Law to do so;
- (aa) the Company is not a non-resident of Canada within the meaning of the Tax Act;
- (bb) to the knowledge of the Company, no circumstances exist or could reasonably be expected to arise as a result of matters existing before the date hereof that may result in the Company being subject to the application of section 160 of the Tax Act;
- (cc) there are no current Contracts or other transactions (including relating to indebtedness by the Company) between the Company on the one hand, and any (i) officer or director of the Company, except as same relates to his or her service in such capacity, (ii) any holder of record or beneficial owner of five (5%) percent or more of the Common Shares, or (iii) any Affiliate or associate of any officer, director or beneficial owner, on the other hand;
- (dd) the assets of the Company and its business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Company has not failed to promptly give any notice or present any material Claim thereunder;
- (ee) applying customary standards in the mining industry in the Province of Ontario:
 - (i) the Company does not have any title or right to any real property interests, mineral concessions, Claims, leases, licenses or Permits other than those included in the Sugar Zone Property and the Stoughton-Abitibi Property and the properties to which the White River Mortgages are attached;
 - (ii) subject to Permitted Encumbrances, the Company has good and sufficient title, free and clear of any title defect or Encumbrance, to all of its real property interests in the Sugar Zone Property, including fee simple estates, leases, surface rights, rights of way, easements and Licences from landowners or other authorities permitting the use of land in respect of the Sugar Zone Property (collectively, the “**Company Real Property Interests**”), and as are necessary to permit the operation of its business as currently being conducted; and all of its mineral concessions, Claims, leases, licenses, Permits, and other rights and interests necessary to explore for, develop, mine or produce minerals, on the Sugar Zone Property (collectively, the “**Company Mineral Rights**”) and as are necessary to permit the operation of its business as currently being conducted;
 - (iii) each of the title documents and other agreements or instruments relating to the Company Real Property Interests and Company Mineral Rights is

valid, subsisting and enforceable, and the Company is not in material default of any of the provisions of such documents, agreements and instruments nor has any such material default been alleged;

- (iv) the Company is the legal and/or beneficial owner of, and has the exclusive right to deal with, all rights, title and interest in and to the Company Mineral Rights, all Company Mineral Rights have been validly located and recorded in accordance with all applicable Laws and are valid and subsisting;
 - (v) the Company Real Property Interests and the Company Mineral Rights are in good standing under applicable Laws, all assessment work required to be performed and filed under the Company Real Property Interests and the Company Minerals Rights has been performed and filed, all related Taxes and other payments and related filings have been made;
 - (vi) there is no Claim, or to the knowledge of the Company, no threat of a Claim against or challenge to the title of the Company, or its ownership of, the Company Real Property Interests or Company Mineral Rights;
 - (vii) other than under the Existing Royalty Obligations, (A) no other Person has any interest in the Company Real Property Interests or the Company Mineral Rights or the production from any of the underlying properties or mineral deposits or any right to acquire any such interest, and (B) there are no back-in rights, earn-in rights, rights of first refusal, royalty rights, streaming rights or other rights of any nature that would affect the interest of the Company in the Company Real Property Interests or the Company Mineral Rights; and
 - (viii) the Company has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke or materially amend any of their respective interests in any of the Company Real Property Interests or the Company Mineral Rights and there is no reasonable basis to expect that such a revocation or amendment of any of their respective interests in any of the Company Real Property Interests or the Company Mineral Rights may occur;
- (ff) the Company Technical Report complied, in all material respects, with the requirements of NI 43-101 at the time of filing thereof, and the Company believes that the Company Technical Report reasonably presented the quantity of mineral resources and mineral reserves attributable to the Sugar Zone Property as at the date stated therein based upon information available at the time the Company Technical Report was prepared;
- (gg) the Company made available to the authors of the Company Technical Report, prior to the issuance of such report, for the purpose of preparing such report, all information requested by the authors, which information did not contain any material misrepresentation at the time such information was so provided, and there have been no material changes to such information since the date of delivery or preparation thereof;

- (hh) the Company is in compliance, in all material respects, with the provisions of NI 43-101 and has filed all technical reports required thereby and there has been no disclosure of material changes that would require the filing of a new technical report under NI 43-101;
- (ii) the Company and its business and operations:
 - (i) are in material compliance with all Environmental Laws and all terms and conditions of all Environmental Permits;
 - (ii) has not received any Order, request or notice from any Person alleging a material violation of any Environmental Law;
 - (iii) (A) is not a party to any Claim, nor, to the knowledge of the Company, is any Claim threatened against it or its property or assets, which in either case, asserts or alleges (1) that it violated any Environmental Laws, (2) that it is required to clean up, remove or take remedial or other response action due to the release of any Hazardous Substances, or (3) that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the release of any Hazardous Substances; and (B) is not subject to any judgment, decree, Order or citation related to or arising out of applicable Environmental Law and, to the knowledge of the Company, has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Laws; and
 - (iv) does not know of any facts, circumstances or conditions, including any release of Hazardous Substance, that would reasonably be expected to result in any material Environment liabilities;
- (jj) other than as disclosed in the Disclosure Record, the Company:
 - (i) is not a party to any arrangement or understanding with local or First Nations or Metis or tribal or native authorities or communities in relation to the Environment or development of communities in the vicinity of the Sugar Zone Property; or
 - (ii) as of the date hereof, has not received notice of any claim with respect to the Sugar Zone Property for which the Company has been served, either from First Nations or Metis or tribal or native authorities or any other Governmental Entity, indicating that any portion of the Sugar Zone Property infringes upon or has an adverse effect on aboriginal rights or interests of such First Nations or Metis or tribal or native authorities;
- (kk) neither the Company nor any of its properties or assets is subject to any outstanding Order that involves or may involve, or restricts or may restrict, the right or ability of the Company to conduct its business in all material respects as it has been carried on prior to the date hereof, or that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or

would reasonably be expected to prevent or significantly impede or materially delay the completion of the transactions contemplated hereby;

- (ll) other than as disclosed in the Disclosure Letter, there are no outstanding or, to the knowledge of the Company, threatened labour tribunal proceedings of any kind, including unfair labour practice proceedings or any proceedings which could result in certification of a trade union as bargaining agent for any employees of the Company;
- (mm) all current assessments under applicable workers compensation legislation have been paid or accrued by the Company and the Company is not subject to any special or penalty assessment under such legislation which has not been paid;
- (nn) there are no collective agreements that exist, either directly or by operation of Law, between the Company and any trade union or association which may qualify as a trade union nor is the Company currently negotiating any such agreements; and there are no threatened or apparent union organizing activities involving employees of the Company;
- (oo) the Company has all Permits necessary for the operation of the businesses carried on or proposed to be commenced by the Company except for: (i) seasonal Permits to be applied for by the Company from time to time and (ii) where the failure to have such Permits would not reasonably be expected to be material, and each Permit is valid, subsisting and in good standing and the Company is not in material default or breach of any Permit, and to the knowledge of the Company, no proceeding is pending or threatened to revoke or limit any Permit;
- (pp) to the knowledge of the Company, none of the directors or officers of the Company is currently subject to regulatory, criminal or bankruptcy proceedings in Canada or elsewhere which, if determined adversely, would materially and adversely affect, impede or delay the consummation of the transactions contemplated by this Agreement;
- (qq) all operations of the Company, have been conducted and are currently conducted in all material respects in accordance with all applicable Laws;
- (rr) there is not presently any material change or material fact relating to the Company which has not been generally disclosed (within the meaning of applicable Securities Laws) to the public in the Disclosure Record;
- (ss) there will not be until the Final Closing any material change or change in any material fact relating to the Company which has not been or will not be generally disclosed (within the meaning of applicable Securities Laws) to the public in the Disclosure Record at least two Business Days prior to the Final Closing Date;
- (tt) other than as disclosed in the Company Financial Statements or the Disclosure Letter, neither the Company nor, to the knowledge of the Company, any other Person, is in default in the observance or performance of any terms, covenant, obligation to be performed by the Company or such other Person under any Material Contract and all such Material Contracts are in good standing and no

event has occurred which with notice or lapse of time or both would constitute such a default by the Company, or to the knowledge of the Company, any other party;

- (uu) other than as disclosed in the Company Financial Statements or the Disclosure Letter, the Company is not a party to any existing or pending material actions, suits or proceedings and to the knowledge of the Company no such material actions, suits or proceedings are contemplated or have been threatened;
- (vv) other than as disclosed in the Disclosure Letter, there are no judgments against the Company or by which it is bound which are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject;
- (ww) other than as disclosed in the Disclosure Letter, the Company is a “reporting issuer” in the Reporting Jurisdictions within the meaning of the Securities Laws and is not in default of any of the requirements of the Securities Laws;
- (xx) no Order ceasing, halting or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued to and is outstanding against the Company or its directors, officers or promoters or, to the knowledge of the Company, against any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened which, if determined adversely, would materially and adversely affect, impede or delay the consummation of the transactions contemplated in this Agreement;
- (yy) other than as disclosed in the Disclosure Letter, the Common Shares are listed and posted for trading on the TSX under the trading symbol “HRT” and the Company has complied in all material respects with the rules and regulations thereof;
- (zz) the Company has and will have filed, in a timely manner, all documents that are required to be filed under applicable Securities Laws, including annual and interim financial information and annual reports, press releases disclosing material changes and material change reports;
- (aaa) the operations of the Company are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity to which they are subject (collectively, the “**Anti-Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Entity or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is, to the knowledge of the Company, pending or threatened;
- (bbb) TSX Trust Company has been duly appointed as the registrar and transfer agent of the Company with respect to the Underlying Shares;
- (ccc) the Company is now and at all times has been in compliance with all anti-bribery and anti-corruption Laws of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity to which the Company is

subject (collectively, the “**Anti-Corruption Laws**”); the Company has not and will not authorize, offer or make payments directly or indirectly to any Person that would result in a violation of any Anti-Corruption Laws; and no part of the proceeds from the Subscription Shares, the Upfront Warrants or the Additional Royalty will be used for any purpose that could constitute a violation of any Anti-Corruption Laws; and

- (ddd) the transactions contemplated by this Agreement are not subject to (i) the formal valuation and majority of minority shareholder approval requirements under MI 61-101 pursuant to the exemptions contained in sections 5.5(g) and 5.7(e) of the MI-61-101 or (ii) any shareholder approval requirements under the TSX Company Manual pursuant to the financial hard exemption in section 604(e) of the TSX Company Manual.

3.2 Representations and Warranties of the Investor

The Investor hereby represents and warrants to the Company as follows and acknowledges that the Company is relying on such representations and warranties in connection with the transactions contemplated by this Agreement:

- (a) it is a company validly existing under the Laws of the Netherlands, with full power, authority and legal capacity to complete the transactions to be completed by it as contemplated in this Agreement;
- (b) the Investor is an Affiliate of the Subscriber;
- (c) the Subscriber is acquiring the Subscription Shares and the Upfront Securities as principal and has not been created, and is not being used, solely to purchase or hold the Subscription Shares or Upfront Securities in reliance on the exemption in Section 2.3 of NI 45-106 or Section 2.3 of OSC Rule 72-503;
- (d) this Agreement has been duly authorized by all requisite action on its part, and upon execution and delivery of the same, shall be enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (e) the execution and delivery by the Investor of this Agreement and the performance by it of its covenants thereunder do not and will not violate, conflict with or result in a breach of any provision of its Constatting Documents, any Law to which it is subject or otherwise bound or any agreement to which it is a party or by which it may be bound;
- (f) the Investor acknowledges that there are risks associated with an investment in the Subscription Shares, the Upfront Securities, the Facility and the Underlying Shares, and the Investor is knowledgeable, sophisticated and experienced in business and financial matters and is capable of evaluating the merits and risks of an investment in the Subscription Shares, the Upfront Securities, the Facility and the Underlying Shares, fully understands the restrictions on resale of the Subscription Shares, the Upfront Securities, the Facility and the Underlying Shares,

and is able to bear the economic risk of an investment in the Subscription Shares, the Upfront Securities, the Facility and the Underlying Shares;

- (g) no consent, approval, Order or Authorization of any Governmental Entity or any other Person is required to be obtained by the Investor in connection with the consummation of the transactions contemplated by this Agreement except for such consents, approvals, Orders or Authorizations as to which the failure to obtain or make would not, individually or the in aggregate, prevent or materially delay the consummation of the transactions contemplated by this Agreement;
- (h) the Investor and the Subscriber are knowledgeable of, or has been independently advised as to, the applicable Laws of the Netherlands which would apply to the transactions contemplated by this Agreement, and the issuance of the Subscription Shares contemplated hereunder complies with all such applicable Laws;
- (i) the Investor and Subscriber are residents of the Netherlands for purposes of the Treaty and is fully entitled to the benefits of the Treaty; and
- (j) neither the Investor nor the Subscriber is a U.S. Person.

3.3 Survival of Representations and Warranties

The representations and warranties of a Party herein shall survive the Initial Closing until the expiration of the applicable Survival Period, unless *bona fide* notice of a Claim that a representation or warranty was incorrect shall have been made in writing before such date, in which case the representation or warranty to which such notice applies shall survive in respect of that Claim until the final determination or settlement of the Claim, notwithstanding any investigation made by or on behalf of the Party entitled to rely on such representation or warranty. Notwithstanding the foregoing, a Claim for any breach of any of the representations and warranties contained in this Agreement involving fraud or fraudulent misrepresentation may be made at any time following the date of this Agreement, subject only to applicable limitation periods imposed by applicable Law.

3.4 Material Changes

The Company agrees that if, between the date of this Agreement and the Final Closing Date, a material change (actual, anticipated, contemplated or threatened, financial or otherwise) occurs in respect of the Company, or a change in a material fact occurs of which the Company becomes aware, the Company will as soon as practicable notify the Investor in writing, setting forth the full particulars of such change.

3.5 Indemnification of the Investor

The Investor is relying on the representations, warranties, certifications and covenants of the Company contained herein in connection with the transactions contemplated by this Agreement and the Company agrees to indemnify the Investor and its Affiliates and their respective directors and officers, employees, agents and representatives against all losses, claims, damages, liabilities, and reasonable costs and expenses (including reasonable legal fees on a full indemnity basis) which any of them may suffer or incur as a result of or arising from breach of any such representations, warranties, certifications and covenants.

3.6 Indemnification of the Company

The Company is relying on the representations, warranties, certifications and covenants of the Investor contained herein in connection with the transactions contemplated by this Agreement and the Investor agrees to indemnify the Company and its Affiliates and their respective directors and officers, employees, agents and representatives against all losses, claims, damages, liabilities, and reasonable costs and expenses (including reasonable legal fees on a full indemnity basis) which any of them may suffer or incur as a result of or arising from breach of any such representations, warranties, certifications and covenants.

ARTICLE 4 **COVENANTS**

4.1 Positive Covenants

From and including the date of this Agreement and for as long as the Subscription Shares or the Facility remains outstanding, and except as otherwise permitted by the prior written consent of the Investor, acting reasonably, the Company will:

- (a) fulfill in a timely manner all its covenants and agreements contained in this Agreement;
- (b) ensure that the conditions for the benefit of the Investor contained in Section 5.2 over which the Company has reasonable control have been performed or complied with by the Initial Closing Time;
- (c) ensure that the conditions for the benefit of the Investor contained in Section 5.5 over which the Company has reasonable control have been performed or complied with by the Final Closing Time;
- (d) ensure that the issue and sale of the Subscription Shares, the Upfront Securities, the Facility and the Underlying Shares will fully comply, in all material respects, with the requirements of applicable Securities Laws and any other applicable Laws;
- (e) will promptly send to the Investor and its legal counsel copies of all correspondence and filings to and correspondence from the Securities Regulators or the TSX relating to the transactions contemplated by this Agreement;
- (f) engage in business of the same general type as now conducted by it; carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all material rights, privileges and franchises necessary for the normal conduct of its business and to comply in all material respects with all Material Contracts, Material Licences and Requirements of Law, including Requirements of Environmental Law;

- (g) comply and conduct its business at all times in compliance with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws, and promptly notify the Investor in the event that any action, suit or proceeding by or before any Governmental Entity or any arbitrator involving the Company with respect to any Anti-Money Laundering Laws or Anti-Corruption Laws is taken or, to the Company's knowledge, threatened against the Company;
- (h) remain a "reporting issuer" under the Laws of the Reporting Jurisdictions and shall not be in default of any requirements of the Securities Laws related thereto and the Company shall not be included on a list of defaulting reporting issuers maintained by any Securities Regulator. The Company shall comply with all of the reporting requirements and regulations of the TSX;
- (i) provide the Investor with such other documents, opinions, consents, acknowledgments and agreements as are reasonably necessary to implement this Agreement from time to time;
- (j) provide the Investor, as soon as reasonably practicable, with all information reasonably requested by the Investor from time to time concerning its financial condition and the Sugar Zone Property and during normal business hours, upon reasonable prior notice thereof, permit Representatives of the Investor to inspect any of the Sugar Zone Property and to examine and take extracts from its financial records, including records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of such of its Representatives as it may designate) its auditors, the reasonable expense of all of which will be paid by the Company; provided that such inspection, examination and discussions shall be at the sole risk of the Investor and shall not occur more frequently than once per calendar year;
- (k) pay or discharge, or cause to be paid or discharged, before the same will become delinquent (a) all Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all tax returns in respect thereof, (b) all lawful claims for labour, materials and supplies, (c) all required payments under any of its Debt (other than any such Debt which the Company is, in good faith, challenging), and (d) all other obligations; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings and an appropriate financial reserve in accordance with IFRS has been established;
- (l) maintain a system of accounting which is established and administered in accordance with IFRS, keep adequate records and books of account in which accurate and complete entries shall be made in accordance with IFRS reflecting all transactions required to be reflected by IFRS and keep accurate and complete records of any Property owned by it;
- (m) maintain good and sufficient title, free and clear of any title defect or Encumbrance (other than Permitted Encumbrances) to all of the Company Real Property Interests to the extent necessary to permit the operation of the Sugar Zone Property; and maintain all Company Mineral Rights as are necessary to permit the operation of the Sugar Zone Property;

- (n) use commercially reasonable efforts to preserve intact its present business organization, assets (including intellectual property) and goodwill, keep available the services of its officers and employees as a group and preserve the current material relationships with suppliers, distributors, employees, consultants, customers and others having business relationships with it;
- (o) maintain insurance on its Property and assets with financially sound and reputable insurance companies or associations including property insurance and comprehensive general liability insurance in amounts and against risks that are determined to be appropriate by the Company acting prudently; furnish to the Investor, on written request, but in any event annually, satisfactory evidence of the insurance carried and notify the Investor of any claim the Company makes under the foregoing insurance policies that is in excess of US\$1,000,000;
- (p) promptly notify the Investor of any Material Adverse Effect that would apply to it of which it becomes aware, using reasonable diligence;
- (q) promptly notify the Investor on becoming aware of the occurrence of any litigation, dispute, arbitration or other proceeding the result of which if determined adversely would be a judgement or award against it (i) in excess of US\$500,000, or (ii) would result in a Material Adverse Effect, and from time to time provide the Investor as soon as reasonably practicable with all reasonable information requested by the Investor concerning the status of any such proceeding;
- (r) comply in all material respects with all Environmental Laws and promptly remedy any compliance issues. If the Company: (a) receives notice, whether written or oral, that any material violation of any Environmental Law may have been caused or committed or is about to be committed by the Company; (b) receives notice, whether written or oral, that any administrative or judicial complaint or Order has been filed or is about to be filed against the Company alleging material violations of any Environmental Law or requiring the Company to take any action in connection with the Release of Hazardous Substances into the Environment that is material; or (c) receives any notice, whether written or oral, from a Governmental Entity or other Person alleging that the may be liable or responsible for material costs, expenses or damages associated with a response to or clean-up of a Release or the presence of a Hazardous Substance at, in, on, under or through or from facilities, or properties owned or occupied by it, or any damages caused thereby, the Company shall provide the Investor with a written summary of such notice (and a copy of any written notice) within ten (10) days of the Company's receipt thereof. The Company shall provide, as soon as reasonably practicable, evidence satisfactory to the Investor of disbursements made from time to time to effect such clean up or remedial action in a timely manner. The Company shall provide to the Investor such information and reports relating to environmental matters as the Investor may reasonably request from time to time;
- (s) keep all Property that is necessary for its business in good working order and condition, normal wear and tear excepted, except to the extent that the failure to do so would not individually or in the aggregate be reasonably likely to cause a Material Adverse Effect;

- (t) work with the Investor to identify opportunities for improvement and implementation of best reporting practices and ensure diligent tracking of key milestones;
- (u) comply with the Budget in all material respects (provided that for this purpose, actual cash expenditures exceeding 15% of the aggregate cash expenditures set out in the Budget on a calendar quarter basis shall be deemed as not being in compliance with this covenant, and provided further that (i) the Company shall consult with the Investor on a regular basis in respect of any potential changes to the Budget which may be necessary as a result of matters outside of the Company's control or otherwise desirable in the best interests of the restart of the Sugar Zone mine and (ii) the Investor shall consider approval of any such changes, acting reasonably); and
- (v) deliver to the Investor the (i) daily operational reports and (ii) monthly financial reports in substantially the form and substance agreed to by the Company and the Investor and attached to the Disclosure Letter.

4.2 Negative Covenants

From and including the date of this Agreement and for as long as the Subscription Shares or the Facility remains outstanding, and except as otherwise permitted by the prior written consent of the Investor, acting reasonably, the Company will not:

- (a) dispose of, in one transaction or a series of transactions, all or substantially all of its Property, whether now owned or hereafter acquired, except that it may, in the normal course of its business, for fair market value, and in accordance with customary trade terms, dispose of any tangible personal Property that would reasonably be considered to be the subject matter of sales by it in the normal course of its business for the purpose of carrying on the same, or that is worn out, obsolete or no longer useful for the purpose of carrying on its business;
- (b) enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure (which for certainty does not include an issuance of securities), liquidate, wind up or dissolve itself, or permit any liquidation, winding up or dissolution;
- (c) create, incur, assume or amend the terms of any Debt, other than the Permitted Debt (excluding any amendments to the BNP Facility which for the avoidance of doubt shall require the Investor's consent);
- (d) other than pursuant to an employee incentive program approved by the Board or pursuant to employee compensation arrangements entered into in the normal course of business, make loans or provide any financial assistance whatsoever to any Shareholder or forgive or otherwise fail to enforce the terms of any Debt owing by a Shareholder;
- (e) issue any special shares of the Company, other than for greater certainty, the Subscription Shares;
- (f) make any Distribution;

- (g) create, incur, assume or permit to exist any Encumbrance upon any of its Property, except pursuant to any Permitted Encumbrances;
- (h) enter into or amend any arrangements which relate to the purchase, sale or deposit of any asset, or the purchase or provision of any service, between the Company and any Person who does not deal at arm's length with the Company including without limitation: (i) any direct or indirect Shareholder of the Company (who is an insider as such term is defined in the *Securities Act* (Ontario); (ii) any director, officer or employee of the Company; or (iii) any Affiliate of or Person who does not deal at arm's length with any of the foregoing), unless such arrangements are on market, arm's length terms and have been approved by the Board;
- (i) authorize, offer or make payments directly or indirectly to any Person that would result in a violation of any Anti-Corruption Laws;
- (j) enter into any financing transaction (if backed by commodities or offtake), streaming transaction or royalty transaction;
- (k) enter into or permit to be outstanding at any time any Hedge Arrangement entered into for investment or speculative purposes;
- (l) amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Investor under this Agreement;
- (m) amend, vary or alter in any way, consent to any assignment or transfer of, or waive or surrender any of its rights or entitlements under, the subscription agreement dated as of December 29, 2017 between the Company and Orion Mine Finance Fund II LP or the Orion Offtake Agreement;
- (n) change the auditor of the Company other than to a nationally recognized accounting firm or as otherwise agreed between the Company and the Investor;
- (o) create any Subsidiary after the date of this Agreement without obtaining the prior consent of the Investor;
- (p) take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the transactions contemplated by this Agreement; or
- (q) declare any Special Distribution without the prior written consent or preclearance of the TSX in respect of the aggregate fair market value, as determined by the Board acting reasonably and in good faith, of the shares, rights, options, warrants, evidence of indebtedness, cash, securities, property or assets to be issued or distributed in connection with the Special Distribution.

4.3

Other Covenants

- (a) For the period from and including the date of this Agreement through, to and including the Final Closing Date, the Company shall, and shall cause its Representatives to:

- (i) immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any party that may be ongoing with respect to a Financing Proposal, whether or not initiated by the Company or any of its Representatives; and
- (ii) terminate or deny access to any third party that, to the knowledge of the Company, is considering or evaluating a Financing Proposal, to any data room, database, files, documents or records of any kind containing non-public information concerning the Company or its assets, liabilities, business or operations.
- (iii) not invite, make, solicit, assist, initiate, entertain, encourage, promote or facilitate (including by way of furnishing or providing access to non-public information concerning the Company, permitting any visit to any properties of the Company, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries or the making of any proposals regarding a Financing Proposal or that may be reasonably be expected to lead to a Financing Proposal;
- (iv) not participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to or provide any Person with access to any information or otherwise co-operate with, respond to, assist or participate in any Financing Proposal;
- (v) not endorse, support, agree to, approve or recommend or publicly propose to agree to, approve or recommend any Financing Proposal, or take no position or remain neutral with respect to any Financing Proposal for a period of more than three Business Days after the announcement of such Financing Proposal; or
- (vi) not accept, enter into, or propose to accept or enter into, any agreement, arrangement or understanding related to any Financing Proposal.

4.4 Governance

- (a) From and including the date of this Agreement and except as otherwise permitted by the prior written consent of the Investor, acting reasonably, the Company shall, and shall cause its Representatives to:
 - (i) cause Stephen Roman to resign from the Board on the Initial Closing Date;
 - (ii) cause Richard Sutcliffe to promptly resign from the Board once a suitable replacement has been identified. Richard Sutcliffe will be replaced by a nominee independent of both the Investor and the Company and recommended to the Board by the Nominating, Compensation & Governance Committee of the Board, such nominee to be an experienced exploration focused geologist with Canadian greenstone belt experience;
 - (iii) [clause redacted];
 - (iv) [clause redacted]; and

- (v) [clause redacted].
- (b) From and including the date of this Agreement and for as long as the Subscription Shares or the Facility remains outstanding, and except as otherwise permitted by the prior written consent of the Investor, acting reasonably:
 - (i) the Investor shall have the right to appoint one additional nominee to the Board, with Igor Gonzales initially serving as such additional nominee on the Board as of the Initial Closing Date. If the right of the Investor terminates in accordance with the preceding sentence, the Investor shall no longer have nomination rights in accordance with this Section 4.4(b)(i) and a designated nominee of the Investor or ANR shall immediately resign from the Board;
 - (ii) the size of the Board shall remain at seven directors;
 - (iii) concurrently with the Initial Closing Date:
 - (A) Igor Gonzales will be appointed to the HSET Committee; and
 - (B) the HSET Committee shall agree on monthly meeting dates for an initial six-month period following which the Board shall review and agree upon the appropriate schedule of HSET Committee meetings thereafter;
 - (iv) following the Initial Closing Date:
 - (A) the Investor Representative (as defined below) and the President and Chief Executive Officer will have weekly calls at a mutually agreed time to provide the Investor with an update on operations and discuss any relevant matters arising; and
 - (B) the HSET Committee will at each meeting also discuss exploration, with the initial focus to be the settling of a detailed 18-month exploration plan. Each of Martin Pawlitschek and Ken Brisebois (or alternate Investor nominees) will be invited to attend this portion of the HSET Committee meetings;
 - (v) the Board shall establish and agree on the mandate and composition of the TRB within three months of the Initial Closing Date, with the TRB to be comprised of independent experts with geotechnical, geochemical, hydrology and other related expertise; and
 - (vi) prior to the TRB being constituted, the Company shall appoint a suitably qualified independent engineer to undertake a full review of current and proposed future tailings practices.
- (c) From and including the date of this Agreement and for as long as the Subscription Shares or the Facility remains outstanding and except as otherwise permitted by the prior written consent of the Company, acting reasonably, the Investor shall, and shall cause its Representatives to:

- (i) subject to further agreement with the Company, allocate and make available and where appropriate second, employees of the Investor to support the Company's corporate development, investor relations and project management functions as well as technical staff of the Investor to support the restart and ramp up of the Sugar Zone Property; and
- (ii) designate one representative, which shall initially be Igor Gonzales, as the main point of contact with the Company (the "**Investor Representative**"). The investor will cause the Investor Representative to make commercially reasonable efforts to streamline all technical requests for information and/or other technical engagement with the Company. For the avoidance of doubt, all requests from the Investor Representative will be directed to the President and Chief Executive Officer of the Company.

4.5 Regulatory Matters

- (a) In the event that either of the Parties, or any of their respective representatives or agents, receives any request for information, documents or other materials, or a notice, from any Governmental Entity indicating that any investigation, review, inquiry or other formal or informal proceeding, which could lead to an Order temporarily or permanently prohibiting the Initial Closing or Final Closing, is taking place or may take place, such Party shall to the extent permitted by applicable Law:
 - (i) promptly notify the other Party of the applicable notice or request for information, documents or other materials, and cooperate with the other Party in connection with any related investigation or other inquiry;
 - (ii) in consultation and cooperation with the other Party, respond as promptly as possible to any request for information made by any such Governmental Entity, and thereafter, after providing the other Party with a reasonable opportunity to review and comment on any drafts of any written communications with a Governmental Entity, make any other submissions or filings as may be advisable in order to enable the consummation of the transaction contemplated by this Agreement (promptly notifying the other Party when any such submission or filing is made); and
 - (iii) promptly respond to any request for a meeting by any Governmental Entity, arrange for such meeting to take place as soon as possible, and permit the other Party to attend such meeting, unless prohibited by the Governmental Entity.
- (b) If required by applicable Securities Laws, the Investor will execute, deliver and file or assist the Company in filing such reports, undertakings and other documents with respect to the purchase of the Subscription Shares and the Upfront Securities as may be required by any Securities Regulator or the TSX.
- (c) If requested by the Investor, the Company will cooperate with and use its reasonable commercial efforts to assist the Investor and its Affiliates in connection with any regulatory notice, application or approval in connection with any of the transactions contemplated by this Agreement.

4.6 Operational Requirements

The Company shall use its reasonable commercial endeavours to comply with the Operational Requirements.

4.7 Expenses

The Company shall:

- (a) on the Initial Closing, pay US\$529,065 to the applicable Investor's Affiliates in respect of amounts outstanding under existing Appian Royalty and historic unpaid transactional expenses;
- (b) after the earlier of the Final Closing or the obligation of the Parties to complete the Final Closing ceasing in accordance with Section 6.2(b), within ten Business Days of receiving a request from the Investor, reimburse the Investor for all reasonable legal, accounting and other professional and related fees and expenses incurred by the Investor and its Affiliates in connection with the Term Sheet, this Agreement and the transactions contemplated hereby; and
- (c) from July 1, 2020 to December 31, 2021, pay a monthly fee of Cdn\$50,000 to the Investor for the support being made available by the Investor pursuant to Section 4.4(c)(i); provided that, following December 31, 2021, the Company and the Investor shall review the continued need for such support, each acting reasonably.

4.8 Specific Performance and Injunction

The Company specifically acknowledges that its obligations under this Article 4 are an integral part of the transactions contemplated by this Agreement. The Company, therefore, specifically acknowledges and agrees that the breach of any of the terms this Article 4 by it may cause the Investor irreparable harm which may not be compensable in damages. The Company further acknowledges and agrees that it is essential to the effective enforcement of this Agreement that the Investor be entitled to equitable remedies including, but not limited to, specific performance and injunction without being required to show irreparable harm or to provide any security therefor. The Company acknowledges and agrees that the terms of this Agreement are just and reasonable having regard to all the circumstances.

ARTICLE 5 **CLOSING**

5.1 Initial Closing

The Initial Closing of the purchase and sale of the Subscription Shares and the Upfront Securities shall be held electronically at the Initial Closing Time on the Initial Closing Date.

5.2 Company Closing Deliveries and Conditions for Acceptance

The Investor's obligation to purchase the Subscription Shares at the Initial Closing Time shall be subject to the following conditions:

- (a) Representations; Covenants.
- (i) Each of the representations and warranties of the Company contained in this Agreement shall be accurate in all material respects (except those representations and warranties which are qualified by materiality which shall be true and correct in all respects) as and when made and at and as of the Initial Closing Time as though such representations and warranties were made at and as of the Initial Closing Time.
 - (ii) All covenants and agreements of the Company contained in this Agreement (other than the Operational Requirements) to be performed or completed prior to the Initial Closing Time shall have been performed or completed in all material respects by the Company.
- (b) Delivery of Opinions.
- (i) The Investor shall have received at the Initial Closing Time favourable legal opinions dated the Initial Closing Date, in form and substance satisfactory to the Investor acting reasonably, from Canadian counsel to the Company, addressed to the Investor and the Subscriber, as to the Laws of Canada and Ontario which counsel may rely upon as to matters of fact on certificates of the auditors of the Company, TSX Trust Company, government officials, public and stock exchange officials and officers of the Company, with respect to the following matters, assuming completion of the Initial Closing, and subject to standard assumptions and qualifications:
 - (A) as to the valid existence and good standing of incorporation of the Company under the Laws of its jurisdiction of incorporation, as applicable;
 - (B) as to the authorized and issued capital of the Company;
 - (C) that the Company has all requisite corporate power and capacity including under the Laws of its jurisdiction of incorporation to (i) carry on its business as described in the Disclosure Record and to carry out the transactions contemplated by this Agreement;
 - (D) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of this Agreement and the New Appian Offtake and the performance of its obligations thereunder;
 - (E) the issuance of the Subscription Shares, the Upfront Shares and the Upfront Warrants and the reservation and issuance of the Common Shares issuable upon the conversion of the Subscription Shares in accordance with the terms of the Constatting Documents of the Company and upon the exercise of the Upfront Warrants in accordance with the terms of the Warrant Certificate has been duly authorized by all necessary corporate action on the part of the Company;

- (F) Subject to receipt of payment in full for them, the Subscription Shares and the Upfront Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company. Upon the conversion of the Subscription Shares in accordance with the terms of the Constatng Documents of the Company and the exercise of the Upfront Warrants in accordance with the terms of the Warrant Certificate, the Underlying Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;
 - (G) The execution and delivery of and performance by the Company of the Financing Agreement and the New Appian Offtake Agreement does not constitute or result in a violation or breach of or a default under its Constatng Documents of the Company; or any law of general application in the Province of Ontario.
 - (H) that each of this Agreement and the New Appian Offtake has been duly authorized and executed by the Company and constitutes a legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, subject to reasonable opinion qualifications;
 - (I) that the form and terms of the certificate representing the Upfront Warrants have been duly approved by the Company and meet all legal requirements under the Constatng Documents of the Company, the Act and the rules of the TSX and have been duly approved by the Company;
 - (J) that the Company is a reporting issuer under the Laws of the Reporting Jurisdictions and is not in default of the Securities Laws of such provinces; and
 - (K) the issue and sale of the Subscription Shares and the Upfront Securities by the Company to the Investor is exempt from the prospectus requirements of applicable Securities Laws and no prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, Order or Authorization of a regulatory authority will be required to be obtained by the Company under applicable Securities Laws in connection with the issue and sale of Subscription Shares or the Upfront Securities to the Investor other than the requirement that the Company files within ten days from the date of issue a report under NI 45-106 or OSC Rule 72-503.
- (c) Delivery of Certificates.
- (i) The Investor shall have received at the Initial Closing Time a certificate dated the Initial Closing Date, addressed to the Investor and signed on behalf of the Company by an officer of the Company, with respect to the Constatng Documents of the Company, all resolutions of the Board relating

to this Agreement, the incumbency and specimen signatures of signing officers of the Company.

- (ii) The Investor shall have received at the Initial Closing Time a certificate of the Company dated the Initial Closing Date, addressed to the Investor and signed on behalf of the Company by two senior officers of the Company, certifying for and on behalf of the Company, after having made due inquiry, that:
 - (A) since the date of this Agreement, that (1) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, liabilities (absolute, accrued, contingent or otherwise), capital, operations, financial condition, properties, prospects, assets or prospects of the Company, (2) no transaction has been entered into by the Company which is material to the Company and (3) all material changes and all material facts in relation to the Company have been generally disclosed by the Company (within the meaning of applicable Securities Laws);
 - (B) no Order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares or any other securities of the Company has been issued by any Governmental Entity and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, after due inquiry, contemplated or threatened under applicable Securities Laws or by any Governmental Entity;
 - (C) the Company has complied with the terms and conditions of this Agreement on its part to be complied with up to and as of the Initial Closing Time;
 - (D) the representations and warranties of the Company contained in this Agreement and in any certificate or other document delivered pursuant to or in connection with this Agreement are accurate in all material respects (except those representations and warranties which are qualified by materiality which shall be true and correct in all respects) as of the Initial Closing Time with the same force and effect as if made at and as of the Initial Closing Time after giving effect to the transactions contemplated by this Agreement; and
 - (E) such other matters as the Investor may reasonably request.
- (iii) The Company will deliver to the Investor a certificate of good standing and/or compliance (or the equivalent), under the Act where issuable under applicable Law, for the Company, dated within one day prior to the Initial Closing Date.
- (d) TSX Conditional Acceptance on terms and evidence satisfactory to the Investor, acting reasonably, shall remain in full force and effect.

- (e) There shall not have occurred a Material Adverse Effect or Event of Default.
- (f) The Board shall not have authorized the issuance of any Common Shares or Convertible Securities or other securities other than as set out herein.
- (g) There is no Order in effect that temporarily or permanently prohibits the completion of the transactions contemplated by this Agreement.
- (h) The Subscriber shall have received a share certificate, in physical form, representing the Subscription Shares in accordance with Section 2.3.
- (i) The Subscriber shall have received Upfront Shares in either electronic or physical form, at the Investor's option, in accordance with Section 2.4.
- (j) The Subscriber shall have received a warrant certificate representing the Upfront Warrants in accordance with Section 2.4.
- (k) The Investor shall have received the New Appian Offtake, duly executed by the Company.
- (l) The Company shall have paid US\$529,065 to the applicable Investor's Affiliates in respect of amounts outstanding under existing Appian Royalty and historic unpaid transactional expenses in accordance with Section 4.7.
- (m) The Company shall have delivered to the Investor a positive solvency certificate under section 30(2) of the Act as if the Subscription Shares were purchased on the Initial Closing Date.
- (n) Stephen Roman shall have resigned from the Board.
- (o) Igor Gonzalez shall have been appointed to the Board and the HSET Committee.
- (p) The HSET Committee shall have agreed on monthly meeting dates for an initial six-month period.
- (q) The Investor shall be satisfied in its sole discretion that all actions required to be taken by or on behalf of the Company, including, without limitation, all requisite filings with any Governmental Entity will have occurred at or prior to the Initial Closing Time so as to authorize and approve this Agreement and the transactions contemplated hereby and all matters related to the foregoing, including the issuance and sale of the Subscription Shares and the Upfront Securities.

5.3 Investor Initial Closing Deliveries

The Investor acknowledges and agrees that the obligations of the Company shall be subject to the following conditions:

- (a) Representations; Covenants.
 - (i) Each of the representations and warranties of the Investor contained in this Agreement shall be accurate in all material respects (except those representations and warranties which are qualified by materiality which

shall be true and correct in all respects) as and when made and at and as of the Initial Closing Time as though such representations and warranties were made at and as of the Initial Closing Time.

- (ii) All covenants and agreements of the Investor contained in this Agreement to be completed prior to the Initial Closing Time shall have been performed or completed in all material respects by the Investor.
- (b) Deliveries. The Investor shall deliver or cause to be delivered to the Company, the following:
 - (i) payment of the Subscription Price; and
 - (ii) the New Appian Offtake, duly executed by the Investor.

5.4 Final Closing

The Final Closing of the Facility and the Additional Royalty shall be held electronically at the Final Closing Time on the Final Closing Date.

5.5 Company Closing Deliveries and Conditions for Acceptance

The Investor's obligation to fund the Facility at the Final Closing Time shall be subject to the following conditions:

- (a) Representations; Covenants.
 - (i) Each of the representations and warranties of the Company contained in this Agreement shall be accurate in all material respects (except those representations and warranties which are qualified by materiality which shall be true and correct in all respects) as and when made and at and as of the Final Closing Time as though such representations and warranties were made at and as of the Final Closing Time.
 - (ii) All covenants and agreements of the Company contained in this Agreement (other than the Operational Requirements to be performed or completed prior to the Final Closing Time) shall have been performed or completed in all material respects by the Company.
- (b) Delivery of Opinions.
 - (i) The Investor shall have received at the Final Closing Time favourable legal opinions dated the Final Closing Date, in form and substance satisfactory to the Investor acting reasonably, from Canadian counsel to the Company, addressed to the Investor and the Lender, as to the Laws of Canada and Ontario which counsel may rely upon as to matters of fact on certificates of the auditors of the Company, TSX Trust Company, government officials, public and stock exchange officials and officers of the Company, with respect to the following matters, assuming completion of the Final Closing, and subject to standard assumptions and qualifications:

- (A) as to the valid existence and good standing of incorporation of the Company under the Laws of its jurisdiction of incorporation, as applicable;
 - (B) as to the authorized and issued capital of the Company;
 - (C) that the Company has all requisite corporate power and capacity including under the Laws of its jurisdiction of incorporation to (i) carry on its business as presently carried on; and (ii) own its property;
 - (D) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Facility and the Additional Royalty and the performance of its obligations thereunder;
 - (E) the Automatic Conversion shall have occurred;
 - (F) that the Underlying Shares issuable on the conversion of the Facility have been duly authorized and will be duly and validly issued as fully paid and non-assessable;
 - (G) that the execution and delivery of the Facility and the Additional Royalty by the Company, the fulfilment of the terms thereof, and the consummation of the transactions contemplated by the Facility and the Additional Royalty do not and will not result in a breach (whether after notice or lapse of time or both) of any current statute or regulation of the Province of Ontario, or of the terms, conditions or provisions of the Constatting Documents of the Company;
 - (H) that each of the Facility and the Additional Royalty has been duly authorized and executed by the Company and constitutes a legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, subject to reasonable opinion qualifications;
 - (I) that the Company is a reporting issuer under the Laws of the Reporting Jurisdictions and is not in default of the Securities Laws of such provinces; and
 - (J) such other opinions as may be reasonably requested by the Investor or the Lender.
- (c) Delivery of Certificates.
- (i) The Investor shall have received at the Final Closing Time a certificate dated the Final Closing Date, addressed to the Investor and signed on behalf of the Company by an officer of the Company, with respect to the Constatting Documents of the Company, all resolutions of the Board relating to this Agreement, the incumbency and specimen signatures of signing officers of the Company.

- (ii) The Investor shall have received at the Final Closing Time a certificate of the Company dated the Final Closing Date, addressed to the Investor and signed on behalf of the Company by two senior officers of the Company, certifying for and on behalf of the Company, after having made due inquiry, that:
 - (A) since the date of this Agreement, that (1) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, liabilities (absolute, accrued, contingent or otherwise), capital, operations, financial condition, properties, prospects, assets or prospects of the Company, (2) no transaction has been entered into by the Company which is material to the Company and (3) all material changes and all material facts in relation to the Company have been generally disclosed by the Company (within the meaning of applicable Securities Laws);
 - (B) no Order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares or any other securities of the Company has been issued by any Governmental Entity and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, after due inquiry, contemplated or threatened under applicable Securities Laws or by any Governmental Entity;
 - (C) the Company has complied with the terms and conditions of this Agreement on its part to be complied with up to and as of the Final Closing Time;
 - (D) the representations and warranties of the Company contained in this Agreement and in any certificate or other document delivered pursuant to or in connection with this Agreement are accurate in all material respects (except those representations and warranties which are qualified by materiality which shall be true and correct in all respects) as of the Final Closing Time with the same force and effect as if made at and as of the Final Closing Time after giving effect to the transactions contemplated by this Agreement; and
 - (E) such other matters as the Investor may reasonably request.
- (iii) The Company will deliver to the Investor certificates of good standing and/or compliance (or the equivalent), where issuable under applicable Law, for the Company, dated within one day prior to the Final Closing Date.
- (d) TSX Conditional Acceptance on terms and evidence satisfactory to the Investor, acting reasonably, shall remain in full force and effect;
- (e) There shall not have occurred a Material Adverse Effect or Event of Default;
- (f) The Board shall not have authorized the issuance of any Common Shares or Convertible Securities or other securities other than as set out herein;

- (g) There is no Order in effect that temporarily or permanently prohibits the completion of the transactions contemplated by this Agreement;
- (h) The Company shall have obtained the BNP Consent;
- (i) The 2nd lien security in respect of the Facility shall have been fully perfected, subject to the Permitted Encumbrances;
- (j) The Investor shall have received the Facility, duly executed by the Company;
- (k) The Investor shall have received the Intercreditor Agreement, duly executed by BNP with BNP, the form of which shall be satisfactory to the Investor, acting reasonably;
- (l) The Investor shall have received the Additional Royalty, duly executed by the Company;
- (m) The Company shall have delivered to the Investor a positive solvency certificate under section 30(2) of the Act in respect of the Automatic Conversion.
- (n) The Automatic Conversion shall have occurred contemporaneously with the Final Closing.
- (o) The Investor shall have received a detailed exploration plan for the following 18 months, prepared in accordance with Section 4.4(b)(iv)(B); and
- (p) The Investor shall be satisfied in its sole discretion that all actions required to be taken by or on behalf of the Company, including, without limitation, all requisite filings with any Governmental Entity will have occurred at or prior to the Final Closing Time so as to authorize and approve this Agreement and the transactions contemplated hereby and all matters related to the foregoing, including Facility and the Additional Royalty.

5.6 Investor Final Closing Deliveries

The Investor acknowledges and agrees that the obligations of the Company shall be subject to the following conditions

- (a) Representations; Covenants.
 - (i) Each of the representations and warranties of the Investor contained in this Agreement shall be accurate in all material respects (except those representations and warranties which are qualified by materiality which shall be true and correct in all respects) as and when made and at and as of the Final Closing Time as though such representations and warranties were made at and as of the Final Closing Time.
 - (ii) All covenants and agreements of the Investor contained in this Agreement to be completed prior to the Final Closing Time shall have been performed or completed in all material respects by the Investor.

- (b) Deliveries. The Investor shall deliver or cause to be delivered to the Company, the following:
- (i) payment of US\$2.0 million in consideration thereof along with the Additional Royalty, duly executed by the Royalty Holder;
 - (ii) the Facility, duly executed by the Lender; and
 - (iii) the Intercreditor Agreement, duly executed by the Lender.

ARTICLE 6

GENERAL PROVISIONS

6.1 No Standstill

The issue of the Subscription Shares, the Upfront Securities, the Underlying Shares will not be subject to standstill restrictions as set out in the Settlement Agreement.

6.2 Termination

- (a) It is understood that the Investor and the Company may at their sole discretion waive, in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement in their favour without prejudice to their rights in respect of any other of such terms and conditions or any other subsequent breach or non-compliance; provided, however, that to be binding on the Investor or the Company as applicable any such waiver or extension must be in writing.
- (b) If the Final Closing does not occur by the Outside Date, then at the Investor's election by written notice to the Company the Parties shall use their respective commercial efforts for a period of 30 days to satisfy the conditions of the Final Closing. If the Final Closing does not occur by the Outside Date and the time for completion of the Final Closing is not so extended or if the time for completion of the Final Closing is so extended but the Final Closing does not occur within such 30 day period, the obligations of the Parties to complete the Final Closing shall cease but this Agreement shall otherwise survive.

6.3 Notices

- (a) Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by email as follows:

- (i) in the case of the Investor:

ANR Investments 2 B.V.
[Address redacted]

Attention: [Names redacted]
Email: [Emails redacted]

with a copy to:

Appian Capital Advisory LLP
[Address redacted]

Attention: [Names redacted]
Email: [Emails redacted]

and

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, Ontario, Canada M5K 1E6

Attention: Shea T. Small
Email: ssmall@mccarthy.ca

(ii) in the case of the Company:

Harte Gold Corp.
161 Bay Street, Suite 2400
Toronto, Ontario, Canada M5J 2S1

Attention: Sam Coetzer
Email: [Email redacted]

with a copy to:

5300 Commerce Court West
199 Bay Street
Toronto, Ontario, Canada M5L 1B9

Attention: Ivan T. Grbešić
Email: igrbesic@stikeman.com

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. (local time) at the place of receipt, then on the next following Business Day).
- (c) Any 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 6.3.

6.4 Further Assurances

Each of the Parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

6.5 **Amendments**

No amendment or waiver of any provision of this Agreement shall be binding on any Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

6.6 **Assignment**

Neither Party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other Party, provided, however, that the Investor may assign this Agreement to an Affiliate without the requirement to obtain the prior written consent of the Company.

6.7 **Successors and Assigns**

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the Parties and their respective successors and permitted assigns.

6.8 **No Partnership**

Nothing in this Agreement or in the relationship of the Parties hereto shall be construed as in any sense creating a partnership between the Parties or as giving to any Party any of the rights or subjecting any Party to any of the creditors of the other Party.

6.9 **Public Releases**

Any press release relating to the Facility, the Subscription Shares, the Upfront Securities, the Additional Royalty, the New Appian Offtake or the entering into of this Agreement will be jointly agreed upon by the Company and the Investor.

6.10 **Counterparts**

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts (whether by facsimile, email, or other electronic means), with the same effect as if all Parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

HARTE GOLD CORP.

By: (signed) Sam Coetzer
Name: Sam Coetzer
Title: President & Chief Executive Officer

ANR INVESTMENTS 2 B.V.

By: (signed) Guy de Freitas
Name: Guy de Freitas
Title: Director A

By: (signed) Adriano Fagundes
Name: Adriano Fagundes
Title: Director B

Schedule "A"
ADDITIONAL ROYALTY

[Redacted]

Schedule "B"
NEW APPIAN OFFTAKE

[Redacted]

Schedule "C"

SERIES B SPECIAL SHARES

The rights, privileges, restrictions and conditions of the Series B Special Shares are set out below.

Section 1 DEFINITIONS.

For the purposes hereof, the following terms shall have the following meanings:

"affiliate" has the meaning specified in National Instrument 45-106 *Prospectus Exemptions* and, in the case of ANR 2, also includes Appian Natural Resources Fund LP, Appian Natural Resources Fund II LP and Appian Capital Advisory LLP and their respective affiliates and any investment fund advised or managed by any of them;

"ANR 2" means ANR Investments 2 B.V.;

"Appian Credit Facility" means the non-revolving convertible credit facility to be made available to the Corporation by ANR 2 (or such other affiliate of ANR 2 that may be designated by ANR 2) in the initial principal amount of US\$18,500,000 as contemplated by the binding term sheet between the Corporation and ANR 2 dated June 30, 2020 (as such term sheet may be superseded);

"Automatic Conversion Date" shall have the meaning given such term in Section 6(1);

"BNP" means BNP Paribas;

"BNP Consent" means the consent of BNP to the Appian Credit Facility and related transactions on terms and conditions, including the intercreditor agreement and security arrangements, satisfactory to ANR 2, acting reasonably;

"BNP Facility" means the US\$72,500,000 senior debt facility advanced by BNP to the Corporation, pursuant to a credit agreement between the Corporation and BNP dated June 10, 2019, as amended on May 15, 2020, and as the same may be as further amended, modified, supplemented, restated, replaced, extended, increased or refinanced from time to time;

"Business Day" means a day other than a Saturday, Sunday or any other day treated as a holiday in Toronto, Ontario, London, England or Jersey, Channel Islands;

"Change of Control" means the acquisition by any Person, or group of Persons acting "jointly or in concert" (where such phrase has the meaning ascribed thereto under National Instrument 62-104 *Takeover Bids and Issuer Bids*), (other than by ANR and its affiliates) of (i) voting Control or direction of an aggregate of 50% or more of the outstanding Common Shares, or (ii) more than 50% of the Corporation;

"Common Shares" means the common shares of the Corporation;

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;

"Conversion Amount" means US\$1.00 per Series B Special Share, as may be adjusted as hereinafter provided in Section 3;

“Conversion Date” means the Automatic Conversion Date or such date as the Holder gives notice to the Corporation of the exercise of its right of conversion provided for in Section 7(2) (notwithstanding the failure of such Holder thereof to surrender the certificate or certificates at or prior to such time);

“Convertible Securities” means securities of the Corporation (other than Series B Special Shares) convertible into or exchangeable for or otherwise carrying the right to acquire Common Shares;

“Corporation” means Harte Gold Corp.;

“Dividends” shall have the meaning given such term in Section 3;

“Exchange Rate” means the average CAD-USD daily exchange rate as published by the Bank of Canada for the applicable number of consecutive Trading Days, at the relevant time as specified in these share terms;

“Event of Default” means, unless waived in writing by the Holders, any one or more of the following:

- (a) the occurrence of a Liquidation Event with respect to the Corporation;
- (b) the occurrence of an “event of default” under the Financing Agreement; and
- (c) the Corporation fails to declare, pay or make any dividend, other distribution, redemption or conversion with respect to the Series B Special Shares in accordance with their terms and such failure is not cured within three(3) Trading Days of the occurrence of such failure.

“Financing Agreement” means the financing agreement to be entered into between the Corporation and ANR 2, which supersedes the Term Sheet, as the same may be as further amended, modified or supplemented from time to time;

“Holder” shall have the meaning given such term in Section 2;

“Liquidation Event” shall have the meaning given such term in Section 5;

“OBCA” means the *Business Corporations Act* (Ontario);

“Other Special Shares” shall have the meaning given such term in Section 5;

“Person” means and includes any individual, company, corporation, limited partnership, general partnership, joint stock company, limited liability company, joint venture, association, company, trust, bank, trust company, pension fund, business trust or other organization, whether or not a legal entity;

“Retraction Date” shall have the meaning given such term in Section 8(2);

“Series B Special Shares” shall have the meaning given such term in Section 2;

“Term Sheet” means the binding term sheet between the Corporation and ANR 2 dated June 30, 2020;

“TSX” means the Toronto Stock Exchange;

“**Trading Day**” means any day on which the TSX is open for trading or quotation; and

“**VWAP**” means the volume-weighted average price of the Common Shares on the TSX for the applicable number of consecutive Trading Days, at the time of the election to convert as specified in these share terms.

Section 2 DESIGNATION AND AMOUNT.

The series of convertible special shares shall be designated as Series B Convertible Special Shares (the “**Series B Special Shares**”) and the Corporation is authorized to issue up to 9,500,000 Series B Special Shares (which shall not be subject to increase without the approval of the holders of the Series B Special Shares (each, a “**Holder**” and collectively, the “**Holders**”)).

Section 3 DIVIDENDS.

From and after the date of issuance of any Series B Special Shares, the Holders shall be entitled to a dividend equal to 14% of the Conversion Amount per annum, on each Series B Special Share held, calculated and paid monthly (with such calculation made as at the end of each calendar month following the date of issuance or such other date as may be required hereunder), provided that (i) if the Corporation does not obtain the BNP Consent and satisfy the other conditions for the Final Closing under the Appian Credit Facility or the Automatic Conversion does not occur on or before August 29, 2020, such dividend shall be increased by 5% of the Conversion Amount per annum and (ii) if an Event of Default occurs, such dividend shall be increased by an additional 5% of the Conversion Amount per annum (“**Dividends**”). Dividends on Series B Special Shares shall be payable in the form of Common Shares issued at (x) the five-day VWAP (and applying the five-day Exchange Rate) on the applicable dividend payment date or (y) C\$0.1173 (being the five-day VWAP as of July 1, 2020) multiplied by 0.7329 (being the five-day Exchange Rate as of July 1, 2020), whichever is lower. Unless otherwise elected by the Holder, the Corporation shall, as soon as practicable (and in any event not later than three (3) Trading Days) following each calculation of Dividends as aforesaid, issue and deliver to the Holders of the Series B Special Shares a certificate or certificates for the number of Common Shares to which such Holder shall be entitled as aforesaid. The number of Common Shares so issued shall be rounded down in the case of any fractional shares.

Section 4 VOTING.

The Holders of the Series B Special Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Corporation and shall not have any voting rights in respect thereof, except as required by the OBCA.

Section 5 LIQUIDATION EVENT.

Upon the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation for the purpose of winding-up its affairs (collectively, a “**Liquidation Event**”), the Holders of the Series B Special Shares shall be entitled to receive from the assets of the Corporation, in preference and priority to the Common Shares, but *pari passu* with special shares of any other series (the “**Other Special Shares**”), a sum equivalent to the Conversion Amount for each Series B Special Share plus any declared but unpaid Dividends thereon. After payment to the Holders of the Series B Special Shares of the amounts as above provided, the Holders of the Series B Special Shares shall not be entitled to share in any further distribution of the assets of the Corporation. If the remaining property and assets of the Corporation are not sufficient to provide for payment in full to the Holders of the Series B Special Shares of the amounts provided above, and to the holders of any Other Special Shares, then such remaining

property and assets of the Corporation shall be allocated to the Holders of the Series B Special Shares and Other Special Shares on a pro rata basis without preference or distinction.

Section 6 AUTOMATIC CONVERSION.

- (1) Automatic Conversion. If, on or before August 29, 2020, the Corporation (i) obtains the BNP Consent and (ii) satisfies the other conditions for the Final Closing under the Appian Credit Facility (such date being the “**Automatic Conversion Date**”), and subject to the Corporation’s compliance with the requirements of the OBCA, all issued and outstanding Series B Special Shares shall automatically convert, without any further action by the holders of the Series B Special Shares and whether or not the certificates representing such shares are surrendered to the Corporation, into the Appian Credit Facility at the Conversion Amount with any accrued but unpaid Dividends payable in Common Shares on the same basis as set out in Section 3 above. The time of conversion shall be deemed to be 12:00 a.m. on the Automatic Conversion Date (the “**Automatic Conversion Time**”). Notwithstanding anything to the contrary herein provided, if the Automatic Conversion does not occur because of the Corporation’s compliance with the requirements of the OBCA, the Automatic Conversion shall occur as soon as permitted thereafter in compliance with the requirements of the OBCA.

- (2) Procedural Requirements for Automatic Conversion. On the Automatic Conversion Date, each Holder of Series B Special Shares shall surrender its certificate or certificates for all such shares (or, if such Holder indicates that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of such lost, stolen or destroyed certificate) to the Corporation at the Corporation’s head office. If so required by the Corporation, a certificate or certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by its attorney duly authorized in writing. All rights with respect to the Series B Special Shares converted pursuant to Section 6(1) will terminate at the Automatic Conversion Time (notwithstanding the failure of the Holder or Holders thereof to surrender the certificate or certificates at or prior to such time), except only the rights of the Holder or Holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to conversion as provided for in Section 6(1). Such converted Series B Special Shares shall be retired and cancelled and may not be reissued, and the Corporation may thereafter take such appropriate action as may be necessary to reduce the authorized number of Series B Special Shares accordingly.

Section 7 OPTIONAL CONVERSION.

- (1) Optional Conversion. The Series B Special Shares shall entitle the Holders thereof, at their election at any time and from time to time upon notice to the Corporation and without the payment of any additional consideration by the Holder thereof, after the earlier of (i) August 30, 2020, if the Corporation does not obtain the BNP Consent and satisfy the other conditions for the Final Closing under the Appian Credit Facility or the Automatic Conversion does not occur on or before August 29, 2020, or (ii) upon an Event of Default, to convert, in whole or in part, the Series B Special Shares into Common Shares based on a ratio equal to 115% of the Conversion Amount per Series B Special Share (plus any

accrued but unpaid Dividends) divided by the five-day VWAP (and applying the five-day Exchange Rate) at the time of the election to convert.

- (2) Procedural Requirements for Optional Conversions. The conversion privilege provided for in Section 7(1) may be exercised by notice in writing given by a Holder to the Corporation at the Corporation's head office accompanied by the certificate or certificates representing the Series B Special Shares (or, if such Holder indicates that such a certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of such lost, stolen or destroyed certificate) in respect of which the Holder desires to exercise such right of conversion and such notice will be signed by the Holder of the Series B Special Shares in respect of which such right is being exercised and will specify the number of Series B Special Shares which the Holder desires to have converted. If so required by the Corporation, a certificate or certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by its attorney duly authorized in writing. Upon receipt of such notice, the Corporation will issue a certificate representing fully paid Common Shares upon the basis above prescribed and in accordance with the provisions hereof to the Holder of the Series B Special Shares represented by the certificate or certificates accompanying such notice. If less than all of the Series B Special Shares represented by any certificate are to be converted, the Holder will be entitled to receive a new certificate for the Series B Special Shares representing the shares comprised in the original certificate which are not to be converted. All rights with respect to the Series B Special Shares converted pursuant to Section 7(1) will terminate at the time the Holder gives notice to the Corporation of the exercise of his, her or its right of conversion provided for in Section 7(1) (notwithstanding the failure of such Holder thereof to surrender the certificate or certificates at or prior to such time), except only the rights of such Holder, upon surrender of its certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 7(2). As soon as practicable after the Holder gives notice to the Corporation of the exercise of its right of conversion provided for in Section 7(1) and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series B Special Shares, the Corporation shall issue and deliver to such Holder, or to its nominees, a certificate or certificates for the number of fully paid Common Shares issuable on such conversion in accordance with the provisions hereof (rounded down in the case of any fractional shares). Such converted Series B Special Shares shall be retired and cancelled and may not be reissued, and the Corporation may thereafter take such appropriate action as may be necessary to reduce the authorized number of Series B Special Shares accordingly.

Section 8 RETRACTION.

- (1) Retraction at Option of Holder. If the Corporation does not obtain the BNP Consent and satisfy the other conditions for the Final Closing under the Appian Credit Facility or the Automatic Conversion does not occur on or before August 29, 2020, beginning on the next Business Day, a Holder shall be entitled, at its election at any time and from time to time, after a refinancing of the BNP Facility, which results in more than 50% of the then outstanding principal of the BNP Facility being repaid, to have the Corporation redeem, subject to the Corporation's compliance with the requirements of the OBCA, in whole or in part, the Series B Special Shares for the Conversion Amount per Series B Special Share with any accrued but unpaid Dividends payable in Common Shares on the same basis as

set out in Section 3 above. Any Conversion Amount which is unpaid as a result of the Corporation's compliance with the requirements of the OBCA shall be paid, together with interest at 24% per annum calculated monthly as soon as permitted by the OBCA

- (2) Mechanics of Retraction. In the case of a retraction of Series B Special Shares, the Holder shall tender to the Corporation at its head office a share certificate or certificates representing the Series B Special Shares which the Holder desires to have the Corporation redeem together with a request in writing specifying (a) that the Holder desires to have the Series B Special Shares represented by such certificate or certificates redeemed by the Corporation and, if part only of the shares represented by such certificate or certificates is to be redeemed, the number thereof so to be redeemed and (b) the Business Day (herein referred to as the "**Retraction Date**") on which the Holder desires to have the Corporation redeem the Series B Special Shares. The Retraction Date shall be not less than 30 days after the day on which the request in writing is given to the Corporation unless the Corporation agrees otherwise. Upon receipt of a share certificate or certificates representing the Series B Special Shares which the Holder desires to have the Corporation redeem together with such written request, the Corporation shall on the Retraction Date redeem such Series B Special Shares by paying to the Holder the Conversion Amount for each such Series B Special Share being redeemed. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada or any other form of payment acceptable to the Holder.
- (3) Holder of the Series B Special Shares being redeemed. If only a portion of the shares represented by any certificate are redeemed a new certificate for the balance shall be issued at the expense of the Corporation. The said Series B Special Shares shall be redeemed on the Retraction Date and from and after the Retraction Date the Holder of such shares shall not be entitled to exercise any of the rights of a Holder of Series B Special Shares in respect thereof unless payment of the Conversion Amount is not made on the Retraction Date, in which event the rights of the Holder shall remain unaffected.

Section 9 TAX MATTERS

- (1) **Withholding Tax.** Notwithstanding any other provision herein, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash, shares or otherwise) to be made pursuant to these share terms any amounts required (or permitted, in the event that the Series B Special Shares are or become "taxable Canadian property" at any relevant time for purposes of the *Income Tax Act* (Canada)) by applicable law to be deducted or withheld from any such payment, distribution, issuance or delivery and the Corporation will timely remit any such amounts to the relevant tax authority as required, and will provide evidence thereof reasonably acceptable to the affected holder(s) of Series B Special Shares. All such remitted amounts shall be treated as having been paid to the relevant holder(s). If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share terms is less than the amount that the Corporation is so required (or permitted, in the event that the Series B Special Shares are or become "taxable Canadian property" at any relevant time for purposes of the *Income Tax Act* (Canada)) to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any noncash payment, distribution, issuance or delivery to be made pursuant to these share terms, or otherwise recover from the relevant holder(s), any amounts required (or permitted, in the event that the Series B Special Shares are or become "taxable Canadian property" at any relevant time for purposes of the *Income Tax Act* (Canada)) by law to be deducted or withheld from any such payment, distribution,

issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. The Corporation shall be required to consult with the relevant holder(s) on any such disposition and shall use its best efforts to maximize the proceeds of any such disposition.

- (2) **Specified Amount.** The amount specified in respect of each Series B Special Share for the purposes of subsection 191(4) of the *Income Tax Act* (Canada) is US\$1.00 as converted into Canadian dollars at the Bank of Canada average daily exchange rate on the date the Series B Special Shares are issued.

Section 10 CHANGE OF CONTROL

In the event there is an announcement of a proposed offer or transaction in connection with a Change of Control that is or becomes supported or recommended by the Corporation (such date of announcement of the offer or transaction being the "Change of Control Date" whether or not supported or recommended by the Corporation at the time) the Holders shall be entitled, at their election at any time and from time to time after the later of the Change of Control Date and the date of such support or recommendation from the Corporation, to convert, in whole or in part, the Series B Special Shares into Common Shares based on a ratio equal to 110% of the Conversion Amount (plus any accrued but unpaid Dividends) per Series B Special Share divided by the lower of the five-day or thirty-day VWAP (and applying the five-day or thirty-day Exchange Rate, as applicable) on the Trading Day prior to the Change of Control Date. The number of Common Shares so issued shall be rounded down in the case of any fractional shares.

Section 11 MISCELLANEOUS.

- (1) **Notices.** Any notice required or permitted hereunder to be given to a holder of Series B Special Shares shall be given in the manner set out in the By-Laws of the Corporation.
- (2) **Lost or Mutilated Series B Special Share Certificate.** If a Holder's Series B Special Shares certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the Series B Special Shares so mutilated, lost, stolen or destroyed but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof, and indemnity, if requested, all reasonably satisfactory to the Corporation.
- (4) **Waiver.** Any waiver by the Corporation or the Holder of a breach of the provisions of the Series B Special Shares shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provisions of the Series B Special Shares. The failure of the Corporation or the Holder to insist upon strict adherence to any term of the provisions of the Series B Special Shares on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of the provisions of the Series B Special Shares. Any waiver must be in writing.
- (5) **Next Business Day.** Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.
- (6) **Transfers.** Series B Special Shares shall be transferable in whole or in part by the Holder or Holders thereof.

Schedule "D"

STOUGHTON-ABITIBI PROPERTY

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|------------------------|----------------------------------|------------------|----------------------------|-------------------------|----------|----------------------|----------------------|
| 1223744 | FRECHEVILLE, HOLLOWAY, STOUGHTON | 287517 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | FRECHEVILLE, STOUGHTON | 302669 | Single Cell Mining Claim | 2020-12-27 | 90 | 400 | 0 |
| 1223744 | FRECHEVILLE, STOUGHTON | 267440 | Single Cell Mining Claim | 2020-12-27 | 90 | 400 | 0 |
| 1223744 | FRECHEVILLE, STOUGHTON | 228212 | Single Cell Mining Claim | 2020-12-27 | 90 | 400 | 0 |
| 1223744 | FRECHEVILLE, STOUGHTON | 208207 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 294243 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 266805 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 208206 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 200809 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 142714 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 142088 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223744 | STOUGHTON | 115746 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223745 | STOUGHTON | 159846 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223745 | STOUGHTON | 260565 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223745 | STOUGHTON | 193853 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223745 | STOUGHTON | 192398 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| 1223745 | STOUGHTON | 174320 | Boundary Cell Mining Claim | 2020-12-27 | 90 | 200 | 0 |
| | STOUGHTON | 537444 | Multi-cell Mining Claim | 2020-12-27 | 90 | 4400 | 0 |
| 1202428 | MARRIOTT | 151151 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 1799 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|------------------------|-----------|----------------------------|------------------|-----|---------------|---------------|
| 1202428 | MARRIOTT | 183874 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202428 | MARRIOTT | 169308 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202428 | MARRIOTT | 154634 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202430 | MARRIOTT | 119804 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202431 | MARRIOTT | 331171 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202431 | MARRIOTT | 205227 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202431 | MARRIOTT | 132528 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 1202428 | MARRIOTT,S TOUGHTON | 207283 | Boundary Cell Mining Claim | 2021-01-31 | 90 | 200 | 0 |
| 4215073 | FRECHEVILL E | 115851 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215073 | FRECHEVILL E | 196508 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215073 | FRECHEVILL E | 175638 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215074 | FRECHEVILL E | 182897 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215074 | FRECHEVILL E | 294235 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215075 | FRECHEVILL E | 311337 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215075 | FRECHEVILL E | 274873 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215075 | FRECHEVILL E | 274857 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215075 | FRECHEVILL E | 267434 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215075 | FRECHEVILL E | 266799 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215075 | FRECHEVILL E | 228206 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215075 | FRECHEVILL E | 200170 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215075 | FRECHEVILL E | 171544 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215075 | FRECHEVILL E | 155472 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215075 | FRECHEVILL E | 155471 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|---------------------------------|-----------|----------------------------|------------------|-----|---------------|---------------|
| 4215076 | FRECHEVILL E | 100110 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215076 | FRECHEVILL E | 302666 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215076 | FRECHEVILL E | 227577 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215076 | FRECHEVILL E | 154859 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215076 | FRECHEVILL E | 115745 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215076 | FRECHEVILL E | 115744 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| | FRECHEVILL E | 537502 | Multi-cell Mining Claim | 2021-02-22 | 100 | 5400 | 0 |
| 4215072 | FRECHEVILL E,STOUGHTON | 131794 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | FRECHEVILL E,STOUGHTON | 317714 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| | FRECHEVILL E,STOUGHTON | 537500 | Multi-cell Mining Claim | 2021-02-22 | 100 | 3400 | 0 |
| 4215061 | MISTAKEN ISLANDS AREA,STOUGHTON | 111755 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| | MISTAKEN ISLANDS AREA,STOUGHTON | 537451 | Multi-cell Mining Claim | 2021-02-22 | 100 | 9000 | 0 |
| | MISTAKEN ISLANDS AREA,STOUGHTON | 537476 | Multi-cell Mining Claim | 2021-02-22 | 100 | 7000 | 0 |
| | MISTAKEN ISLANDS AREA,STOUGHTON | 537478 | Multi-cell Mining Claim | 2021-02-22 | 100 | 1800 | 0 |
| 4215065 | STOUGHTON | 171922 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215065 | STOUGHTON | 290563 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215068 | STOUGHTON | 234526 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215069 | STOUGHTON | 167200 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-----------------|-----------|----------------------------|------------------|-----|---------------|---------------|
| 4215069 | STOUGHTON | 337943 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215069 | STOUGHTON | 244350 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215069 | STOUGHTON | 197174 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215069 | STOUGHTON | 185118 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215069 | STOUGHTON | 167201 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215070 | STOUGHTON | 111378 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215070 | STOUGHTON | 245152 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215070 | STOUGHTON | 187120 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215070 | STOUGHTON | 133770 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 333357 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215072 | STOUGHTON | 265863 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 265862 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215072 | STOUGHTON | 245812 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 206598 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 206596 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215072 | STOUGHTON | 185737 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 168651 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 168650 | Boundary Cell Mining Claim | 2021-02-22 | 100 | 200 | 0 |
| 4215072 | STOUGHTON | 168649 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215072 | STOUGHTON | 168648 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215072 | STOUGHTON | 150477 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| 4215072 | STOUGHTON | 133895 | Single Cell Mining Claim | 2021-02-22 | 100 | 400 | 0 |
| | STOUGHTON | 537448 | Multi-cell Mining Claim | 2021-02-22 | 100 | 9600 | 0 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|---------------------|-----------|----------------------------|------------------|-----|---------------|---------------|
| | STOUGHTON | 537449 | Multi-cell Mining Claim | 2021-02-22 | 100 | 6600 | 0 |
| | STOUGHTON | 537450 | Multi-cell Mining Claim | 2021-02-22 | 100 | 7800 | 0 |
| | STOUGHTON | 537479 | Multi-cell Mining Claim | 2021-02-22 | 100 | 4000 | 0 |
| 3001951 | MARRIOTT,S TOUGHTON | 103795 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001951 | MARRIOTT,S TOUGHTON | 330435 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001951 | MARRIOTT,S TOUGHTON | 168373 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001951 | MARRIOTT,S TOUGHTON | 162381 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001951 | MARRIOTT,S TOUGHTON | 151748 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001952 | MARRIOTT,S TOUGHTON | 229139 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001952 | MARRIOTT,S TOUGHTON | 221158 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001950 | STOUGHTON | 151747 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001950 | STOUGHTON | 300518 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001950 | STOUGHTON | 185100 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| 3001950 | STOUGHTON | 167174 | Boundary Cell Mining Claim | 2021-04-11 | 100 | 200 | 0 |
| | STOUGHTON | 537446 | Multi-cell Mining Claim | 2021-04-11 | 100 | 4400 | 0 |
| | STOUGHTON | 537447 | Multi-cell Mining Claim | 2021-04-11 | 100 | 4800 | 0 |
| 1086360 | MARRIOTT | 130537 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 0 |
| 1086360 | MARRIOTT | 329144 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 59128 |
| 1086360 | MARRIOTT | 183693 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 55728 |
| 1086361 | MARRIOTT | 150290 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 78448 |
| 1086361 | MARRIOTT | 289563 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 61528 |
| 1086362 | MARRIOTT | 108657 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 37792 |
| 1086362 | MARRIOTT | 265078 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 37793 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|---------------------|-----------|----------------------------|------------------|-----|---------------|---------------|
| 1086363 | MARRIOTT | 332771 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 25891 |
| 1086363 | MARRIOTT | 252539 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 12291 |
| 1086364 | MARRIOTT | 133127 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 0 |
| 1086364 | MARRIOTT | 167881 | Boundary Cell Mining Claim | 2021-08-30 | 100 | 200 | 0 |
| 1202431 | MARRIOTT,S TOUGHTON | 111802 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| | MARRIOTT,S TOUGHTON | 537443 | Multi-cell Mining Claim | 2021-09-12 | 90 | 5400 | 38317 |
| 1176747 | STOUGHTON | 180576 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1176747 | STOUGHTON | 271837 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1176747 | STOUGHTON | 246627 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1176747 | STOUGHTON | 180577 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1202428 | STOUGHTON | 200808 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1204094 | STOUGHTON | 317747 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1204094 | STOUGHTON | 184494 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| 1207260 | STOUGHTON | 277728 | Boundary Cell Mining Claim | 2021-09-12 | 90 | 200 | 0 |
| | STOUGHTON | 537445 | Multi-cell Mining Claim | 2021-09-12 | 90 | 2800 | 0 |
| 1202431 | MARRIOTT | 205229 | Boundary Cell Mining Claim | 2023-01-31 | 90 | 200 | 0 |
| 1202431 | MARRIOTT | 205228 | Boundary Cell Mining Claim | 2023-01-31 | 90 | 200 | 0 |

Schedule "E"

SUGAR ZONE PROPERTY

A) Leases

| Claim # | Twp. | Issued | Anniversary | Area (Ha.) | Reserve | | Lease # | Rights | PIN | Reg'd Plan | |
|-------------|---------------|-------------------|---------------|------------|-----------------|--|--------------------|------------|-------------------|--------------------|----------------------------------|
| 10693 32 | HAMBLE TON | 01- Jun- 15 | 31-May- 36 | 393. 38 | \$38,62 9 | | LEA- 1096 05 | CLM5 14 | MR+ SR | 3105 4- 0003 | Pts. 1-9, 1R- 130 11 |
| 10693 33 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR | 3105 4- 0004 | |
| 10693 43 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR | 3105 4- 0005 | |
| 10693 44 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR, MRO | 3105 4- 0006 | |
| 10693 45 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR, MRO | | |
| 10693 46 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR | | |
| 11829 93 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR | | |
| 12326 40 | GOURLA Y | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR, MRO | | |
| 12355 95 | HAMBLE TON | | | | | | LEA- 1096 05 | CLM5 14 | MR+ SR, MRO | | |
| 10693 27 | HAMBLE TON | 01- May- 15 | 30-Apr- 36 | 282. 67 | \$3,347, 763 | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | 3105 3- 0001 | Pts. 1-9, 1R- 130 39 |
| 10693 28 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 29 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |

| Claim # | Twp. | Issued | Anniversary | Area (Ha.) | Reserve | | Lease # | Rights | PIN | Reg'd Plan | |
|-------------|---------------|--------|-------------|------------|---------|--|--------------------|------------|-------------------|------------|--|
| 10693 30 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 31 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 34 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 35 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 36 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 37 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | | |
| 10693 38 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | | |
| 10693 39 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | | |
| 10693 40 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 41 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 42 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 47 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR | | |
| 10693 48 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | | |
| 10693 49 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | | |
| 10693 50 | HAMBLE TON | | | | | | LEA- 1096 02 | CLM5 15 | MR+ SR, MRO | | |

| Claim # | Twp. | Issued | Anniversary | Area (Ha.) | Reserve | | Lease # | Rights | PIN | Reg'd Plan |
|---------|-----------|-----------|-------------|------------|-----------|--|------------|--------|------------|-----------------------------------|
| 1135498 | HAMBLETON | | | | | | LEA-109602 | CLM515 | MR+SR | |
| 1182994 | HAMBLETON | | | | | | LEA-109602 | CLM515 | MR+SR | |
| 4270162 | HAMBLETON | | | | | | LEA-109602 | CLM515 | MR+SR | |
| 937770 | ODLUM | 01-May-15 | 30-Apr-36 | 279.83 | \$690,651 | | LEA-109593 | CLM516 | MR+SR | 31078-0001 Pts. 1-11, 1R-13038 |
| 1043803 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1043811 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1043812 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1069356 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR | |
| 1069357 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1069358 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1069363 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1069364 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1069365 | ODLUM | | | | | | LEA-109593 | CLM516 | MR+SR, MRO | |
| 1069372 | ODLUM | | | | | | LEA-109593 | CLM516 | MRO | |

| Claim # | Twp. | Issued | Anniversary | Area (Ha.) | Reserve | | Lease # | Rights | PIN | Reg'd Plan |
|---------|-----------|-----------|-------------|------------|----------|------------|---------|------------|------------|--------------------|
| 1069373 | ODLUM | | | | | LEA-109593 | CLM516 | MR+SR, MRO | | |
| 1069374 | ODLUM | | | | | LEA-109593 | CLM516 | MR+SR, MRO | | |
| 1078250 | ODLUM | | | | | LEA-109593 | CLM516 | MR+SR, MRO | | |
| 1078251 | ODLUM | | | | | LEA-109593 | CLM516 | MR+SR, MRO | | |
| 1078252 | ODLUM | | | | | LEA-109593 | CLM516 | MR+SR, MRO | | |
| 1135499 | HAMBLETON | | | | | LEA-109593 | CLM516 | MR+SR | | |
| 1194337 | HAMBLETON | | | | | LEA-109593 | CLM516 | MR+SR | | |
| 1194340 | ODLUM | | | | | LEA-109593 | CLM516 | MR+SR, MRO | | |
| 937771 | ODLUM | 01-May-15 | 30-Apr-36 | 511.38 | \$87,131 | LEA-109592 | CLM517 | MR+SR | 31077-0001 | Pts. 1-8, 1R-13019 |
| 937772 | ODLUM | | | | | LEA-109592 | CLM517 | MR+SR | | |
| 1043806 | ODLUM | | | | | LEA-109592 | CLM517 | MR+SR, MRO | | |
| 1043807 | ODLUM | | | | | LEA-109592 | CLM517 | MR+SR | | |
| 1043808 | ODLUM | | | | | LEA-109592 | CLM517 | MR+SR, MRO | | |
| 1043809 | ODLUM | | | | | LEA-109592 | CLM517 | MR+SR, MRO | | |

| Claim # | Twp. | Issued | Anniversary | Area (Ha.) | Reserve | | Lease # | Rights | PIN | Reg'd Plan |
|-------------|----------------|--------|-------------|------------|---------|--|------------------------------|-------------------|-----|------------|
| 10438 10 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MRO | | |
| 10693 52 | HAMBLE TON | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 10693 53 | HAMBLE TON | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 54 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 55 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 10693 66 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 67 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 68 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 69 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 70 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 10693 71 | ODLUM | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 11406 38 | STRICKL AND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 11406 39 | STRICKL AND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR, MRO | | |
| 11406 40 | STRICKL AND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 41 | STRICKL AND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |

| Claim # | Twp. | Issued | Anniversary | Area (Ha.) | Reserve | | Lease # | Rights | PIN | Reg'd Plan |
|-------------|------------|--------|-------------|------------|---------|--|------------------------------|-----------|-----|------------|
| 11406 42 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 43 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 44 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 45 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 46 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 47 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 58 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 59 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |
| 11406 60 | STRICKLAND | | | | | | LEA-1095 92 CLM5 17 | MR+ SR | | |

B) Claims

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-----------------|-----------|----------------------------|------------------|-------|---------------|---------------|
| 4281896 | ODLUM | 136581* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 334503* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 255919* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 237877* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 220822* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-------------------------|-----------|----------------------------|------------------|-----------|---------------|---------------|
| 4281896 | ODLUM | 220821* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 209284* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 209282* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 201257* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 171296* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 142560* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 136582* | Boundary Cell Mining Claim | 02/06/21 | \$200 | \$0 | 4281896 |
| 4281896 | ODLUM | 324599* | Single Cell Mining Claim | 02/06/21 | \$400 | \$0 | 4281896 |
| 4281896 | ODLUM | 255918* | Single Cell Mining Claim | 02/06/21 | \$400 | \$0 | 4281896 |
| 4281896 | ODLUM | 255917* | Single Cell Mining Claim | 02/06/21 | \$400 | \$223 | 4281896 |
| 4281896 | ODLUM | 209283* | Single Cell Mining Claim | 02/06/21 | \$400 | \$0 | 4281896 |
| | MOSAMBIK | 532869 | Multi-cell Mining Claim | 04/10/21 | 8000 | 0 | |
| | NAMEIGOS | 531281 | Multi-cell Mining Claim | 04/10/21 | 1000 0 | 0 | |
| | NAMEIGOS | 531282 | Multi-cell Mining Claim | 04/10/21 | 9600 | 1753 | |
| | NAMEIGOS | 531289 | Multi-cell Mining Claim | 04/10/21 | 5600 | 2238 | |
| | NAMEIGOS | 531331 | Multi-cell Mining Claim | 04/10/21 | 7600 | 2016 | |
| | NAMEIGOS,S TRICKLAND | 531280 | Multi-cell Mining Claim | 04/10/21 | 9600 | 0 | |
| | NAMEIGOS | 514033 | Single Cell Mining Claim | 04/10/21 | 400 | 0 | |
| | NAMEIGOS | 514035 | Single Cell Mining Claim | 04/10/21 | 400 | 0 | |
| | COOPER,STR ICKLAND | 531165 | Multi-cell Mining Claim | 04/10/21 | 5200 | 1331 | |
| | HAMBLETON | 531227 | Multi-cell Mining Claim | 04/10/21 | 5600 | 1553 | |
| | HAMBLETON | 531248 | Multi-cell Mining Claim | 04/10/21 | 1000 0 | 0 | |
| | HAMBLETON | 531265 | Multi-cell Mining Claim | 04/10/21 | 1000 0 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-------------------------|-----------|----------------------------|------------------|-----------|---------------|---------------|
| | HAMBLETON | 531266 | Multi-cell Mining Claim | 04/10/21 | 5600 | 0 | |
| | HAMBLETON | 531267 | Multi-cell Mining Claim | 04/10/21 | 5600 | 0 | |
| | ODLUM | 531183 | Multi-cell Mining Claim | 04/10/21 | 9600 | 1370 | |
| | ODLUM | 531198 | Multi-cell Mining Claim | 04/10/21 | 7600 | 3217 | |
| | ODLUM,STRICKLAND | 531184 | Multi-cell Mining Claim | 04/10/21 | 9600 | 2087 | |
| | ODLUM,STRICKLAND | 531197 | Multi-cell Mining Claim | 04/10/21 | 9600 | 3658 | |
| | ODLUM,STRICKLAND,TEDDER | 531175 | Multi-cell Mining Claim | 04/10/21 | 1000 0 | 187 | |
| | STRICKLAND | 531157 | Multi-cell Mining Claim | 04/10/21 | 1000 0 | 5781 | |
| | STRICKLAND, TEDDER | 531169 | Multi-cell Mining Claim | 04/10/21 | 8800 | 5224 | |
| | STRICKLAND, TEDDER | 531171 | Multi-cell Mining Claim | 04/10/21 | 8800 | 4401 | |
| | HAMBLETON | 531254 | Multi-cell Mining Claim | 06/13/21 | 9600 | 0 | |
| | HAMBLETON | 531255 | Multi-cell Mining Claim | 06/13/21 | 1000 0 | 0 | |
| | HAMBLETON | 531256 | Multi-cell Mining Claim | 06/13/21 | 1000 0 | 583 | |
| | HAMBLETON | 531258 | Multi-cell Mining Claim | 06/13/21 | 4800 | 0 | |
| | HAMBLETON | 531269 | Multi-cell Mining Claim | 06/13/21 | 1200 | 0 | |
| | NAMEIGOS | 531335 | Multi-cell Mining Claim | 06/13/21 | 1000 0 | 0 | |
| | NAMEIGOS | 531340 | Multi-cell Mining Claim | 06/13/21 | 6800 | 33 | |
| | NAMEIGOS | 531342 | Multi-cell Mining Claim | 06/13/21 | 8000 | 0 | |
| | NAMEIGOS | 531343 | Multi-cell Mining Claim | 06/13/21 | 8000 | 0 | |
| | NAMEIGOS | 531344 | Multi-cell Mining Claim | 06/13/21 | 7200 | 2174 | |
| 4260661 | ODLUM | 205218 | Boundary Cell Mining Claim | 06/20/21 | 200 | 0 | 4260661 |
| 4260665 | ODLUM | 236538 | Boundary Cell Mining Claim | 06/20/21 | 200 | 837 | 4260665 |
| 4284301 | ODLUM | 113014 | Boundary Cell Mining Claim | 06/20/21 | 200 | 374 | 4284301 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-----------------|-----------|----------------------------|------------------|-----------|---------------|---------------|
| 4284301 | ODLUM | 323310 | Boundary Cell Mining Claim | 06/20/21 | 200 | 832 | 4284301 |
| | JOHNS | 530313 | Multi-cell Mining Claim | 06/20/21 | 6400 | 2174 | |
| | JOHNS | 530314 | Multi-cell Mining Claim | 06/20/21 | 6400 | 940 | |
| | JOHNS | 530315 | Multi-cell Mining Claim | 06/20/21 | 7200 | 4533 | |
| | JOHNS | 530316 | Multi-cell Mining Claim | 06/20/21 | 1000 0 | 0 | |
| | JOHNS | 530317 | Multi-cell Mining Claim | 06/20/21 | 7200 | 0 | |
| | JOHNS | 531017 | Multi-cell Mining Claim | 06/20/21 | 9600 | 5604 | |
| | JOHNS | 531018 | Multi-cell Mining Claim | 06/20/21 | 1000 0 | 0 | |
| | JOHNS,ODLUM | 530318 | Multi-cell Mining Claim | 06/20/21 | 7200 | 0 | |
| | JOHNS,ODLUM | 531019 | Multi-cell Mining Claim | 06/20/21 | 9600 | 0 | |
| | JOHNS,ODLUM | 531020 | Multi-cell Mining Claim | 06/20/21 | 1000 0 | 0 | |
| | ODLUM | 531016 | Multi-cell Mining Claim | 06/20/21 | 1000 0 | 0 | |
| | ODLUM | 531021 | Multi-cell Mining Claim | 06/20/21 | 1000 0 | 455 | |
| | ODLUM | 531024 | Multi-cell Mining Claim | 06/20/21 | 1000 0 | 0 | |
| | ODLUM | 531025 | Multi-cell Mining Claim | 06/20/21 | 9600 | 0 | |
| | ODLUM, TEDDER | 531022 | Multi-cell Mining Claim | 06/20/21 | 8800 | 247 | |
| | ODLUM, TEDDER | 531023 | Multi-cell Mining Claim | 06/20/21 | 9600 | 89 | |
| | ODLUM | 531201 | Multi-cell Mining Claim | 10/29/21 | 2000 | 398 | |
| | STRICKLAND | 531162 | Multi-cell Mining Claim | 2020-11-16 | 9600 | 0 | |
| | STRICKLAND | 531168 | Multi-cell Mining Claim | 2020-11-16 | 1000 0 | 0 | |
| | STRICKLAND | 531177 | Multi-cell Mining Claim | 2020-11-16 | 9600 | 0 | |
| | STRICKLAND | 531178 | Multi-cell Mining Claim | 2020-11-16 | 1000 0 | 0 | |
| | STRICKLAND | 531180 | Multi-cell Mining Claim | 2020-11-16 | 9200 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|--------------------------------|-----------|-------------------------|------------------|-----------|---------------|---------------|
| | STRICKLAND | 531271 | Multi-cell Mining Claim | 2020-11-16 | 8000 | 0 | |
| | STRICKLAND | 531273 | Multi-cell Mining Claim | 2020-11-16 | 1000 0 | 0 | |
| | STRICKLAND | 531274 | Multi-cell Mining Claim | 2020-11-16 | 1000 0 | 0 | |
| | STRICKLAND | 531275 | Multi-cell Mining Claim | 2020-11-16 | 8400 | 2439 | |
| | STRICKLAND | 531278 | Multi-cell Mining Claim | 2020-11-16 | 800 | 0 | |
| | GOURLAY | 531220 | Multi-cell Mining Claim | 2020-12-03 | 9600 | 0 | |
| | GOURLAY | 531225 | Multi-cell Mining Claim | 2020-12-03 | 9600 | 0 | |
| | GOURLAY | 531229 | Multi-cell Mining Claim | 2020-12-03 | 1000 0 | 0 | |
| | GOURLAY | 531231 | Multi-cell Mining Claim | 2020-12-03 | 1000 0 | 0 | |
| | GOURLAY, HAMBLETON | 531224 | Multi-cell Mining Claim | 2020-12-03 | 9600 | 0 | |
| | GOURLAY, HAMBLETON | 531226 | Multi-cell Mining Claim | 2020-12-03 | 1000 0 | 0 | |
| | GOURLAY, HAMBLETON | 531230 | Multi-cell Mining Claim | 2020-12-03 | 8800 | 0 | |
| | GOURLAY, HAMBLETON | 531243 | Multi-cell Mining Claim | 2020-12-03 | 1000 0 | 0 | |
| | GOURLAY, HAMBLETON, STRICKLAND | 531222 | Multi-cell Mining Claim | 2020-12-03 | 6200 | 0 | |
| | GOURLAY, STRICKLAND | 531221 | Multi-cell Mining Claim | 2020-12-03 | 1000 0 | 0 | |
| | HAMBLETON | 531228 | Multi-cell Mining Claim | 2020-12-03 | 6000 | 0 | |
| | ODLUM, STRICKLAND | 531270 | Multi-cell Mining Claim | 2020-12-03 | 5000 | 0 | |
| | STRICKLAND | 531167 | Multi-cell Mining Claim | 2020-12-03 | 8400 | 0 | |
| | STRICKLAND | 531170 | Multi-cell Mining Claim | 2020-12-03 | 9200 | 0 | |
| | STRICKLAND | 531176 | Multi-cell Mining Claim | 2020-12-03 | 1000 0 | 0 | |
| | STRICKLAND | 531179 | Multi-cell Mining Claim | 2020-12-03 | 8400 | 0 | |
| | STRICKLAND | 531181 | Multi-cell Mining Claim | 2020-12-03 | 9600 | 0 | |
| | STRICKLAND | 531185 | Multi-cell Mining Claim | 2020-12-03 | 9600 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-------------------------------|-----------|----------------------------|------------------|-------|---------------|---------------|
| | STRICKLAND | 531195 | Multi-cell Mining Claim | 2020-12-03 | 8800 | 0 | |
| | STRICKLAND | 531196 | Multi-cell Mining Claim | 2020-12-03 | 8800 | 0 | |
| | STRICKLAND | 531223 | Multi-cell Mining Claim | 2020-12-03 | 7400 | 0 | |
| | STRICKLAND | 531272 | Multi-cell Mining Claim | 2020-12-03 | 1200 | 0 | |
| 4260617 | STRICKLAND | 110507 | Single Cell Mining Claim | 2020-12-03 | 200 | 0 | 4260617 |
| | BAYFIELD, HAMBLETON, MATTHEWS | 531242 | Multi-cell Mining Claim | 2020-12-17 | 8000 | 0 | |
| | GOURLAY, HAMBLETON | 531241 | Multi-cell Mining Claim | 2020-12-17 | 9600 | 0 | |
| | HAMBLETON | 531244 | Multi-cell Mining Claim | 2020-12-17 | 10000 | 0 | |
| | HAMBLETON | 531245 | Multi-cell Mining Claim | 2020-12-17 | 9600 | 0 | |
| | HAMBLETON | 531246 | Multi-cell Mining Claim | 2020-12-17 | 9600 | 0 | |
| | HAMBLETON | 531247 | Multi-cell Mining Claim | 2020-12-17 | 9600 | 0 | |
| | HAMBLETON | 531264 | Multi-cell Mining Claim | 2020-12-17 | 9600 | 0 | |
| | BAYFIELD | 531235 | Multi-cell Mining Claim | 2020-12-22 | 8000 | 0 | |
| | BAYFIELD | 531236 | Multi-cell Mining Claim | 2020-12-22 | 8000 | 0 | |
| | BAYFIELD | 531237 | Multi-cell Mining Claim | 2020-12-22 | 8000 | 0 | |
| | BAYFIELD | 531238 | Multi-cell Mining Claim | 2020-12-22 | 9200 | 0 | |
| | BAYFIELD | 531239 | Multi-cell Mining Claim | 2020-12-22 | 1600 | 0 | |
| | BAYFIELD, GOURLAY | 531233 | Multi-cell Mining Claim | 2020-12-22 | 10000 | 0 | |
| | BAYFIELD, GOURLAY | 531234 | Multi-cell Mining Claim | 2020-12-22 | 8000 | 0 | |
| | BAYFIELD, GOURLAY, HAMBLETON | 531240 | Multi-cell Mining Claim | 2020-12-22 | 9600 | 0 | |
| | GOURLAY | 531232 | Multi-cell Mining Claim | 2020-12-22 | 9600 | 0 | |
| 4260661 | ODLUM | 137166 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 930 | 4260661 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|--------------------|-----------|----------------------------|------------------|------|---------------|---------------|
| 4260661 | ODLUM | 156716 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 548 | 4260661 |
| 4260661 | ODLUM | 142645 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 151 | 4260661 |
| 4260664 | ODLUM | 308490 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 111 | 4260664 |
| 4260664 | ODLUM | 168606 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 174 | 4260664 |
| 4260665 | ODLUM | 112652 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 0 | 4260665 |
| 4260665 | ODLUM | 199956 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 298 | 4260665 |
| 4260665 | ODLUM | 155301 | Boundary Cell Mining Claim | 2020-12-23 | 200 | 236 | 4260665 |
| | HAMBLETON | 531210 | Multi-cell Mining Claim | 2020-12-23 | 6800 | 6082 | |
| | HAMBLETON | 531249 | Multi-cell Mining Claim | 2020-12-23 | 1200 | 0 | |
| | HAMBLETON | 531257 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | HAMBLETON | 531268 | Multi-cell Mining Claim | 2020-12-23 | 4000 | 0 | |
| | HAMBLETON, ODLUM | 531209 | Multi-cell Mining Claim | 2020-12-23 | 2400 | 1604 | |
| | ODLUM | 531026 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | ODLUM | 531182 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | ODLUM | 531199 | Multi-cell Mining Claim | 2020-12-23 | 800 | 0 | |
| | ODLUM | 531200 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | ODLUM, TEDDER | 531027 | Multi-cell Mining Claim | 2020-12-23 | 9600 | 0 | |
| | ODLUM, TEDDER | 531154 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | ODLUM, TEDDER | 531173 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | ODLUM, TEDDER | 531174 | Multi-cell Mining Claim | 2020-12-23 | 9600 | 0 | |
| | STRICKLAND, TEDDER | 531156 | Multi-cell Mining Claim | 2020-12-23 | 1000 | 0 | |
| | TEDDER | 531031 | Multi-cell Mining Claim | 2020-12-23 | 9600 | 0 | |
| | TEDDER | 531153 | Multi-cell Mining Claim | 2020-12-23 | 8800 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-----------------|-----------|----------------------------|------------------|-----------|---------------|---------------|
| | TEDDER | 531155 | Multi-cell Mining Claim | 2020-12-23 | 1000 0 | 0 | |
| | TEDDER | 531172 | Multi-cell Mining Claim | 2020-12-23 | 1000 0 | 0 | |
| | ODLUM | 531203 | Multi-cell Mining Claim | 2020-12-31 | 7000 | 0 | |
| | ODLUM | 531204 | Multi-cell Mining Claim | 2020-12-31 | 3800 | 0 | |
| 4288587 | NAMEIGOS | 125769 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288587 | NAMEIGOS | 286343 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288587 | NAMEIGOS | 286342 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288587 | NAMEIGOS | 286341 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288587 | NAMEIGOS | 274252 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288587 | NAMEIGOS | 266283 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288587 | NAMEIGOS | 189153 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 11 | 42885 87 |
| 4288587 | NAMEIGOS | 170388 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 87 |
| 4288588 | NAMEIGOS | 102955 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 322925 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 286384 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 227074 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 219128 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 189186 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 170921 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 125817 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 149 | 42885 88 |
| 4288588 | NAMEIGOS | 102957 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288588 | NAMEIGOS | 102956 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 88 |
| 4288589 | NAMEIGOS | 287639 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 42885 89 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|----------------------------|-----------|----------------------------|------------------|-------|---------------|---------------|
| 4288589 | NAMEIGOS | 267591 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 4288589 |
| 4288589 | NAMEIGOS | 220366 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 423 | 4288589 |
| 4288589 | NAMEIGOS | 208950 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 4288589 |
| 4288589 | NAMEIGOS | 173870 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 4288589 |
| 4288589 | NAMEIGOS | 155027 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 4288589 |
| 4288589 | NAMEIGOS | 117345 | Boundary Cell Mining Claim | 2021-01-08 | 200 | 0 | 4288589 |
| 4288589 | NAMEIGOS | 335993 | Single Cell Mining Claim | 2021-01-08 | 400 | 0 | 4288589 |
| 4288589 | NAMEIGOS | 220373 | Single Cell Mining Claim | 2021-01-08 | 400 | 423 | 4288589 |
| 4288589 | NAMEIGOS | 208958 | Single Cell Mining Claim | 2021-01-08 | 400 | 0 | 4288589 |
| 4288231 | NAMEIGOS | 104062 | Boundary Cell Mining Claim | 2021-01-09 | 200 | 0 | 4288231 |
| 4288231 | NAMEIGOS | 225048 | Boundary Cell Mining Claim | 2021-01-09 | 200 | 0 | 4288231 |
| 4288231 | NAMEIGOS | 159665 | Boundary Cell Mining Claim | 2021-01-09 | 200 | 0 | 4288231 |
| | ABRAHAM, COOPER, TEDDER | 531096 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | ABRAHAM, TEDDER | 531094 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | ABRAHAM, TEDDER | 531095 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | COOPER | 531112 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | COOPER | 531139 | Multi-cell Mining Claim | 2021-01-09 | 9200 | 0 | |
| | COOPER | 531163 | Multi-cell Mining Claim | 2021-01-09 | 6000 | 0 | |
| | COOPER, STRICKLAND | 531166 | Multi-cell Mining Claim | 2021-01-09 | 800 | 0 | |
| | COOPER, STRICKLAND, TEDDER | 531152 | Multi-cell Mining Claim | 2021-01-09 | 6800 | 0 | |
| | COOPER, TEDDER | 531097 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | COOPER, TEDDER | 531100 | Multi-cell Mining Claim | 2021-01-09 | 9600 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|--------------------|-----------|--------------------------|------------------|-------|---------------|---------------|
| | COOPER, TEDDER | 531111 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | COOPER, TEDDER | 531151 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | MOSAMBIK | 531287 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | MOSAMBIK | 531348 | Multi-cell Mining Claim | 2021-01-09 | 8800 | 0 | |
| | MOSAMBIK, NAMEIGOS | 531286 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | MOSAMBIK, NAMEIGOS | 531288 | Multi-cell Mining Claim | 2021-01-09 | 8400 | 0 | |
| | MOSAMBIK, NAMEIGOS | 531347 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | MOSAMBIK, NAMEIGOS | 531349 | Multi-cell Mining Claim | 2021-01-09 | 6400 | 0 | |
| | MOSAMBIK, NAMEIGOS | 531350 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | NAMEIGOS | 531283 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | NAMEIGOS | 531284 | Multi-cell Mining Claim | 2021-01-09 | 9200 | 0 | |
| | NAMEIGOS | 531285 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | NAMEIGOS | 531351 | Multi-cell Mining Claim | 2021-01-09 | 9600 | 0 | |
| | NAMEIGOS | 531352 | Multi-cell Mining Claim | 2021-01-09 | 10000 | 0 | |
| | TEDDER | 531046 | Multi-cell Mining Claim | 2021-01-09 | 8800 | 0 | |
| | TEDDER | 531047 | Multi-cell Mining Claim | 2021-01-09 | 9600 | 0 | |
| | TEDDER | 531079 | Multi-cell Mining Claim | 2021-01-09 | 9200 | 0 | |
| | TEDDER | 531098 | Multi-cell Mining Claim | 2021-01-09 | 9600 | 0 | |
| | TEDDER | 531099 | Multi-cell Mining Claim | 2021-01-09 | 9600 | 0 | |
| | COOPER | 531126 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| 04288250 | MOSAMBIK | 125756 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 04288250 |
| 04288250 | MOSAMBIK | 293144 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 04288250 |
| 04288250 | MOSAMBIK | 274244 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 04288250 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|--------------------|-----------|--------------------------|------------------|-----|---------------|---------------|
| 04288250 | MOSAMBIK | 273605 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 04288250 |
| 04288250 | MOSAMBIK | 153728 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 04288250 |
| 4288237 | MOSAMBIK | 118071 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288237 | MOSAMBIK | 273604 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288237 | MOSAMBIK | 226382 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288237 | MOSAMBIK | 188477 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288237 | MOSAMBIK | 170250 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288249 | MOSAMBIK | 117527 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288249 |
| 4288249 | MOSAMBIK | 336697 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288249 |
| 4288249 | MOSAMBIK | 276267 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288249 |
| 4288249 | MOSAMBIK | 221060 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288249 |
| 4288237 | MOSAMBIK,N AMEIGOS | 344618 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288237 | MOSAMBIK,N AMEIGOS | 265657 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288237 |
| 4288230 | NAMEIGOS | 103256 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288230 |
| 4288230 | NAMEIGOS | 127131 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288230 |
| 4288232 | NAMEIGOS | 102261 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288232 |
| 4288232 | NAMEIGOS | 276303 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288232 |
| 4288232 | NAMEIGOS | 229063 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288232 |
| 4288232 | NAMEIGOS | 219164 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288232 |
| 4288232 | NAMEIGOS | 170953 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288232 |
| 4288232 | NAMEIGOS | 118285 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288232 |
| 4288233 | NAMEIGOS | 286410 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288233 |
| 4288233 | NAMEIGOS | 189211 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288233 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-----------------|-----------|--------------------------|------------------|-----|---------------|---------------|
| 4288233 | NAMEIGOS | 170954 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288233 |
| 4288233 | NAMEIGOS | 154316 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288233 |
| 4288233 | NAMEIGOS | 125852 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288233 |
| 4288233 | NAMEIGOS | 118287 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | 4288233 |
| | NAMEIGOS | 531290 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531291 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531292 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531293 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531294 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531295 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531296 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531297 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531298 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531299 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531300 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531301 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531302 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531304 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531305 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531306 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531309 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531316 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |
| | NAMEIGOS | 531317 | Single Cell Mining Claim | 2021-01-09 | 400 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-------------------|-----------|----------------------------|------------------|-----------|---------------|---------------|
| | COOPER | 531115 | Multi-cell Mining Claim | 2021-01-10 | 9200 | 0 | |
| | COOPER | 531116 | Multi-cell Mining Claim | 2021-01-10 | 9600 | 0 | |
| | COOPER | 531117 | Multi-cell Mining Claim | 2021-01-10 | 1000 0 | 0 | |
| | COOPER | 531118 | Multi-cell Mining Claim | 2021-01-10 | 1000 0 | 0 | |
| | COOPER,STRICKLAND | 531119 | Multi-cell Mining Claim | 2021-01-10 | 8000 | 0 | |
| | COOPER,STRICKLAND | 531120 | Multi-cell Mining Claim | 2021-01-10 | 6000 | 0 | |
| | COOPER,STRICKLAND | 531121 | Multi-cell Mining Claim | 2021-01-10 | 6400 | 0 | |
| | COOPER,STRICKLAND | 531164 | Multi-cell Mining Claim | 2021-01-10 | 7200 | 0 | |
| | ABRAHAM | 531086 | Multi-cell Mining Claim | 2021-01-18 | 9600 | 0 | |
| | ABRAHAM,COOPER | 531087 | Multi-cell Mining Claim | 2021-01-18 | 9600 | 0 | |
| 4281802 | NAMEIGOS | 134919 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281802 |
| 4281802 | NAMEIGOS | 302908 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281802 |
| 4281802 | NAMEIGOS | 281507 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281802 |
| 4281802 | NAMEIGOS | 151061 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281802 |
| 4281802 | NAMEIGOS | 150356 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281802 |
| 4281802 | NAMEIGOS | 141005 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 1139 | 4281802 |
| 4281805 | NAMEIGOS | 122945 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281805 |
| 4281805 | NAMEIGOS | 290157 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281805 |
| 4281805 | NAMEIGOS | 186333 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281805 |
| 4281805 | NAMEIGOS | 133689 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4281805 |
| 4285671 | NAMEIGOS | 186239 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285671 |
| 4285671 | NAMEIGOS | 319552 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285671 |
| 4285671 | NAMEIGOS | 282751 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285671 |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|-------------------------|-----------|----------------------------|------------------|-------|---------------|---------------|
| 4285671 | NAMEIGOS | 186240 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285671 |
| 4285672 | NAMEIGOS | 157827 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285672 |
| 4285672 | NAMEIGOS | 344511 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285672 |
| 4285672 | NAMEIGOS | 238950 | Boundary Cell Mining Claim | 2021-02-16 | 200 | 0 | 4285672 |
| | NAMEIGOS | 531332 | Multi-cell Mining Claim | 2021-02-16 | 9600 | 768 | |
| | NAMEIGOS | 531333 | Multi-cell Mining Claim | 2021-02-16 | 4800 | 0 | |
| | NAMEIGOS | 531334 | Multi-cell Mining Claim | 2021-02-16 | 10000 | 0 | |
| | NAMEIGOS | 531336 | Multi-cell Mining Claim | 2021-02-16 | 9200 | 0 | |
| | NAMEIGOS | 531337 | Multi-cell Mining Claim | 2021-02-16 | 9200 | 0 | |
| | NAMEIGOS | 531338 | Multi-cell Mining Claim | 2021-02-16 | 9600 | 0 | |
| | NAMEIGOS | 531341 | Multi-cell Mining Claim | 2021-02-16 | 800 | 0 | |
| | NAMEIGOS | 531345 | Multi-cell Mining Claim | 2021-02-16 | 800 | 0 | |
| | NAMEIGOS | 531346 | Multi-cell Mining Claim | 2021-02-16 | 1600 | 496 | |
| | ABRAHAM | 531081 | Multi-cell Mining Claim | 2021-02-22 | 10000 | 0 | |
| | ABRAHAM | 531082 | Multi-cell Mining Claim | 2021-02-22 | 9600 | 0 | |
| | ABRAHAM | 531083 | Multi-cell Mining Claim | 2021-02-22 | 9600 | 0 | |
| | ABRAHAM,TE DDER | 531048 | Multi-cell Mining Claim | 2021-02-22 | 9000 | 859 | |
| | ABRAHAM,TE DDER | 531080 | Multi-cell Mining Claim | 2021-02-22 | 9600 | 0 | |
| | NAMEIGOS,S TRICKLAND | 531276 | Multi-cell Mining Claim | 2021-02-22 | 10000 | 0 | |
| | NAMEIGOS,S TRICKLAND | 531279 | Multi-cell Mining Claim | 2021-02-22 | 4000 | 0 | |
| | STRICKLAND | 531160 | Multi-cell Mining Claim | 2021-02-22 | 8400 | 0 | |
| | STRICKLAND | 531161 | Multi-cell Mining Claim | 2021-02-22 | 8400 | 0 | |
| | STRICKLAND | 531277 | Multi-cell Mining Claim | 2021-02-22 | 7200 | 0 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|--------------------|-----------|-------------------------|------------------|------|---------------|---------------|
| | ABRAHAM, COOPER | 531084 | Multi-cell Mining Claim | 2021-03-10 | 9600 | 0 | |
| | COOPER | 531085 | Multi-cell Mining Claim | 2021-03-10 | 9600 | 0 | |
| | COOPER | 531088 | Multi-cell Mining Claim | 2021-03-10 | 9600 | 0 | |
| | COOPER | 531089 | Multi-cell Mining Claim | 2021-03-10 | 8000 | 0 | |
| | COOPER | 531090 | Multi-cell Mining Claim | 2021-03-10 | 9600 | 0 | |
| | COOPER | 531091 | Multi-cell Mining Claim | 2021-03-10 | 9600 | 0 | |
| | COOPER | 531092 | Multi-cell Mining Claim | 2021-03-10 | 9600 | 0 | |
| | COOPER | 531093 | Multi-cell Mining Claim | 2021-03-10 | 1000 | 0 | |
| | COOPER | 531113 | Multi-cell Mining Claim | 2021-03-10 | 1000 | 0 | |
| | COOPER | 531114 | Multi-cell Mining Claim | 2021-03-10 | 1000 | 0 | |
| | ODLUM | 531205 | Multi-cell Mining Claim | 2021-03-27 | 4800 | 278 | |
| | HAMBLETON, ODLUM | 531206 | Multi-cell Mining Claim | 2021-04-26 | 8200 | 34563 | 4 |
| | BAYFIELD | 549597 | Multi-cell Mining Claim | 2021-05-10 | 9600 | 0 | |
| | BAYFIELD | 549623 | Multi-cell Mining Claim | 2021-05-10 | 9200 | 0 | |
| | BAYFIELD | 549624 | Multi-cell Mining Claim | 2021-05-10 | 9600 | 0 | |
| | BAYFIELD | 549625 | Multi-cell Mining Claim | 2021-05-10 | 8800 | 0 | |
| | BAYFIELD, BEATON | 549626 | Multi-cell Mining Claim | 2021-05-10 | 9200 | 0 | |
| | BAYFIELD, BEATON | 549916 | Multi-cell Mining Claim | 2021-05-10 | 1000 | 0 | |
| | ODLUM | 531207 | Multi-cell Mining Claim | 2021-07-02 | 1600 | 36193 | |
| | HAMBLETON | 531214 | Multi-cell Mining Claim | 2021-07-20 | 2400 | 10570 | 5 |
| | GOURLAY, HAMBLETON | 531219 | Multi-cell Mining Claim | 2021-11-20 | 9200 | 11993 | |
| | HAMBLETON | 531211 | Multi-cell Mining Claim | 2021-12-23 | 3200 | 2381 | |
| | ODLUM | 531202 | Multi-cell Mining Claim | 2021-12-23 | 9200 | 19310 | |

| Legacy Claim Id | Township / Area | Tenure ID | Tenure Type | Anniversary Date | % | Work Required | Total Reserve |
|-----------------|---------------------|-----------|-------------------------|------------------|------|---------------|---------------|
| | HAMBLETON | 531212 | Multi-cell Mining Claim | 2021-12-31 | 7200 | 47190 | |
| | HAMBLETON | 531215 | Multi-cell Mining Claim | 2021-12-31 | 3600 | 21107 0 | |
| | HAMBLETON | 531216 | Multi-cell Mining Claim | 2021-12-31 | 1000 | 46781 7 | |
| | HAMBLETON | 531217 | Multi-cell Mining Claim | 2021-12-31 | 2200 | 34208 9 | |
| | HAMBLETON | 531218 | Multi-cell Mining Claim | 2021-12-31 | 1800 | 12658 0 | |
| | HAMBLETON, ODLUM | 531208 | Multi-cell Mining Claim | 2021-12-31 | 5200 | 9687 | |
| | HAMBLETON | 531259 | Multi-cell Mining Claim | 2022-12-23 | 1200 | 851 | |

Schedule "F"
UPFRONT WARRANTS

See attached.

No. 2020 JULY 001

7,500,000 Warrants
Void After July 14, 2025

COMMON SHARE PURCHASE WARRANTS

HARTE GOLD CORP.

THIS IS TO CERTIFY THAT, for value received, **ANR INVESTMENTS B.V.** (the "**Warrant Holder**") shall have the right to purchase from **HARTE GOLD CORP.** (the "**Company**"), upon and subject to the terms and conditions hereinafter referred to, up to seven million five hundred thousand (7,500,000) fully paid and non-assessable common shares of the Company at the price of **\$0.1349** per common share in lawful money of Canada at any time up to 5:00 p.m. (Toronto time) on **July 14, 2025** as may be adjusted hereunder. Upon expiration, the warrants shall be of no value if unexercised.

Subject to the terms and conditions annexed hereto which shall be deemed to be incorporated herein, the right to purchase common shares of the Company may only be exercised by the Warrant Holder within the time hereinbefore set out by: (a) duly completing and executing the subscription form attached hereto, in the manner therein indicated; (b) surrendering this warrant certificate to the Company at the Company's head office (being 161 Bay Street, Suite 2400, Toronto, Ontario, Canada M5J 2S1 at the date hereof); and (c) paying the appropriate purchase price for the common shares of the Company subscribe for, either in cash or by certified cheque, bank draft or wire transfer payable to "HARTE GOLD CORP." at par in Toronto, Ontario.

Upon surrender and payment, the Company will issue to the Warrant Holder the number of common shares subscribed for. Within five business days of surrender and payment the Company will mail to the Warrant Holder a certificate evidencing the common shares subscribed for. If the Warrant Holder subscribes for a lesser number of common shares than the number of shares permitted by this warrant certificate, the Company shall forthwith cause to be delivered to the Warrant Holder a further warrant certificate in respect of the common shares referred to in this warrant certificate but not subscribed for.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE NOVEMBER 15, 2020. ANY COMMON SHARES ACQUIRED BY EXERCISE PRIOR TO NOVEMBER 15, 2020 WILL BE SUBJECT TO RESALE RESTRICTIONS IN CANADA UNTIL THAT DATE AND WILL BEAR THE ABOVE-NOTED LEGEND TO THIS EFFECT.

IN WITNESS WHEREOF THE COMPANY has caused this warrant certificate to be issued by its duly authorized agent as of the 14th day of July, 2020.

HARTE GOLD CORP.

By: _____
Name: Graham du Preez
Title: Executive Vice President & CFO

TERMS AND CONDITIONS OF COMMON SHARE PURCHASE WARRANTS OF HARTE GOLD CORP.

1. All share purchase warrants shall be signed by the President or a Vice-President or by the Secretary or an Assistant Secretary of the Company holding office at the time of signing and notwithstanding any change in any of the persons holding said offices between the time of actual signing and the delivery of share purchase warrants and notwithstanding that the President or Vice-President or Secretary or Assistant Secretary signing may not have held office at the date of the delivery of the share purchase warrants, the share purchase warrants so signed shall be valid and binding upon the Company.
2. All rights under any of the share purchase warrants in respect of which the right of subscription and purchase therein provided for shall not theretofore have been exercised shall wholly cease and such share purchase warrants shall be wholly void and of no value or effect after the expiry date set forth on the face of the share purchase warrant.
3. The holder of any share purchase warrant who desires to exercise the right of purchase therein provided for shall deliver the warrant certificate to the Company at the Company's head office (being 161 Bay Street, Suite 2400, Toronto, Ontario, Canada M5J 2S1 at the date hereof) together with a subscription form duly signed by such holder for the number of shares which such holder is entitled and desires to purchase and the purchase price applicable at the time of such delivery of the shares so desired to be purchased calculated in accordance with the provisions hereof. To the extent that a warrant confers the right to purchase a fraction of a share such right may only be exercised in respect of such fraction in combination with another warrant, which in the aggregate entitle the bearer to purchase a whole number of shares.
4. Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the holder hereof the number of shares of the Company to be issued and the holder hereof shall become a shareholder or shareholders of the Company in respect of such shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares and the Company shall cause such certificate or certificates to be mailed to the holder hereof at the address or addresses specified in such subscription within five (5) days of such delivery and payment as herein provided.
5. The holding of a share purchase warrant shall not constitute the holder thereof a shareholder of the Company nor entitle it to any right or interest in respect thereof except as herein and in the share purchase warrants expressly provided.

6. The Company covenants and agrees that until the expiry date while any of the share purchase warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of shares to satisfy the right of purchase herein provided for should the holders of all the share purchase warrants at any time outstanding determine to exercise such right in respect of all the shares for the time being called for by such outstanding share purchase warrants. All shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Company or its creditors in respect thereof. The Company further covenants and agrees it will use its commercially reasonable efforts to (i) ensure that all shares of the Company outstanding or issuable from time to time continue to be or are listed and posted for trading on the Toronto Stock Exchange or such other exchange satisfactory to the Board of Directors of the Company and (ii) make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in the provinces where it is a reporting issuer, as that term is defined in the securities legislation of that jurisdiction.

7. The Company covenants and agrees that so long as any of the share purchase warrants are outstanding it will not up to and including thirty (30) days preceding the expiry date:

- a) give rateably to holders of its share rights to subscribe for additional shares; or
- b) pay any dividend on any outstanding shares in the capital of the Company payable in shares in the capital of the Company or any dividend on shares of the same class as those then issuable pursuant to the warrants; or
- c) subdivide, re-divide, consolidate, change or reclassify any shares in the capital of the Company; or
- d) increase its authorized capital; or
- e) consolidate, amalgamate or merge the Company with any other company or corporation; or
- f) sell or lease the whole or substantially the whole of the assets of the Company to any other company or corporation,

until it shall have given at least fifteen (15) days' notice of its intention so to do and of the particulars of the right to subscribe for additional shares and/or of such dividend and/or of such subdivision, re-division, consolidation, change or reclassification or increase in authorized capital and/or of the general terms of such consolidation, amalgamation, merger or sale or lease, by notice to the holder hereof. The Company further covenants and agrees that it will not during the period of such notice as aforesaid close its share transfer books or take any other corporate action which might deprive the holder of any share purchase warrant of the opportunity of exercising the right to participate as a shareholder in any such rights or dividends or such other proposed action as aforesaid; provided always that nothing contained in this clause shall be deemed to affect the right of the Company to do or take part in any of the things referred to above in this clause nor to pay cash dividends on the shares of any class or classes in its capital from time to time outstanding nor (subject to the provisions of clause 6 hereof) to issue any of its authorized but unissued shares in its capital or be deemed to require the Company to give any notice of intention to pay any such cash dividends on any shares other than shares of the same class as those then issuable pursuant to the warrants or to issue any of such unissued shares.

8. In the event of any subdivision, re-division or change of the Company at any time while any share purchase warrant is outstanding into a greater number of shares, the Company shall thereafter deliver at the time of purchase of shares under share purchase warrants, in lieu of the number of shares

in respect of which the right to purchase is then being exercised, such greater number of shares of the Company as would result from said subdivision, re-division or change had the right of purchase been exercised before such subdivision, re-division or change without the subscriber making any additional payment or giving any other consideration therefor.

In the event of any consolidation of the shares of the Company at any time while any share purchase warrant is outstanding into a lesser number of shares, the Company shall thereafter deliver, and the subscribers under share purchase warrants shall accept, at the time of purchase of shares under share purchase warrants, in lieu of the number of shares in respect of which the right to purchase is then being exercised, such lesser number of shares of the Company as would result from such consolidation had the right of purchase been exercised before such consolidation.

In the event of any reclassification of the shares of the Company or change of the shares into other shares or other securities, or in case of the consolidation, merger, arrangement, reorganization or amalgamation of the Company with or into any other person which results in any reclassification of the shares or a change of the shares into other shares or other securities (any such event, a "Reclassification of Shares") at any time while any share purchase warrant is outstanding, the Company shall thereafter deliver at the time of purchase of shares under share purchase warrants the number of shares of the Company of the appropriate class or classes resulting from said Reclassification of Shares as the subscriber would have been entitled to receive in respect of the number of shares in respect of which the right to purchase is then being exercised had the right of purchase been exercised before such Reclassification of Shares.

If the Company, at any time while any share purchase warrant is outstanding, shall pay any dividend in shares or other securities or property upon shares of the Company of the class or classes in respect of which the right to purchase is then given under the share purchase warrants, then the Company shall thereafter deliver at the time of purchase of shares of the Company under share purchase warrants, in addition to the number of shares in respect of which the right of purchase is then being exercised, the additional number of shares or other securities or property of the appropriate class or classes as would have been payable on the shares of the Company so purchased if the shares so purchased had been outstanding on the record date for the payment of the said dividend.

If and whenever at any time prior to expiration of the share purchase warrants, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of common shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase common shares of the Company or securities convertible into common shares of the Company ("Convertible Securities") at a price per share (or having a conversion or exchange price per share) of less than 95% of the Fair Market Value (as defined above in clause 4) of the common shares on such record date (any such event, a "Rights Offering"), the exercise price of the share purchase warrants shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the exercise price in effect on such record date by a fraction:

- (i) the numerator of which shall be the aggregate of: (A) the number of common shares of the Company outstanding on such record date; and (B) a number determined by dividing whichever of the following is applicable by the Fair Market Value of the common shares on the record date: (1) the amount obtained by multiplying the number of common shares which the holders of common shares are entitled to subscribe for or

purchase by the subscription or purchase price; or (2) the amount obtained by multiplying the maximum number of common shares which the holders of common shares are entitled to receive on the conversion or exchange of the Convertible Securities by the conversion or exchange price per share; and

- (ii) the denominator of which shall be the aggregate of: (A) the number of common shares outstanding on such record date; and (B) whichever of the following is applicable: (1) the number of common shares which the holders of common shares are entitled to subscribe for or purchase; or (2) the maximum number of Shares which the holders of common shares are entitled to receive on the conversion or exchange of the Convertible Securities.

To the extent that such Rights Offering is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the exercise price of the share purchase warrants shall then be readjusted to the exercise price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued.

The adjustment in the number of shares issuable pursuant to the rights attaching to the warrants or the exercise price of the warrants provided for in this clause 8 shall be cumulative.

On the happening of each and every such event, the applicable provisions of the share purchase warrants and each of them shall, ipso facto, be deemed to be amended accordingly and the Company shall take all necessary action so as to comply with such provisions as so amended.

At least ten (10) business days prior to the effective date or record date, as the case may be, of any event which requires an adjustment in this share purchase warrant, including the number and classes of shares or other securities or property which are to be received upon the exercise thereof, the Company shall give notice to the holder of the particulars of such event and the required adjustment. In case any adjustment for which such notice has been given is not determinable, the Company shall promptly after such adjustment is determinable notify the holder of the adjustment and the computation of the adjustment.

In the event of any question arising with respect to the adjustments provided in this share purchase warrant, such question shall conclusively be determined by a firm of chartered accountants with appropriate relevant experience appointed by the Company in good faith (who may be the Company's independent external auditors). Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the holder.

9. The Company shall not be required to deliver certificates for shares while the share transfer books of the Company are properly closed, having regard to the provisions of clause 7 hereof, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any share purchase warrant in accordance with the provisions hereof and the making of any subscription and payment for the shares called for thereby during any such period delivery of certificates for shares may be postponed for not exceeding five (5) days after the date of the re-opening of said share transfer books. Provided however that any such postponement of delivery of certificates shall be without prejudice to the right of the holders of share purchase warrants so surrendering the same and making payment during such period to receive such certificates for the

shares called for after the share transfer books shall have been re-opened.

10. Subject as hereinafter provided, all or any of the rights conferred upon the holders of any of the share purchase warrants by the term of such share purchase warrants may be enforced by the holders of such share purchase warrants by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein or in any of the share purchase warrants issued hereunder shall be had against any shareholder, officer or director of the Company either directly or through the Company, it being expressly agreed and declared that the obligations under the said share purchase warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders, officers or directors of the Company or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issuer of the share purchase warrants.

11. The holder hereof may subscribe for and purchase any lesser number of shares than the number of shares expressed in the warrant certificate. In the case of any subscription for a lesser number of shares than expressed in the warrant certificate the holder hereof shall be entitled to receive, and the Company shall forthwith cause to be delivered to the holder, a new warrant certificate in respect of the balance of such shares not then subscribed for.

12. If any share purchase warrant becomes stolen, lost, mutilated or destroyed the Company may, on such terms as it may in its discretion impose, respectively issue and countersign a new share purchase warrant of like denomination, tenor and date as the share purchase warrant so stolen, lost, mutilated or destroyed.

13. All notices to be sent hereunder shall be deemed to be validly given to the holders of the share purchase warrants if delivered personally or if sent by prepaid courier to such holders at their addresses appearing in the register of warrant holders to be maintained by the Company, and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by courier on the second business day next following the posting thereof.

14. The share purchase warrants shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as legal contracts under the laws of Ontario.

15. The share purchase warrants may be transferred by the holder in whole or in part in accordance with applicable securities laws.

SUBSCRIPTION FORM

TO: HARTE GOLD CORP.
161 Bay Street, Suite 2400
Toronto, Ontario
Canada M5J 2S1

Dear Sirs:

The undersigned hereby exercises the right to purchase and hereby subscribes for _____ common shares in the capital stock or **HARTE GOLD CORP.** referred to in the warrant certificate surrendered herewith according to the conditions thereof and herewith makes payment by cash, certified cheque, bank draft or wire transfer of \$ _____ in lawful money of Canada being the purchase price in full for the said shares.

Please issue a certificate for the shares being purchased as follows in the name of the undersigned:

NAME: _____
(please print)

ADDRESS: _____

Please deliver the aforementioned share certificate and, if applicable, a warrant certificate in respect of the common shares referred to in the warrant certificate surrendered herewith but not presently subscribed for, to the undersigned as follows:

NAME: _____
(please print)

ADDRESS: _____

DATED this _____ day of _____, _____.

SUBSCRIBER

Schedule "G"

FACILITY TERM SHEET

| Key Term | Details |
|--------------------|---|
| Principal: | US\$18.5 million plus US\$9.5 million upon Automatic Conversion of Subscription Shares on Final Closing Date |
| Maturity Date: | 30 June 2023 |
| Interest Rate: | <p>14% per annum, calculated and paid monthly, provided:</p> <ul style="list-style-type: none"> • until the Maturity Date or Event of Default, interest paid in Common Shares issued at 5-day VWAP on monthly interest payment date or announcement of the Subscription Shares, whichever is lower; • upon an Event of Default, interest increased by 5%; and • upon a breach of an Operational Requirement, interest increased by (i) 4% if such breach has been outstanding for 90 days or less or (ii) 8% if such breach has been outstanding for greater than 90 days <p>For avoidance of doubt, the maximum total increase to the Interest Rate under any of the above points will be 8%. If an Event of Default has occurred and an Operational Requirement has been breached, then the Interest Rate increase to be applied will be the higher amount</p> |
| Availability: | After completion of the Final Closing until the Maturity Date |
| Security: | Fully perfected 2 nd lien on all of the Company's assets (subordinated to BNP Facility and subject to the Intercreditor Agreement) |
| Conversion: | Upon an Event of Default or if Facility is not repaid by 30 June 2023, convertible at any time thereafter at the Lender's election in whole or in part at 115% of the then outstanding principal plus accrued interest into Common Shares at 5-day VWAP (and applying the five-day Exchange Rate) at the time of the election to convert. " Exchange Rate " in this Schedule G means the average CAD-USD daily exchange rate as published by the Bank of Canada for the applicable number of consecutive trading days, at the relevant time |
| Events of Default: | <p>Facility to include customary events of default ("Event of Default" in this Schedule G) including failure to make any payment when required, failure to comply with covenants (other than an Operational Requirement and subject to short cure period) under this Agreement or the Facility, default under BNP Facility and insolvency.</p> <p>Following an Event of Default, and subject to the terms of the Intercreditor Agreement, if the Lender demands repayment, the Facility is repayable in cash at 110% of principal (increasing to 115% of principal if paid between 1 July 2021 and 30 June 2022 and further increasing to 130% of principal if paid from and after 1 July 2022) plus accrued interest</p> |

| Key Term | Details |
|--------------------|--|
| Change of Control: | <p>At the Lender’s election, upon announcement of an offer or transaction for a change of control of the Company, the Facility will be convertible in whole or in part into Common Shares at 110% of principal outstanding plus accrued interest at the lower of the 5-day or 30-day VWAP (and applying the five-day or thirty-day Exchange Rate, as applicable) on the trading day prior to such announcement</p> |
| Drawdowns: | <p>Drawdowns based on the Budget as follows subject to ongoing compliance with covenants under this Agreement and the Facility, applicable closing and drawdown conditions and adherence to the Budget</p> <ul style="list-style-type: none"> • US\$9.5 million on August 31, 2020; and • US\$6.0 million on October 30, 2020 • US\$3.0 million as required thereafter <p>At least US\$25 million of the Facility must be drawn on or before 31 December 2020</p> |
| Prepayment: | <p>Provided an Event of Default has not occurred and no offer or transaction for change of control of the Company has been announced, the Facility may be prepaid in whole or in part by the Company at:</p> <ul style="list-style-type: none"> • 110% of principal (plus accrued interest) until 30 June 2021; or • 115% of principal (plus accrued interest) if prepaid between 1 July 2021 and 30 June 2022; or • 120% of principal (plus accrued interest) if prepaid between 1 July 2022 and 30 June 2023 <p>In accordance with the foregoing:</p> <ul style="list-style-type: none"> • at the Lender’s election 35% of the net proceeds from any equity issuance by the Company (excluding flow through) shall be used to mandatorily prepay principal (plus accrued interest) owing under the Facility; • upon a BNP Refinancing, at the Lender’s election 50% monthly cash sweep shall commence immediately to mandatorily prepay principal (plus accrued interest) owing under the Facility; and • upon an Event of Default, at the Lender’s election 25% monthly cash sweep shall commence immediately to mandatorily prepay principal (plus accrued interest) owing under the Facility (subordinated to BNP Facility) |
| BNP Refinancing: | <p>Upon any refinancing of the BNP Facility which sees 100% of the then outstanding BNP Facility amount repaid, the Facility will become senior</p> |

| Key Term | Details |
|--|---|
| | secured and rank <i>pari passu</i> with any other senior secured debt financing of the Company |
| Other Terms: | Customary representations, warranties, covenants, indemnities and other terms |
| Remedy of Breach of Operational Requirement: | In the event of a breach of an Operational Requirement set out in (i) to (iii) of Schedule I to this Agreement, the Company can remedy the breach by achieving the required performance level over any subsequent four week period. In the event of a breach of an Operational Requirement set out in (iv) to (vii) of Schedule I to this Agreement, the Company can remedy the breach by completing and delivering the required outcome at any time. |

Schedule "H"

EVENTS OF DEFAULT

- (a) if the Company fails to pay any amount of principal of the Facility or any Conversion Price upon a redemption of any Subscription Shares when due;
- (b) if the Company fails (i) to pay any interest, dividends or other amount (other than any principal amount under the Facility or any Conversion Price upon a redemption of any Subscription Shares) under this Agreement, the Facility or the Subscription Shares when due or (ii) to deliver any Common Shares upon a conversion the Facility or any Subscription Shares when required and such default continues for 5 Business Days thereafter;
- (c) if the Company breaches any of its covenants or terms under this Agreement (other than the Operational Requirements), the Facility or the Subscription Shares and the Company fails to remedy such default within 10 Business Days from the earlier of the date on which the Company becomes aware of such breach and the date of receipt by the Company of notice of such breach;
- (d) if any representation or warranty made by the Company in this Agreement or the Facility or in any certificate or other document at any time delivered hereunder or thereunder proves to have been incorrect or misleading in any material respect on and as of the date that it was made or was deemed to have been made and the Company fails to remedy such default within 10 Business Days of the occurrence of such event;
- (e) if the Company ceases or threatens to cease to carry on business generally or admits its inability, or fails, to pay its Debts generally as they become due;
- (f) if the Company (i) fails to make any payment when such payment is due and payable to any Person in relation to any Debt (other than the Facility) that in the aggregate principal amount then outstanding is in excess of US\$250,000 and any applicable grace period in relation thereto has expired, or (ii) defaults in the observance or performance of any other agreement or condition in relation to any Debt (other than the Facility) to any Person that in the aggregate principal amount then outstanding is in excess of US\$250,000 or in relation to any instrument or agreement evidencing, securing or relating to such Debt, or any other event occurs or condition exists that constitutes a breach or default with respect to such Debt and, in each case, any applicable grace period in relation thereto shall have expired, with the result that such failure or default would be to cause, or to permit the holder of such Debt to then declare, such Debt to become due prior to its stated maturity date;
- (g) if the Company denies, to any material extent, its obligations under this Agreement, the Facility or the Subscription Shares or any related documents (collectively, the "**Documents**") or claims any of the Documents to be invalid or withdrawn in whole or in part;
- (h) if any of the Documents or any material provision of any of them becomes unlawful or is materially changed by virtue of legislation or by a Governmental Entity, if the

Company does not, within 10 Business Days of receipt of notice of such Document or material provision becoming unlawful or being materially changed, replace such Document with a new agreement that is in form and substance satisfactory to the Investor, acting reasonably, or amend such Document to the satisfaction of the Investor, acting reasonably;

- (i) if a decree or order of a court of competent jurisdiction is entered adjudging the Company a bankrupt or insolvent or approving as properly filed a petition seeking the winding up of the Company under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of the Company or ordering the winding up or liquidation of its affairs, unless any such decree or order is being contested in good faith by bona fide action on the part of the Company and is dismissed or stayed within 30 days after the making thereof;
- (j) if the Company becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition;
- (k) if any Person who holds an Encumbrance over greater than \$250,000 of property of the Company takes possession, by appointment of a receiver, receiver and manager or otherwise, of all or a substantial portion of such property;
- (l) if proceedings are commenced for the dissolution, liquidation or voluntary winding up of the Company, or for the suspension of the operations of the Company, unless such proceedings are being actively and diligently contested in good faith;
- (m) if a final judgment or decree for the payment of money due has been obtained or entered against the Company in an amount that, in the opinion of the Investor or the Lender, acting reasonably, would materially and adversely affect the ability of the Company to fulfil its obligations under the Documents, and such judgment or decree has not been and remained vacated, discharged or stayed pending appeal within the applicable appeal period;
- (n) if any of the 2nd lien security in respect of the Facility ceases to constitute a valid and perfected first priority security interest (subject only to Permitted Encumbrances and the Intercreditor Agreement) and (i) such cessation is the result of any act on the part of the Company, and (ii) the Company has failed to

remedy such default within five Business Days of being advised by the Lender thereof;

- (o) if an event of default occurs under any Material Contract (other than an event of default specifically dealt with above) resulting in, or which is reasonably likely to result in, a Material Adverse Change to the Company and such event of default is not remedied within 10 Business Days after the Company becomes aware of such event of default;
- (p) if a cease trading order, stop trading order or similar order, direction or ruling is issued by any Governmental Entity in respect of any of the securities of the Company and such order, direction or ruling is outstanding for a period of 10 consecutive trading days;
- (q) if the Company ceases to be a reporting issuer not in material default of any requirements of the laws in any of the Reporting Jurisdictions;
- (r) a Material Adverse Change occurs;
- (s) the cessation of production at the Sugar Zone Property for a period of 120 consecutive days; or
- (t) if the Sugar Zone Property is abandoned or placed on care and maintenance.

Schedule "I"
OPERATIONAL REQUIREMENTS

[Redacted]

EXHIBIT “S”

EXHIBIT "S"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

FACILITY AGREEMENT

BETWEEN

**HARTE GOLD CORP.
as Borrower**

AND

**AHG (JERSEY) LIMITED
as Lender**

MADE AS OF

August 28, 2020

McCarthy Tétrault LLP

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FACILITY AGREEMENT

THIS AGREEMENT is made as of August 28, 2020

BETWEEN:

Harte Gold Corp., a corporation existing under the laws of the Province of Ontario (the "**Borrower**"),

- and -

AHG (Jersey) Limited, a limited liability company existing under the laws of Jersey together with its successors and permitted assigns (the "**Lender**").

WHEREAS the Investor (as hereinafter defined) and the Borrower entered into a financing agreement dated as of July 14, 2020 (the "**Financing Agreement**") pursuant to which, among other things, the Investor agreed to cause the Lender to make available to the Borrower, and the Borrower has agreed to enter into, on the Closing Date (as defined herein) the Facility, in reliance upon the representations, warranties and covenants and on the terms and conditions contained herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 – INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith, words and phrases that are capitalized hereunder and not defined herein shall have the meanings ascribed there in the Financing Agreement, and in addition:

"**Advance**" has the meaning set out in Section 2.01.

"**Affiliate**" shall have the meaning ascribed to such term in the *Securities Act* (Ontario), as in effect on the date of this Agreement and, in the case of the Lender, also includes Appian Natural Resources Fund LP, Appian Natural Resources Fund II LP and Appian Capital Advisory LLP and their respective Affiliates and any investment fund advised or managed by any of them.

"**Agreement**" means this agreement, including its recitals and schedules.

"**Automatic Conversion**" has the meaning given to the term in section 1.1 of the Financing Agreement.

"**BNP**" means BNP Paribas.

"**BNP Facility**" has the meaning given to the term in section 1.1 of the Financing Agreement.

“BNP Facility Agreement” means the credit agreement dated June 10, 2019 between, among others, the Borrower, as borrower, and BNP, as administrative agent and as a lender, as amended on May 15, 2020.

“BNP Refinancing” means (i) a refinancing of the BNP Facility that results in full permanent repayment of all amounts owing by the Borrower to BNP under the BNP Facility and the termination of all commitments of BNP with respect thereto; (ii) BNP being a lender with commitments less than or equal to 25% of aggregate outstanding commitments under any such refinancing; and (iii) the termination and settlement in full of all Hedge Arrangements between the Borrower and BNP.

“Borrower Financial Statements” has the meaning given to the term “Company Financial Statements” in section 1.1 of the Financing Agreement.

“Borrower Mineral Rights” has the meaning given to the term “Company Mineral Rights” in section 1.1 of the Financing Agreement.

“Borrower Real Property Interests” has the meaning given to the term “Company Real Property Interests” in section 1.1 of the Financing Agreement.

“Budget” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Business Day” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Canadian Dollars” or **“C. \$”** means the lawful money of Canada.

“Cash Sweep Amount” means the dollar amount calculated for a portion of CFADS less Debt Service Costs for a given calendar month.

“CFADS” means, for a particular period, EBITDA of the Borrower for such period:

(1) plus (or minus) an aggregate decrease (or increase) in working capital of the Borrower (excluding any amounts payable to any Affiliate of the Borrower) as set out in each of the Borrower Financial Statements for such period;

(2) plus (or minus) the cash portion of non-recurring, unusual and extraordinary gains (or losses) of the Borrower during such period to the extent not already included in or deducted from the calculation of EBITDA; and

(3) less the sum (without duplication) of the following:

(a) scheduled permanent principal payments made by the Borrower during such period on account of other Debt (other than Debt pursuant to the Loan Documents), in each case to the extent such payments cannot be re-borrowed;

(b) Interest Expenses on account of other Debt (other than Debt pursuant to the Loan Documents) for such period (net of any dividend or interest income of the Borrower during such period);

(c) consolidated cash payments on account of income or capital tax of the Borrower for such period;

- (d) sustaining capital expenditures including mine development costs made by the Borrower in accordance with the Budget during such period; and
- (e) payments made by the Borrower under the Hedge Arrangements during such period;

determined in each case in accordance with Section 1.03 and expressed in United States Dollars.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following:

- (1) the adoption or taking effect of any applicable Law;
- (2) any change in any applicable Law or in the administration, interpretation or application thereof by any Governmental Entity; or
- (3) the making or issuance of any applicable Law by any Governmental Entity.

“Change of Control” means the acquisition by any Person, or group of Persons acting jointly or in concert, of (i) voting Control or direction of an aggregate of 50% or more of the outstanding Common Shares, or (ii) more than 50% of the consolidated assets of the Borrower.

“Closing Date” has the meaning given to the term “Final Closing Date” in section 1.1 of the Financing Agreement.

“Closing Time” has the meaning given to the term “Final Closing Time” in section 1.1 of the Financing Agreement.

“Common Shares” means the common shares in the capital of the Borrower and any other securities which carry voting rights or which carry a residual right to participate in the earnings of the Borrower and in its assets upon liquidation or winding-up.

“Compliance Certificate” means the certificate of an officer of the Borrower required pursuant to Section 7.01(7), substantially in the form attached as Schedule 7.01(7).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have corresponding meanings.

“Conversion Notice” has the meaning set out in Section 5.04.

“Convertible Securities” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Debenture” has the meaning set out in Section 8.01(2).

“Debt” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Debt Service Costs” means, for any period, the sum of all scheduled payments under Article 4, payable in respect of the Debt created by the Loan Documents during such period.

“Default” means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

“Default Interest” has the meaning set out in Section 4.01(2).

“EBITDA” means for any particular period, Net Income for such period:

- (1) plus, to the extent deducted in determining such Net Income and without duplication, the aggregate of the following:
 - (a) Interest Expenses for such period;
 - (b) consolidated depreciation and amortization expenses, current and deferred income tax expenses or capital tax expenses as well as other non-cash expenses of the Borrower for such period; and
- (2) plus, to the extent included in the calculation of Net Income, all extraordinary, unusual or non-recurring losses (or losses with respect to the sale of assets) less, to the extent included in the calculation of Net Income, all extraordinary, unusual or non-recurring gains (or gains with respect to any sale of assets) and expressed in United States Dollars.

“Encumbrance” has the meaning given to that term in section 1.1 of the Financing Agreement, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** have corresponding meanings.

“Environment” means air (including the air within buildings and the air within other natural or man-made structures whether above or below ground), water (including drains or sewers and coastal waters), land (including land under water), organisms (including man) and any other meaning given to environment under any applicable Law.

“Environmental Law” means any and all applicable Laws that relate or in any way pertain to the Environment, or the protection thereof, including applicable Laws that regulate and control the generation, presence, use, management, transport, storage, treatment, disposal or release of Hazardous Substances, or pollution, contamination, reclamation and remediation of the Environment or environmental assessments, or the taxation or other fiscal control of Hazardous Substances.

“Event of Default” has the meaning set out in Section 9.01.

“Exchange Rate” means the average Canadian Dollar to United States Dollar official daily rate of exchange published by the Bank of Canada for the applicable number of consecutive trading days, at the relevant time.

“Facility” has the meaning set out in Section 2.01.

“Financing Agreement” has the meaning set out in the Recitals.

“Governmental Entity” has the meaning given to that term in section 1.1 of the Financing Agreement.

“GSA” has the meaning set out in Section 8.01(1).

“Hazardous Substance” has the meaning given to that term in section 1.1 of the Financing Agreement.

“IFRS” means international financial reporting standards from time to time approved by the International Accounting Standards Board, or any successor body.

“Increase” has the meaning set out in Section 2.04(1).

“Intercreditor Agreement” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Interest Expenses” means for any particular period the amount (expressed in United States Dollars) which would be classified on the consolidated statement of earnings of the Borrower for such period as interest expenses and interest equivalents (whether expensed or capitalized), all as determined in accordance with Section 1.03.

“Interest Payment Date” has the meaning set out in Section 4.02(2).

“Investor” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Judgment Conversion Date” has the meaning set out in Section 11.03(1).

“Judgment Currency” has the meaning set out in Section 11.03(1).

“Laws” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Lender’s Counsel” means the firm of McCarthy Tétrault LLP or such other firm of legal counsel as the Lender may from time to time designate.

“Loan Documents” means (a) this Agreement, (b) the Security, and (c) all present and future agreements, documents, certificates and instruments delivered by the Borrower or caused to be delivered by the Borrower to the Lender pursuant to or in respect of this Agreement or the Security, in each case as the same may from time to time be amended, and **“Loan Document”** means any one of the Loan Documents; provided that Loan Documents shall not include the Appian Royalty, the Additional Royalty, the Appian Offtake Agreement and the New Appian Offtake.

“Maturity Date” means June 30, 2023.

“Net Income” means, with respect to the Borrower for any period, the net revenue of the Borrower for such period on a consolidated basis, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, determined in accordance with IFRS, but excluding extraordinary items as determined in accordance with IFRS, earnings resulting from any reappraisal, revaluation or other write up of assets and gains arising from the repurchase of any equity security of the Borrower.

“Obligations” means all obligations of the Borrower to the Lender under or in connection with this Agreement or the other Loan Documents, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender, in any currency or remaining unpaid by the Borrower to the Lender, under or in connection with this Agreement or the other Loan Documents, whether arising from dealings between the Lender and the Borrower or from any other dealings or proceedings by which the Lender may be or become in any manner whatever a creditor of the Borrower pursuant to this Agreement or the other Loan Documents, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

“Operational Breach Interest” has the meaning set out in Section 4.01(3).

“Operational Requirements” has the meaning set out in section 1.1 of the Financing Agreement.

“Party” means the Borrower or the Lender, as applicable.

“Payment” has the meaning set out in Section 10.02.

“Permitted Debt” has the meaning given to that term in section 1.1 of the Financing Agreement and includes:

- (1) any secured Debt arising under Hedge Arrangements entered into in connection with protection against fluctuation in commodity prices and currency fluctuations (and not for investment or speculative purposes); and
- (2) any Permitted Subordinated Debt.

“Permitted Encumbrances” has the meaning given to that term in section 1.1 of the Financing Agreement and includes Encumbrances securing secured Debt arising under:

- (1) Hedge Arrangements entered into in connection with protection against fluctuation in commodity prices and currency fluctuations (and not for investment or speculative purposes); and
- (2) any Permitted Subordinated Debt.

“Permitted Subordinated Debt” means any subordinated debt to the Borrower from parties aside from the Lender or its Affiliates in an aggregated maximum principal amount not to exceed \$20,000,000 less the amount of any Increase under Section 2.04 of this Agreement agreed on terms and conditions substantially similar to the terms and conditions set out in this Agreement, used solely for the purposes of prepaying or meeting debt service obligations under the BNP Facility, and subject to satisfactory intercreditor arrangements agreed between the parties based on the terms of the Intercreditor Agreement, provided that any provider of such debt shall not be a party dealing primarily in distressed assets.

“Person” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Property” means, with respect to any Person, all or any portion of that Person’s undertaking and property, both real and personal.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the directors, officers, employees, agents and advisors of such Person or of such Person’s Affiliates.

“Release” means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

“Securities Regulators” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Security” means the documents creating an Encumbrance in favour of, or any collateral held from time to time by, the Lender securing or intended to secure repayment of the Obligations, including all security described in Article 8.

“Subscription Shares” has the meaning given to that term in section 1.1 of the Financing Agreement.

“Sugar Zone Project” means the exploration, construction and development by the Borrower of the Sugar Zone gold mining project located near the town of White River, Ontario, Canada.

“Tax Act” means the *Income Tax Act* (Canada), as amended from time to time.

“Taxes” has the meaning given to that term in section 1.1 of the Financing Agreement, and **“Tax”** shall have a corresponding meaning.

“TSX” means the Toronto Stock Exchange or any successor thereto.

“United States Dollars” or **“U.S. \$”** means the lawful money of the United States of America.

“VWAP” means volume weighted average price.

“Withholding Obligations” has the meaning set out in Section 10.02.

1.02 **Rules of Construction**

In this Agreement words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Entities. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any person other than a person a party to this Agreement.

1.03 **Accounting Principles**

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purpose of this Agreement or any Loan Document, such determination or calculation will, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the Parties, be made in accordance with IFRS.

1.04 **Interest Calculations and Payments**

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest “*per annum*” or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.

1.05 **Interest Act (Canada)**

For the purposes of this Agreement, whenever interest to be paid hereunder is to be calculated on the basis of 360 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or such other number of days in such period, as the case may be.

1.06 **Permitted Encumbrances**

Save as otherwise expressly provided in any Loan Document, the inclusion of reference to Permitted Encumbrances in any Loan Document is not intended to subordinate and will not subordinate, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.07 **Currency**

Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of the United States.

1.08 **Conflicts**

In the event of a conflict, inconsistency or ambiguity between the provisions of this Agreement and the provisions of any other Loan Document (excluding the Financing Agreement and the Intercreditor Agreement), then, unless such Loan Document or an acknowledgement from the Borrower and the Lender relative to such Loan Document expressly states that this Section 1.08 is not applicable to such Loan Document, notwithstanding anything else contained in such other Loan Document, the provisions of this Agreement will prevail and the provisions of such other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict. In the event of any conflict, inconsistency or ambiguity between the provisions of this Agreement and the Financing Agreement, the terms of the Financing Agreement shall be paramount and prevail. In the event of any conflict, inconsistency or ambiguity between the provisions of this Agreement and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall be paramount and prevail.

1.09 **Schedules**

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

| | | |
|------------------------|---|------------------|
| Conversion Notice | - | Schedule 5.04 |
| Compliance Certificate | - | Schedule 7.01(7) |

ARTICLE 2 – FACILITY

2.01 **Facility**

Subject to the terms and conditions of this Agreement, including the conditions in Section 3.01, the Lender establishes in favour of the Borrower a convertible non-revolving term loan (the “**Facility**”) in a principal amount equal to U.S. \$18,500,000, which will be upsized by U.S. \$9,500,000 upon the completion of the Automatic Conversion. The entire principal amount of U.S. \$28,000,000 available under the Facility (including the previously advanced U.S. \$9,500,000 pursuant to the Subscription Shares) shall be loaned by the Lender to the Borrower by a single advance on the Closing Date (the “**Advance**”). The Facility is a non-revolving loan and any amounts that are repaid may not be reborrowed.

2.02 **Purpose**

The proceeds of the Facility will only be used for the purposes set out in section 2.5 of the Financing Agreement.

2.03 **Account of Record**

The Lender will open and maintain books of account evidencing the Facility and all other amounts owing by the Borrower to the Lender hereunder. The Lender will enter in the foregoing books of account details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing books of account will constitute *prima facie* evidence of the Obligations of the Borrower to the Lender hereunder with respect to the Facility and all other amounts owing by the Borrower to the Lender hereunder. After a request by the Borrower, the Lender will promptly advise the Borrower of such entries made in the Lender’s books of account.

2.04 **Accordion – Increase to Commitments Account of Record**

(1) At any time prior to the Maturity Date, the Borrower may request and, following such request the Lender may, by delivering notice to the Borrower in accordance with Section 2.04(2), increase the principal amount available under the Facility by up to \$20,000,000 (each, an “**Increase**”), such Increases to increase the aggregate principal amount available under the Facility up to \$48,000,000.

(2) Unless otherwise agreed by the Lender and the Borrower, each notice of an Increase delivered by the Lender shall be delivered at least 15 days before the date of such Increase, and will specify (i) the date of such Increase (which shall be a Business Day) and (ii) the principal amount of such Increase.

(3) The entire principal amount of any Increase made available under the Facility shall be loaned by the Lender to the Borrower within 30 days of such Increase.

(4) The Borrower shall deliver a Compliance Certificate to the Lender at least 15 days prior to any advance.

(5) Loans disbursed by the Lender to the Borrower pursuant to any Increase shall be used by the Borrower solely for purpose of prepaying outstanding amounts or to otherwise meet debt service requirements under the BNP Facility and any amounts that are repaid may not be reborrowed.

ARTICLE 3 – CONDITIONS PRECEDENT

3.01 Conditions Precedent to Effectiveness of Facility Agreement and Disbursement of the Advance

The obligation of the Lender to fund the Facility at the Closing Time and make the Advance to the Borrower pursuant to Section 2.01 is subject to and conditional upon the prior satisfaction of the conditions precedent set out in section 5.5 of the Financing Agreement and the following conditions precedent:

(1) a certificate of status or comparable certificate for the Borrower dated on or around the Closing Date will have been delivered to the Lender;

(2) no Default will have occurred and be continuing on the Closing Date;

(3) releases, discharges and postponements that are reasonably required in the discretion of the Lender (in registerable form where necessary) with respect to all Encumbrances affecting the collateral Encumbered by the Security that are not Permitted Encumbrances, if any, will have been delivered to the Lender;

(4) the Borrower shall have entered into an amendment to the BNP Facility Agreement satisfactory to the Lender; and

(5) the Lender will have received payment of all fees payable to the Lender that are due and payable at such time,

provided that all documents delivered pursuant to this Section 3.01 must be in full force and effect, and in form and substance satisfactory to the Lender, acting reasonably.

3.02 Waiver

The conditions set forth in Section 3.01 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part (with or without terms or conditions), in respect of the Advance hereunder without prejudicing any other rights of the Lender at any time.

ARTICLE 4 – PAYMENTS OF PRINCIPAL AND INTEREST

4.01 Interest Rate

(1) Subject to Sections 4.01(2), 4.01(3) and 4.01(5), the Borrower will pay interest on the outstanding principal from time to time of the Facility until repaid in full hereunder at a rate *per annum* equal to 14.0%. Interest will be calculated monthly in arrears on the outstanding principal amount of the Facility and will be paid on each applicable Interest Payment Date in accordance with Section 4.02(2).

(2) If an Event of Default has occurred and is continuing, for so long as such Event of Default has occurred and is continuing, the Borrower will pay interest on the outstanding principal amount of the Facility during such period at a rate *per annum* equal to 19.0% (“**Default Interest**”). Such Default Interest will be calculated monthly in arrears on the outstanding principal amount of the Facility for the applicable period and will be paid on each applicable Interest Payment Date in accordance with Section 4.02(2).

(3) Subject to Section 4.01(4), if a breach of an Operational Requirement has occurred and is continuing: (i) for a period equal to or less than 90 days, for so long as such breach is continuing, the Borrower will pay interest on the outstanding principal amount of the Facility during such period at a rate *per annum* equal to 18.0%; (ii) for a period greater than 90 days, for so long as such breach is continuing, the Borrower will pay interest on the outstanding principal amount of the Facility during such period at a rate *per annum* equal to 22.0% (“**Operational Breach Interest**”). Such Operational Breach Interest will be calculated monthly in arrears on the outstanding principal amount of the Facility for the applicable period and will be paid on each applicable Interest Payment Date in accordance with Section 4.02.

(4) In the event of any breach of an Operational Requirement set out in paragraphs (i) to (iii) of schedule I of the Financing Agreement, the Borrower may remedy such breach by achieving the required performance level over a consecutive four week period at any time following the initial occurrence of such breach. Commencing upon the first date following the achievement of the required performance level over such consecutive four week period, the Borrower shall no longer be required to pay the applicable Operational Breach Interest in respect of such breach. In the event of any breach of an Operational Requirement set out in paragraphs (iv) to (vii) of schedule I of the Financing Agreement, the Borrower may remedy the breach by completing and delivering the required outcome at any time.

(5) For the avoidance of doubt, the maximum interest rate payable pursuant to this Section 4.01 shall not exceed a rate *per annum* of 22.0%. If an Event of Default has occurred and is continuing and an Operational Requirement has been breached and is continuing during the same period, then the Interest Rate for such period will be determined by using the greater of the Default Interest and the Operational Breach Interest.

(6) To the extent applicable, interest will accrue on any overdue interest at the applicable foregoing rate.

4.02 Calculation and Payment of Interest

(1) Interest on the outstanding principal amount from time to time of the Facility and on the amount of overdue interest thereon, if any, and of any other amount payable hereunder from time to time shall accrue from day to day from and including the date on which credit is

obtained by way of the Facility or the date on which such payment of overdue interest or other amount was due, as the case may be, to but excluding the date on which the Facility, accrued interest or such overdue interest or other amount, as the case may be, is repaid in full (both before and after maturity, default and judgment) and shall be calculated on the basis of the actual number of days elapsed divided by 365 or 366 in the case of a leap year.

(2) Interest accrued hereunder shall be paid on each of the following dates (each, an “**Interest Payment Date**”):

- (a) within the first three Business Days of each calendar month with respect to interest accrued in the immediately preceding calendar month;
- (b) the date of any mandatory repayments made in accordance with Sections 4.05, 4.06 or 4.07 to the extent it applies to the amount being repaid;
- (c) the date of any voluntary prepayments made in accordance with Section 4.08 to the extent it applies to the amount being prepaid; and
- (d) in the case of interest on overdue interest or any other overdue amount, on demand.

(3) Interest accrued hereunder shall be paid on each Interest Payment Date in Common Shares issued at the 5 day VWAP (applying the five-day Exchange Rate) on the applicable Interest Payment Date).

4.03 **Maximum Rate of Interest**

Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Lender hereunder in excess of the amount or rate that would be permitted by applicable Law or would result in the receipt by the Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the Lender will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

4.04 **Repayment of Facility**

Subject to the terms of the Intercreditor Agreement, the Borrower shall repay to the Lender in full the outstanding principal amount of the Facility, all accrued and unpaid interest thereon and all other Obligations hereunder on or prior to the Maturity Date.

4.05 **Mandatory Repayment - Proceeds**

Except as otherwise required by applicable Law or contemplated under the Intercreditor Agreement:

(1) If the Borrower receives net proceeds from the sale of non-flow-through Common Shares or other securities, the Lender shall have the right, for a period of 5 Business Days following the Borrower’s receipt of such net proceeds, to demand repayment by the Borrower in cash of an amount up to 35% of such net proceeds within 5 Business Days of the Borrower

receiving a demand from the Lender. The Borrower may elect to make repayment to the Lender of a greater amount up to the full amount of such net proceeds.

(2) Each repayment under this Section 4.05 will be applied first against payment of accrued and unpaid interest and then against payment of principal until all outstanding Obligations hereunder have been repaid in full.

4.06 **Mandatory Repayment – Event of Default**

Except as otherwise required by law or contemplated under the Intercreditor Agreement, upon the occurrence of an Event of Default that has, to the extent applicable, not been cured within the relevant cure period, the Lender shall have the right pursuant to this Section 4.06 to demand,

- (a) repayment of the Facility on a monthly basis in an amount equivalent to 25% of the relevant Cash Sweep Amount; or
- (b) full repayment of the Facility in cash at a premium of:
 - (i) 110% of the aggregate outstanding principal amount if repaid prior to or on June 30, 2021;
 - (ii) 115% of the aggregate outstanding principal amount if repaid between July 1, 2021 and June 30, 2022;
 - (iii) 130% of the aggregate outstanding principal amount if repaid between July 1, 2022 and the Maturity Date,

in each case, plus all accrued and unpaid interest.

4.07 **Mandatory Repayment – BNP Refinancing**

Except as otherwise required by law or contemplated under the Intercreditor Agreement, upon the occurrence of a BNP Refinancing, the Lender shall have the right pursuant to this Section 4.07 to demand repayment of the Facility on a monthly basis in an amount equivalent to 50% of the relevant Cash Sweep Amount.

4.08 **Voluntary Prepayments**

Provided no Event of Default has occurred and is continuing and no offer or transaction for a Change of Control of the Borrower has been announced but subject always to the Intercreditor Agreement, the Borrower may from time to time and at any time prior to the Maturity Date prepay all or any part (subject to a minimum of U.S. \$3,000,000) of the outstanding principal amount of the Facility in cash, at a premium of:

- (a) 110% of the principal amount to be prepaid if such amount is prepaid prior to or on June 30, 2021;
- (b) 115% of the principal amount to be prepaid if such amount is prepaid between July 1, 2021 and June 30, 2022; or

- (c) 120% of the principal amount to be prepaid if such amount is prepaid between July 1, 2022 and the Maturity Date,

in each case, together with all accrued and unpaid interest on the principal amount to be repaid.

4.09 **Place of Payment of Principal, Interest and Fees**

Except where payment is required hereunder in the form of the issuance of Common Shares, all other payments of principal, interest, fees and other amounts to be made by the Borrower to the Lender pursuant to this Agreement will be made in United States Dollars for value on the day such amount is due or, if such day is not a Business Day, on the Business Day next following with interest, by deposit or transfer thereof to the account designated from time to time in writing by the Lender.

ARTICLE 5 – CONVERSION

5.01 **Conversion – Event of Default**

Upon the occurrence of an Event of Default that is continuing, the Lender shall have the right under this Section 5.01, at any time thereafter, to convert, in whole or in part, the outstanding principal amount and accrued interest under the Facility at a premium of 115% of such outstanding principal amount and accrued interest into Common Shares at the 5-day VWAP (applying the five-day Exchange Rate) at the time of the election by the Lender to convert.

5.02 **Conversion – Outstanding Payments**

If the outstanding principal together with all accrued and unpaid interest under the Facility have not been fully repaid by the Maturity Date, the Lender shall have the right under this Section 5.02, at any time thereafter, to convert, in whole or in part, the outstanding principal amount and accrued interest under the Facility at a premium of 115% of such outstanding principal amount and accrued interest into Common Shares at 5-day VWAP (applying the five-day Exchange Rate) at the time of the election by the Lender to convert.

5.03 **Conversion – Change of Control**

Upon the announcement of an offer or transaction for a Change of Control of the Borrower, the Lender shall have the right under this Section 5.03, at any time thereafter, to convert, in whole or in part, the outstanding principal amount and accrued interest under the Facility at a premium of 110% of such outstanding principal amount and accrued interest into Common Shares at the lower of the 5-day or 30 day VWAP (applying the five-day or thirty-day Exchange Rate, as applicable) on the trading day prior to such announcement.

5.04 **Manner of Exercise of Conversion Rights**

The Lender may exercise its conversion rights under Sections 5.01, 5.02 or 5.03 by giving notice to the Borrower (a “**Conversion Notice**”) in the form attached hereto as Schedule 5.04. The exercise of such conversion rights pursuant to a Conversion Notice will be deemed to constitute an agreement between the Lender and the Borrower whereby:

(1) the Lender subscribes for the number of Common Shares which the Lender is entitled to receive on such conversion and the Borrower will issue such securities to the Lender as fully paid and non-assessable Common Shares;

(2) the Borrower agrees that the exercise of conversion rights hereunder by the Lender constitutes full payment of the subscription price for the Common Shares issuable upon such conversion; and

(3) the Lender will be entitled to be entered in the books and registers of the Borrower as at the applicable date of conversion as the holder of the number of Common Shares into which the outstanding principal amount and accrued interest, or part thereof, under the Facility have been converted and as soon as practicable, and in any event within 3 Business Days of the issue of the such Common Shares, procure the issue of a holding statement or such other certificate evidencing the Common Shares of the Lender (or its nominee) in respect of such Common Shares.

5.05 **No Requirement to Issue Fractional Shares**

Conversions pursuant to this Article 5 will extend only to the maximum number of whole Common Shares into which all or a portion of the outstanding principal amount and accrued interest to be converted may be converted in accordance with the provisions hereof. The Borrower will not be required to issue fractional Common Shares upon conversion of all or a portion of the amount to be converted, but any fractional Common Shares will be rounded up to the next whole number.

ARTICLE 6 – REPRESENTATIONS AND WARRANTIES

6.01 **Representations and Warranties**

(1) The Borrower represents and warrants to the Lender the representations and warranties set out in section 3.1 of the Financing Agreement (with the exception of the representations and warranties set out at section 3.1(j) and 3.1(k) of the Financing Agreement) and the following representations and warranties, and acknowledges and confirms that the Lender is relying upon such representations and warranties in entering into this Agreement and the other Loan Documents, and extending the Facility to the Borrower:

- (a) the Security is effective to create in favour of the Lender, as security for the Obligations, a legal, valid, binding and enforceable security interest in the collateral described therein and proceeds thereof (subject only to the Permitted Encumbrances and the Intercreditor Agreement);
- (b) as of August 28th, 2020, the authorized capital of the Borrower consists of an unlimited number of Common Shares, of which 858,438,923 Common Shares are issued and outstanding as fully paid and non-assessable, an unlimited number of special shares, of which 9,500,000 special shares are issued and outstanding pursuant to the Financing Agreement and 500,000 preference shares, of which no preference shares are issued and outstanding, and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option:

- (i) for the issue or allotment of any unissued shares in the capital of the Borrower or any other security convertible into or exchangeable for any such shares, with the exception of 48,740,815 outstanding options of the Borrower to purchase in total up to 48,740,815 Common Shares, 33,963,388 outstanding warrants of the Borrower to purchase up to 33,963,388 Common Shares, 9,810,810 outstanding Restricted Share Units of the Company to purchase up to 9,810,810 Common Shares and 5,337,838 Deferred Share Units to purchase up to 5,337,838 Common Shares; or
 - (ii) to require the Borrower to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (c) the only issued and outstanding Convertible Securities of the Borrower are those options and warrants referred to in Section 6.01(1)(b)(i).

(2) The Lender represents and warrants to the Borrower the representations and warranties set out below, and acknowledges and confirms that the Borrower is relying upon such representations and warranties in entering into this Agreement and the other Loan Documents:

- (a) the Lender currently deals at arm's length with the Borrower and it will continue to deal with the Borrower at arm's length for purposes of the Tax Act;
- (b) the Lender is an affiliate (as such term is defined in the Borrower's articles of amendment dated July 10, 2020) of ANR Investments 2 B.V.

For the purposes of Article 6, all references to the "Facility Agreement" in section 3.1 of the Financing Agreement shall be deemed to refer to the "Loan Documents" as such term is defined herein.

6.02 **Survival of Representations and Warranties**

The representations and warranties set out in Section 6.01 survive the execution and delivery of this Agreement and all other Loan Documents. To the extent that the Borrower has advised the Lender in writing of a variation in any such representation or warranty, and the Lender has approved such variation, then such representation and warranty will thereafter be deemed to be varied as approved by the Lender.

ARTICLE 7 – COVENANTS

7.01 **Positive Covenants**

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower makes the covenants set out in section 4.1 of the Financing Agreement and the following covenants to the Lender, and hereby acknowledges and confirms that the Lender is relying upon such covenants in connection with this Agreement and the other Loan Documents:

- (1) make due and timely payment of the Obligations required to be paid by it hereunder;

(2) use the proceeds of the Advance hereunder only for the purposes specified in Section 2.02, provided that, for certainty, the Borrower shall not be required to use any portion of the Advance to prepay the BNP Facility but may use up to \$1,000,000 of the Advance to prepay the BNP Facility;

(3) promptly notify the Lender of any Default that would apply to it of which it becomes aware, using reasonable diligence;

(4) promptly notify the Lender in writing of any amendments or other modifications to the BNP Facility;

(5) provide the Lender with the Security required from time to time pursuant to Article 8 in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Lender, acting reasonably, and do all such further acts and execute and deliver all such documents and instruments as may from time to time be requested by the Lender, acting reasonably, to ensure that the Security constitutes at all times valid, enforceable, and perfected second priority Encumbrances (subject only to Permitted Encumbrances and the Intercreditor Agreement);

(6) provide the Lender with 30 days' prior written notice of any change to its name and promptly take other steps, if any, as the Lender in its discretion reasonably requests to permit the Lender to maintain the perfection of the Security with respect to the change in name; and

(7) deliver a Compliance Certificate to the Lender within 45 days of the end of each of the Borrower's fiscal quarters.

7.02 **Negative Covenants**

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower makes the covenants set out in section 4.2 of the Financing Agreement and the following covenants to the Lender, and hereby acknowledges and confirms that the Lender is relying upon such covenants in connection with this Agreement and the other Loan Documents:

(1) change its name without providing the Lender with 30 days' prior written notice thereof;

(2) cause or permit the Lender to rank subordinate to or *pari passu* with any other Debt of the Borrower, except in respect of Permitted Debt and pursuant to the Intercreditor Agreement or as otherwise permitted pursuant to the Security;

(3) amend or modify the BNP Facility without the prior consent of the Lender other than as permitted pursuant to the Intercreditor Agreement;

(4) make any change to its fiscal year end from December 31 without giving prior written notice to the Lender;

(5) continue into any other jurisdiction unless the Borrower has (a) given prior written notice thereof to the Lender, and (b) executed and delivered to the Lender all Security and all financing or registration statements in form and substance satisfactory to the Lender that the

Lender or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected first priority Encumbrance (subject only to Permitted Encumbrances and the Intercreditor Agreement) over the Borrower's Property in such jurisdiction together with such supporting certificates, resolutions, opinions and other documents as the Lender, acting reasonably, may deem necessary or desirable in connection with such security and registrations;

(6) except for any Property being delivered to a customer in the ordinary course of business of the Borrower as part of the performance of its obligations, or the provision of its services, to such customer under a contract entered into with such customer in the ordinary course of business of the Borrower, move any Property from a jurisdiction in which the Encumbrance of the Security over such Property is perfected to a jurisdiction where such Encumbrance is not perfected or where, after a temporary period allowing for registration in such other jurisdiction, such Encumbrance could become unperfected, or suffer or permit in any other manner any of its Property to not be subject to the Encumbrance of the Security or to be or become located in a jurisdiction in which the Encumbrance of the Security over such Property is not perfected, unless the Borrower has (a) given prior written notice thereof to the Lender, and (b) executed and delivered to the Lender all Security and all financing or registration statements in form and substance satisfactory to the Lender that the Lender or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected second priority Encumbrance (subject only to Permitted Encumbrances and the Intercreditor Agreement) over such Property in such jurisdiction together with such supporting certificates, resolutions, opinions and other documents as the Lender, acting reasonably, may deem necessary or desirable in connection with such security and registrations; and

(7) amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Lender under the Loan Documents.

ARTICLE 8 – SECURITY

8.01 Security

As general and continuing security for the payment and performance of the Obligations the Borrower will grant to the Lender the security described below:

(1) a general security agreement from the Borrower (the "**GSA**") creating a second priority ranking security interest (subject only to Permitted Encumbrances and the Intercreditor Agreement) over all of the present and future personal Property of the Borrower, including for certainty all Borrower Mineral Rights and all interests of the Borrower in the Sugar Zone Project;

(2) a demand debenture of the Borrower in the principal amount of U.S. \$55,000,000 (or such other principal amount as the Parties hereto may mutually agree) (the "**Debenture**") secured by a fixed and specific second priority ranking mortgage and charge of all present and after acquired real and immoveable property of the Borrower (provided, however, that any charge or assignment of the Borrower's interest in or to any Crown leases shall be subject to any requisite consents thereto being obtained), including for certainty all Borrower Real Property Interests and Borrower Mineral Rights, and the equipment described in the schedules thereto and a floating second priority ranking charge over all Property not subject to such fixed and specific mortgages and charges;

(3) a second priority ranking assignment by way of security by the Borrower of all policies of insurance and all proceeds thereunder with respect to all Property that is subject to the foregoing security and all other security hereafter granted by the Borrower pursuant to this Agreement, including any policies providing business interruption insurance, with the Lender named as loss payee, with a standard mortgage clause endorsement, and certificates evidencing all such insurance;

(4) the Intercreditor Agreement;

(5) all documentation, consents or authorizations necessary in order to make valid and effective the aforementioned agreements; and

(6) such other security documents as the Lender may at any time and from time to time reasonably request for the purposes of granting, protecting or ensuring a second-ranking (subject only to Permitted Encumbrances and the Intercreditor Agreement) perfected Encumbrance in favour of the Lender in all present and future assets of the Borrower.

8.02 **After Acquired Property and Further Assurances**

The Borrower will from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all Property acquired by the Borrower after the date hereof (provided, however, that any charge or assignment of the Borrower's interest in or to any Crown leases shall be subject to any requisite consents thereto being obtained), or as may be required to properly perfect the security interest of the Lender in any Property.

8.03 **Form of Security**

The Security will be in form satisfactory to the Lender, acting reasonably.

ARTICLE 9– DEFAULT

9.01 **Events of Default**

The occurrence of any one or more of the events described in schedule H of the Financing Agreement (each such event being referred to as an “**Event of Default**”) will constitute an event of default under this Agreement.

9.02 **Acceleration and Enforcement**

- (1) If any Event of Default has occurred and is continuing:
 - (a) subject to the Intercreditor Agreement, the outstanding principal amount of the Facility and all other outstanding Obligations will, at the option of and upon demand by the Lender, become immediately due and payable with interest thereon, in the amounts and at the rate or rates determined as provided pursuant to Section 4.06, to the date of actual payment thereof; and
 - (b) subject to the Intercreditor Agreement, the Lender may, in its discretion, exercise any right or recourse and proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the

Obligations to the Lender and, whether or not the Lender has exercised any of its rights under the foregoing clause (a), proceed to exercise any and all rights hereunder and under the Security.

(2) The Lender is not under any obligation to the Borrower or any other Person to realize upon any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of (except as may be provided for under the Intercreditor Agreement). Except as otherwise provided for under applicable Law, the Lender is neither responsible nor liable to the Borrower or any other Person for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on its part or on the part of any director, officer, employee, agent or adviser of the Lender connection with any of the foregoing.

9.03 **Remedies Cumulative**

For greater certainty, it is expressly understood that the respective rights and remedies of the Lender hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document will not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled in connection with such default or breach.

9.04 **Perform Obligations**

If an Event of Default has occurred and is continuing and if the Borrower has failed to perform any of its covenants or agreements in the Loan Documents, the Lender, may, but will be under no obligation to, perform any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) paid by the Lender in respect of the foregoing will be an Obligation and will be secured by the Security.

9.05 **Third Parties**

It is not necessary for any Person dealing with the Lender to inquire whether the Security has become enforceable, or whether the powers that the Lender is purporting to exercise may be exercised, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale is to be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

9.06 **Application of Payments**

Subject always to the Intercreditor Agreement, all payments made by the Borrower hereunder or received from proceeds of the enforcement or realization of any Security will be applied to amounts due under the Obligations, as determined by the Lender.

ARTICLE 10 – CHANGE IN CIRCUMSTANCES AND INDEMNITIES

10.01 **Increased Costs**

- (1) If any Change in Law will:
 - (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender; or
 - (b) impose on the Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or the Advance;

and the result of any of the foregoing will be to increase the cost to the Lender of making the Advance or maintaining the Facility, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount), then following receipt by the Borrower from the Lender of the certificate referenced in Section 10.01(2) below, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(2) A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in Section 10.01(1), including reasonable detail of the Change in Law and the basis of calculation of the amount or amounts, that is delivered to the Borrower will be conclusive absent manifest error. The Borrower will pay the Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

(3) Failure or delay on the part of the Lender to demand compensation pursuant to this Section 10.01 will not constitute a waiver of the Lender's right to demand such compensation, except that the Borrower will not be required to compensate the Lender pursuant to this Section 10.01 for any increased costs incurred or reductions suffered more than 120 days prior to the date that the Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the 120-day period referred to above will be extended to include the period of retroactive effect thereof.

10.02 **Taxes**

The Borrower may withhold from any amount payable to the Lender by or on account of any obligation of the Borrower hereunder or under any other Loan Document, including without limitation, interest and any amounts payable in respect of a conversion, repayment or disposition of the Facility, whether payable in shares or otherwise (a "**Payment**"), such amounts as are required or permitted to be withheld or deducted pursuant to the Tax Act ("**Withholding Obligations**"). The Borrower has the right to satisfy any Withholding Obligations by:

- (1) retaining the amount necessary to satisfy the Withholding Obligations from any Payment to the Lender;

(2) where there is no cash component of any Payment, the Lender, as a condition of receiving the Payment from the Borrower, may remit the amount of any such Withholding Obligations to the Borrower in advance; and

(3) where the Lender does not remit the amount of any such Withholding Obligation to the Borrower in advance pursuant to section 10.02(2), the Borrower shall have the right to dispose of a portion of any such Payment sufficient to satisfy the Withholding Obligations, provided the Borrower uses commercially reasonable efforts to maximize the proceeds of any such disposition.

10.03 **Illegality**

If the Lender determines that any applicable Law has made it unlawful, or that any Governmental Entity has asserted that it is unlawful, for the Lender to make or maintain the Facility hereunder (or to maintain its obligation to make the Advance hereunder) then, on notice thereof by the Lender to the Borrower, any obligation of the Lender with respect to the activity that is unlawful will be suspended until the Lender notifies the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will, upon demand from the Lender, prepay the Advance in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower will also pay accrued interest on the amount so prepaid.

10.04 **Indemnity by the Borrower**

(1) The Borrower will indemnify the Lender and each Related Party of the Lender (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (other than in respect of Taxes), including the fees, charges and disbursements of any counsel for any Indemnitee (other than in respect of Taxes), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the Parties of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) the Advance or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Substance on or from any property owned or operated by the Borrower, or any liability under any Environmental Law related in any way to the Borrower or the Sugar Zone Project, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower and regardless of whether any Indemnitee is a party thereto, provided that such indemnity will not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower against an Indemnitee for breach in bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor will an indemnity be available in respect of matters specifically addressed in Sections 10.01, **Error! Reference source not found.** or 11.01.

(2) To the fullest extent permitted by applicable Law, the Borrower will not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, the Advance or the use of the proceeds thereof. No Indemnitee will be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(3) All amounts due under Section 10.04(1) will be payable promptly after demand therefor. A certificate of the Lender setting forth the amount or amounts owing to the Lender or Related Party, as the case may be, as specified in Section 10.04(1), including reasonable detail of the basis of calculation of the amount or amounts, that is delivered to the Borrower will be conclusive absent manifest error.

10.05 **Indemnity by the Lender**

The Lender agrees to indemnify the Borrower against all Withholding Obligations and reasonable costs and expenses (including interest and penalties and reasonable legal fees on a full indemnity basis) which the Borrower may suffer or incur as a result of a breach or any incorrectness of the representation made in Section 6.01(2)(a), and, for greater certainty, the final binding determination by a Governmental Entity that the representation made in Section 6.01(2)(a) is incorrect shall be deemed to constitute a breach of such representation.

ARTICLE 11– GENERAL

11.01 **Costs and Expenses**

The Borrower will pay, or reimburse the Lender in respect of: (i) all reasonable out-of-pocket expenses incurred by the Lender, including the reasonable fees, charges and disbursements of Lender’s Counsel, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby will be consummated), and (ii) all reasonable out-of-pocket expenses incurred by the Lender including the reasonable fees, charges and disbursements of Lender’s Counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 11.01, or in connection with the Advance made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Advance; and further provided that the Borrower shall not be liable to pay to or reimburse the Lender in respect of any such costs, expenses, fees, charges and disbursements in the event that the Facility is not made available to the Borrower (other than where the Facility is not made available to the Borrower solely as a result of the Borrower failing to satisfy the conditions precedent provided in Section 3.01).

11.02 **Governing Law, Jurisdiction, Etc.**

(1) This Agreement and each other Loan Document (unless otherwise specified in such Loan Document) will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

(2) The Borrower irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the Parties irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. The Borrower agrees that a final non-appealable judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement or in any other Loan Document will affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any other applicable jurisdiction.

(3) The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.02(2). The Borrower hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

11.03 **Judgment Currency**

(1) If for the purpose of obtaining or enforcing judgement against the Borrower in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 11.03 referred to as the "**Judgment Currency**") an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion will be made at the rate of exchange prevailing on the Business Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date; or
- (b) the date on which the judgement is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 11.03(1)(b) being hereinafter in this Section 11.03 referred to as the "**Judgment Conversion Date**").

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 11.03(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Borrower will pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment

Currency stipulated in the judgement or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from the Borrower under the provisions of Section 11.03(2) will be due as a separate debt and will not be affected by judgement being obtained for any other amounts due under or in respect of this Agreement.

(4) The term “**rate of exchange**” in this Section 11.03 means:

- (a) for a conversion of Canadian Dollars to the Judgment Currency, the reciprocal of the official daily rate of exchange published by the Bank of Canada for the date in question for the conversion of the Judgment Currency to Canadian Dollars;
- (b) for a conversion of United States Dollars to the Judgment Currency when the Judgment Currency is Canadian Dollars, the official daily rate of exchange published by the Bank of Canada for the date in question for the conversion of United States Dollars to Canadian Dollars;
- (c) for a conversion of United States Dollars to the Judgment Currency when the Judgment Currency is not Canadian Dollars, the effective rate obtained when a given amount of United States Dollars is converted to Canadian Dollars at the rate determined pursuant to Section 11.03(4)(b) and the result thereof is then converted to the Judgment Currency pursuant to Section 11.03(4)(a); or
- (d) if a required rate is not so published by the Bank of Canada for any such date, the spot rate quoted by the Lender at approximately noon (Toronto time) on that date in accordance with its normal practice for the applicable currency conversion in the wholesale market.

11.04 **Successors and Assigns**

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the Parties and their respective successors and permitted assigns.

11.05 **Assignment**

Neither Party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other Party, provided, however, that the Lender may assign this Agreement to an Affiliate without the requirement to obtain the prior written consent of the Borrower.

11.06 **No Partnership**

Nothing in this Agreement or in the relationship of the Parties shall be construed as in any sense creating a partnership between the Parties or as giving to any Party any of the rights or subjecting any Party to any of the creditors of the other Party.

11.07 **Notices**

(1) Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by email as follows:

(a) in the case of the Lender:

AHG (Jersey) Limited
47 Esplanade, St Helier
Jersey, JE1 0BD

Attention: Alastair Carter
Email: alastair.carter@crestbridge.com and
appian.jsy@crestbridge.com

with a copy to:

Appian Capital Advisory LLP
5th Floor, 45 Pall Mall
London SW1Y 5JG
United Kingdom

Attention: Michael W. Scherb and Winta Jarvis
Email: mws@appiancapitaladvisory.com and
wjarvis@appiancapitaladvisory.com

and

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, Ontario, Canada M5K 1E6

Attention: Shea T. Small
Email: ssmall@mccarthy.ca

(b) in the case of the Borrower:

Harte Gold Corp.
161 Bay Street, Suite 2400
Toronto, Ontario, Canada M5J 2S1

Attention: Sam Coetzer
Email: scoetzer@hartegold.com

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario, Canada M5L 1B9

Attention: Ivan T. Grbešić
Email: igrbesic@stikeman.com

(2) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. (local time) at the place of receipt, then on the next following Business Day).

(3) Any party hereto 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 11.07.

11.08 **Effect of Assignment**

For greater certainty, an assignment by the Lender of its rights hereunder will not constitute a repayment, discharge, rescission, extinguishment or novation of the Advance or interest therein, and the obligations so assigned shall continue to be the same obligations and not new obligations.

11.09 **Survival**

The provisions of Section 10.04, 10.05 and 11.01 will survive the repayment of the Advance and Obligations, whether on account of principal, interest or fees, and the termination of this Agreement, unless a specific release of such provisions by the Lender is delivered to the Borrower.

11.10 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either of the Parties.

11.11 **Paramountcy**

The Borrower and the Lender agree that in the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall govern.

11.12 **Further Assurances**

The Borrower and the Lender will promptly cure any default by it in the execution and delivery of this Agreement, the other Loan Documents or of any the agreements provided for hereunder to which it is a party. The Borrower, at its expense, will promptly execute and deliver to the Lender, upon request by the Lender, acting reasonably, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the Borrower hereunder or more fully to state the obligations of the Borrower as set forth herein or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

11.13 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Borrower and the Lender. No waiver of any breach of any provision of this Agreement and no consent required hereunder will be effective or binding unless made in writing and signed by the party purporting to give the same. Unless otherwise provided, any waiver or consent given hereunder will be limited to the specific breach waived or matter consented to, as the case may be, and may be subject to such conditions as the Party giving such waiver or consent considers appropriate.

11.14 **Counterparts**

This Agreement may be executed in any number of counterparts and such executed counterparts may be delivered by facsimile or other electronic means (including in pdf). Each such executed counterpart when so delivered shall be deemed to be an original, and all such executed counterparts when taken together shall constitute one and the same agreement.

11.15 **Time of the Essence**

Time is of the essence of this Agreement.

[Signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement.

BORROWER:

HARTE GOLD CORP.

By: 
Name: Sam Coetzer
Title: President & CEO

By: 
Name: Graham du Preez
Title: EVP & CFO

LENDER:

AHG (JERSEY) LIMITED

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this Agreement.

BORROWER:

HARTE GOLD CORP.

By: _____
Name:
Title:

By: _____
Name:
Title:

LENDER:

AHG (JERSEY) LIMITED

By: Collins
Name: Mark Collins
Title: Director

By: Hdayan
Name: di it ana e
Title: Director

Schedule 5.04(1)

Conversion Notice

TO: Harte Gold Corp. (the “**Borrower**”)
161 Bay Street, Suite 2400
Toronto, Ontario, Canada M5J 2S1

FROM: AHG (Jersey) Limited (the “**Lender**”)

DATE: ●

All terms used herein but not defined shall have the meanings ascribed thereto in the facility agreement dated as of August 28, 2020 between the Borrower and the Lender, as amended to the date hereof (the “**Facility Agreement**”).

Pursuant to of the Facility Agreement, the Lender hereby irrevocably elects to convert the following outstanding principal amount and accrued interest of the Facility into Common Shares as follows:

- (1) Principal amount and accrued interest to be converted: U.S.\$ _____;
- (2) Conversion price: U.S.\$ _____ per Common Share.

The undersigned hereby directs that the Common Shares be issued as follows:

| Name(s) in full | Address(es) | Number of Common Shares |
|-----------------|-------------|-------------------------|
| | | |
| | | |

DATED this _____ day of _____, 20____.

AHG (Jersey) Limited

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule 7.01(7)

Compliance Certificate

TO: **AHG (JERSEY) Limited**
(the “**Lender**”)

FROM: **HARTE GOLD CORP.**
(the “**Borrower**”)

DATE: ●

This Compliance Certificate is delivered to you pursuant to Section 7.01(7) of the facility agreement made as of August 28, 2020 between the Borrower and the Lender, as amended to the date hereof (the “**Facility Agreement**”). All terms used in this Compliance Certificate that are defined in the Facility Agreement have the same meanings herein.

I, **[name]**, the **[title]** of the Borrower, certify for and on behalf of the Borrower, and not in my personal capacity and without personal liability, that:

2. Terms, Covenants and Conditions. All of the terms, covenants and conditions of the Facility Agreement and each of the other Loan Documents to be performed or complied with by the Borrower at or prior to the date hereof have been performed or complied with.
3. Default. No Default has occurred and is continuing on the date hereof.
4. Debt. Debt of the Borrower as at _____ is
U.S. \$ _____.

Name:

EXHIBIT “T”

EXHIBIT "T"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021


A Commissioner for Taking Affidavits

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of the 28th day of August, 2020.

BETWEEN:

AHG (JERSEY) LIMITED, a corporation existing under the laws of Jersey together with its successors and permitted assigns

(herein called the “**Lender**”)

OF THE FIRST PART,

- and -

HARTE GOLD CORP., a corporation incorporated under the laws of the Province of Ontario

(herein called the “**Debtor**”)

OF THE SECOND PART.

WHEREAS the Debtor has entered into a financing agreement with ANR Investments 2 B.V. (the “**Investor**”) dated as of July 14, 2020 (the “**Financing Agreement**”);

AND WHEREAS pursuant to the Financing Agreement, among other things, the Investor agreed to cause the Lender to make available to the Debtor, and the Debtor has agreed to enter into a non-revolving convertible credit facility agreement between the Debtor and the Lender dated as of the date hereof (the “**Facility Agreement**”) in reliance upon the representations, warranties and covenants and on the terms and conditions contained therein;

AND WHEREAS pursuant to the Facility Agreement, the Debtor has agreed to enter into a general security agreement with the Lender creating a second priority ranking security interest (subject only to Permitted Encumbrances and the Intercreditor Agreement) in all of the present and after-acquired real and personal property of the Debtor;

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Facility Agreement regardless of whether

or not the Facility Agreement remains in full force and effect. In this agreement or any amendment hereto, unless the context clearly indicates to the contrary:

“**Collateral**” means all real and personal property, business and undertaking of the Debtor now owned or hereafter acquired and any proceeds from the sale or other disposition thereof, all of which is further described, without limitation, in Section 2.2.

“**Control Agreement**” means:

- (a) with respect to any Uncertificated Securities included in the Collateral, an agreement between the issuer of such Uncertificated Securities, the Debtor and the Lender whereby such issuer agrees to comply with instructions that are originated by the Lender in respect of such Uncertificated Securities, without further consent of the Debtor; and
- (b) with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary in respect of such Securities Accounts or Security Entitlements, the Debtor and the Lender to cause such Securities Intermediary to comply with any Entitlement Orders with respect to such Securities Accounts or Security Entitlements that are originated by the Lender, without the further consent of the Debtor.

“**Intercreditor Agreement**” means the intercreditor agreement dated on or about the date hereof between the Debtor, the Lender and the Senior Agent.

“**Investment Property**” has the meaning given to it in the PPSA and “**Certificated Security**”, “**Entitlement Order**”, “**Financial Asset**”, “**Securities Account**”, “**Securities Intermediary**”, “**Security Certificate**”, “**Security Entitlement**” and “**Uncertificated Security**” have the meanings given to them in the STA.

“**Obligations Termination Date**” means the date on which all Obligations of the Debtor (other than those provisions which by their terms survive the termination of the Loan Documents) have been permanently paid in full.

“**PPSA**” means the *Personal Property Security Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

“**Senior Agent**” means BNP Paribas, in its capacity as administrative agent of the Senior Creditors pursuant to the Senior Credit Agreement.

“**Senior Credit Agreement**” means the amended and restated credit agreement dated on or about the date hereof between the Debtor, as borrower, the Senior Lenders, as lenders, BNP Paribas, as administrative agent and BNP Paribas, as technical agent.

“**Senior Creditors**” has the meaning ascribed to the term “Finance Parties” in the Senior Credit Agreement.

“**Senior Lenders**” has the meaning ascribed to the term “Lenders” in the Senior Credit Agreement.

“**STA**” means the *Securities Transfer Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

1.2 Other Usages

References to “this agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and the Schedules hereto, as the same may be amended, restated, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this agreement. A reference in this agreement to another agreement refers to that other agreement as it may be amended, modified, supplemented, restated or replaced from time to time. A reference in this agreement to a statute refers to that statute as it may be amended and to any restated or successor legislation of comparable effect.

1.3 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.4 Headings

The insertion of headings in this agreement is for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.5 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of the United States.

1.6 Applicable Law and Attornment Clause

This agreement and all documents delivered pursuant hereto shall be deemed to be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby irrevocably submit to the courts of the Province of Ontario and agree that those courts shall have jurisdiction to determine all disputes relating to this agreement. Furthermore, the parties hereto hereby waive the rights to any other jurisdiction to which they may be entitled by reason of their present or future domicile.

1.7 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a

court, this agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.8 Time of the Essence

Time shall in all respects be of the essence of this agreement.

1.9 Schedules

Each and every one of the schedules which is referred to in this agreement and attached to this agreement shall form a part of this agreement.

**ARTICLE 2
SECURITY INTEREST**

2.1 Grant of Security Interest

As general and continuing security for the payment and performance of all of its Obligations, the Debtor hereby pledges and assigns to the Lender and grants to the Lender a security interest in the Collateral.

2.2 Description of Collateral

Subject to Section 2.6 hereof, a security interest is granted by the Debtor in favour of the Lender in all of the present and after-acquired real and personal property of the Debtor, including, without limitation, in the following:

(a) Accounts

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance, including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the “**Accounts**”;

(b) Inventory

all goods or chattels now or hereafter forming the inventory of the Debtor, including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the “**Inventory**”;

(c) Equipment

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description (in all cases which is not affixed to any real property to the extent same would constitute real property or an interest in real property), including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) Intangibles

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts or an interest in real property, including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”.

(e) Documents of Title

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) Money

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) Chattel Paper

all present and future agreements made between the Debtor as the secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) Instruments

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor

that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) Securities

all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; including, without limitation, any Security Entitlements, any Investment Property, any Uncertificated Securities and all substitutions therefor and, subject to Section 2.7, dividends and income derived therefrom and, all of which are herein called the “**Securities**” and each, a “**Security**”).

(j) Documents

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) Proceeds

all personal property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) Leaseholds

subject to Section 2.6, all leases (other than leases in respect of any real property or interests in real property) now owned or hereafter acquired by the Debtor as lessee (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) Undertaking

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Securities, Documents, Proceeds, Leaseholds or real property or an interest in real property all of which are herein called the “**Undertaking**”.

2.3 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.2, for greater certainty the Collateral shall include all present and future personal property of the Debtor located in transit.

2.4 Attachment of Security Interest

The parties hereby acknowledge that:

- (i) value has been given;
- (ii) the Debtor has rights in the Collateral; and
- (iii) the parties have not agreed to postpone the time for attachment of the security interests created by this agreement.

The parties further agree that the security interests created by this agreement are intended to attach to all Collateral in which the Debtor acquires an interest as a result of any amalgamation, arrangement or similar proceeding.

2.5 Registration

The Lender shall have the right, at any time and without notice to or any further actions on the part of the Debtor, to cause this agreement or notice thereof to be registered or filed in any place or office of public record where the Lender or its counsel may reasonably deem advisable or necessary provided always that no such registration shall be made against or in respect of any real property or real property interest of the Debtor.

2.6 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction, subject to the terms of the Intercreditor Agreement. To the extent that the security interest created by this agreement in any contractual rights, leases in respect of real property, licenses, intellectual property and permits (herein called the “**Contractual Rights**”) would constitute a breach and/or default or cause the acceleration or termination of such Contractual Rights, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, and shall, subject to, and pursuant to, the express provisions of the Facility Agreement, use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest in any such Contractual Rights that are material agreements and require consent pursuant to the express provisions of the Facility Agreement and shall grant a security interest in such Contractual Rights that are material agreements to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.7 Voting and Distributions re: Securities

- (a) Prior to the occurrence of an Event of Default that is continuing, all interest, cash dividends or distributions, income and revenue from Securities that have been delivered to the Lender pursuant to Section 3.1(f) (but not the proceeds of disposition of such Securities) shall be collected by and payable to the Debtor (and not the Lender), and such Securities shall be voted by the Debtor, and all non-cash dividends or distributions paid on such Securities, if received by the Debtor, shall be paid to, and held by, the Lender as Collateral. Subject to the terms of the Intercreditor Agreement, on and after the occurrence of an Event of Default that is continuing, all dividends and distributions paid on such Securities, and all interests, income and revenue from such Securities, if received by the Debtor, shall be paid to the Lender and applied against its Obligations in accordance with Section 9.06 of the Facility Agreement, and the Lender shall be entitled to vote or not to vote such Securities as the Lender sees fit.
- (b) On and after the occurrence of an Event of Default that is continuing, all dividends and distributions paid on any Securities included in the Collateral (other than Securities that have been delivered to the Lender pursuant to Section 3.1(f)), and all interest, income and revenue from such Securities, if received by the Debtor, shall be paid to the Lender, and the Lender shall be entitled to vote or not to vote such Securities as the Lender sees fit, in each case subject to the Intercreditor Agreement.

2.8 Release of Security Interest

On or after the Obligations Termination Date, the Lender shall, promptly after it receives a written request from the Debtor and at the cost and expense of the Debtor, release the security interest in the Collateral granted hereby, and execute and deliver any releases and discharges that the Debtor may reasonably require.

ARTICLE 3 WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor shall, at the request of the Lender, acting reasonably, mark such Collateral which the Debtor owns to indicate clearly that it is subject to the security interests created by this agreement.
- (b) The Debtor shall maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition where failure to do so could reasonably be expected to have a Material Adverse Effect, ordinary wear and tear and insured loss or damage excepted.
- (c) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not substantially of the nature or type

described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.

- (d) The Debtor shall prevent Collateral from becoming an accession to any personal property not subject to this agreement or becoming affixed to any real property outside of the normal course of business.
- (e) The Debtor shall notify the Lender of any Collateral which constitutes a claim (other than claims with respect to Taxes) against a government or any instrumentality or agency thereof, the assignment of which claim is restricted or prohibited, and the details of such restrictions or prohibitions.
- (f) Upon the execution and delivery of this agreement, the Debtor shall deliver (or cause to be delivered) to the Lender (to the extent not already delivered to the Senior Agent), endorsed to the Lender or such nominee as it may direct and/or accompanied by such instruments of assignment and transfer in such form and substance as the Lender may reasonably request, any and all Certificated Securities described in Schedule "A" to this agreement together with such instruments of assignment and transfer in such form as the Lender may reasonably require.
- (g) Promptly upon the request of the Lender from time to time at any time on or after the occurrence of a Default that is continuing, the Debtor shall deliver (or cause to be delivered) to the Lender (to the extent not already delivered to the Senior Creditor), endorsed to the Lender or such nominee as it may direct and/or accompanied by such instruments of assignment and transfer in such form and substance as the Lender may reasonably request, any and all Instruments, Securities, Documents of Title, Documents and Chattel Paper included in or relating to the Collateral as the Lender may specify in its request.
- (h) Promptly upon the reasonable written request by the Lender, and subject to the terms of the Intercreditor Agreement, the Debtor shall:
 - (i) at any time on or after the occurrence of an Event of Default that is continuing, direct the issuer of any and all Certificated Securities included in or relating to the Collateral as the Lender may specify in its request to register the applicable Security Certificate in the name of the Lender or such nominee as it may direct;
 - (ii) at any time on or after the occurrence of an Event of Default that is continuing, direct the issuer of any and all Uncertificated Securities included in or relating to the Collateral as the Lender may specify in its request to register the Lender or such nominee as it may direct as the registered owner of the Uncertificated Security;
 - (iii) at any time on or after the occurrence of an Event of Default that is continuing, direct the Securities Intermediary for any Security Entitlements

or Securities Accounts included in or relating to the Collateral as the Lender may specify in its request to transfer any or all of the Financial Assets to which such Security Entitlements or Securities Accounts relate to such Securities Account or Securities Accounts as the Lender may specify;

- (iv) enter into with the Lender and the issuer of Uncertificated Securities included in or relating to the Collateral as the Lender may specify in its request, a Control Agreement in respect of such Uncertificated Securities for the purpose of perfecting the security interest of the Lender in such Uncertificated Securities provided always that such Control Agreement shall entitle the Debtor to exercise all rights of ownership to such Uncertificated Securities until on or after the occurrence of an Event of Default that is continuing, including, without limitation, the ability to trade, make investment decisions and remove Uncertificated Securities and proceeds from the relevant account; and
 - (v) enter into with the Lender and any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral as the Lender may specify in its request, a Control Agreement in respect of such Securities Accounts or Security Entitlements for the purpose of perfecting the security interest of the Lender in such Securities Accounts or Security Entitlements provided always that such Control Agreement shall entitle the Debtor to exercise all rights of ownership to such Securities Accounts or Security Entitlements until on or after the occurrence of an Event of Default that is continuing, including, without limitation, the ability to trade, make investment decisions and remove Securities Accounts or Security Entitlements and proceeds from the relevant account.
- (i) The Debtor will not use or acquire for use any Collateral as consumer goods.
 - (j) The Debtor shall pay all reasonable costs and expenses of the Lender (including, without limitation, reasonable legal fees and disbursements on a solicitor and client basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this agreement and the filing of financing statement(s) and financing change statement(s) with respect to this agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without

limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.

- (k) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.1(j) and 3.2 and agrees that all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Interest rate set out in the Facility Agreement.
- (l) The Debtor shall not enter into nor consent to any third party entering into any Control Agreement that deals, directly or indirectly, with the Collateral.

3.2 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this agreement.

ARTICLE 4 DEALINGS WITH COLLATERAL

4.1 General Restrictions

Except as herein provided or as provided in the Facility Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, consign, lease or otherwise dispose of the Collateral or any part thereof; or
- (b) release, surrender or abandon possession of or impair or destroy the Collateral or any part thereof.

4.2 Permitted Activities

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business or if so permitted or not restricted under the terms of the Facility Agreement so that the purchaser thereof takes title clear of the security interest created by this agreement but (i) all rights of the Debtor as vendor, lessor, licensor or consignor shall be subject to the security interest created by this agreement and (ii) if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this agreement;
- (b) sell or otherwise dispose of its Equipment, if permitted to do so (or not restricted) by the terms of the Facility Agreement;

- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take such action as the Debtor or the Lender, as the case may be, may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon and after the occurrence of an Event of Default that is continuing to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

On and after the occurrence of an Event of Default that is continuing and subject to the Intercreditor Agreement,

- (i) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.8; and
- (ii) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

4.3 Release by the Lender

The Lender (i) may, at its discretion, at any time release from the security interest created by this agreement any part or parts of the Collateral or any other security or any surety for the Debtor's Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this agreement; and (ii) shall release the security interest created by this agreement on any part or parts of the Collateral that are sold or transferred pursuant to a third party pursuant to any transaction permitted hereunder or by the Facility Agreement as provided therein.

4.4 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender, subject to the terms in the Intercreditor Agreement. The Lender shall not exercise its rights under this Section 4.4, and the Debtor's trust obligations under this Section 4.4 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or under the Facility Agreement or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 ENFORCEMENT

5.1 Enforcement

The security hereby constituted shall immediately become enforceable without further notice of any kind, which notice is expressly waived by the Debtor, following the occurrence and continuance of an Event of Default.

5.2 Remedies

At any time while the security hereby constituted is enforceable, and in each case subject to the Intercreditor Agreement, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the “**Receiver**”) of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being agreed that any Receiver appointed pursuant to the provisions of this agreement shall have all of the powers of the Lender hereunder and, in addition, shall have the power to carry on the business of the Debtor;
- (b) to make payments to parties having prior Liens on any Collateral;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this agreement, including, without limitation, the power to purchase on credit, the power to borrow in the Debtor’s name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide for payment of credit, provided that:
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess

and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;

- (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.8, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;
- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
- (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the relevant Debtor's business;
- (k) to have Securities included in the Collateral registered on the books of the issuers of such Securities in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.2, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and

- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations of the Debtor.

5.3 License

The Lender is hereby granted a license or other right to use, subject to the Intercreditor Agreement; on and after the occurrence of an Event of Default that is continuing, without charge, the Debtor's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and on and after the occurrence of an Event of Default that is continuing, the Debtor's rights under all licenses and all franchise agreements shall inure to the Lender's benefit. In addition, the Debtor hereby irrevocably agrees that the Lender may, after the security hereby constituted becomes enforceable, sell any of the Debtor's Inventory directly to any person, including, without limitation, persons who have previously purchased the Debtor's Inventory from the Debtor and in connection with any such sale or other enforcement of the Lender's rights under this agreement, may sell Inventory which bears any trademark owned by or licensed to the Debtor and any Inventory that is covered by any copyright owned by or licensed to the Debtor and the Lender may finish any work in process and affix any trademark owned by or licensed to the Debtor and sell such Inventory as provided herein.

5.4 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.5 Expenses of Enforcement

The Debtor shall pay to the Receiver the reasonable remuneration of the Receiver and all reasonable costs and expenses (including, without limitation, legal fees and disbursements on a solicitor and his own client basis) incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.5 shall be payable on demand and shall bear interest at the Default Interest rate as set out in the Facility Agreement.

5.6 Indulgences and Releases

Either the Lender or the Receiver may grant extensions and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without

prejudice to the Obligations of the Debtor or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.7 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.2 and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.8 Proceeds of Disposition

All monies received by the Lender or by the Receiver pursuant to Section 5.2 shall be applied in accordance with Section 9.06 of the Facility Agreement and Section 5.1 of the Intercreditor Agreement.

5.9 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.2 are not sufficient to pay the claims set out in Section 9.06 of the Facility Agreement, the Debtor shall immediately pay the Lender the amount of such deficiency.

5.10 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender.

5.11 Rights Cumulative

All rights and remedies of the Lender set out in this agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations of the Debtor shall not operate as a merger of any of the covenants contained in this agreement.

5.12 Care by the Lender

The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor,

shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.13 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall not be deemed to have been made in a commercially unreasonable manner solely by reason thereof:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation appropriate to the public sale of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

5.14 Securities of Public Company

The Debtor recognizes that the Lender may be unable to effect a public sale of any or all of the Collateral by reason of certain prohibitions contained in the applicable securities laws or otherwise, but may be compelled to resort to any or more private sales thereof to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Securities for their own account for investment and not with a view to the distribution or resale thereof. The Debtor acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. The Lender shall be under no obligation to delay a sale of any of the Collateral for the period for time necessary to permit the issuer of such Securities to register such Securities for public sale under the applicable securities law, or otherwise, even if the issuer would agree to do so.

ARTICLE 6 GENERAL

6.1 Waiver and Amendment

Any breach by the Debtor of any of the provisions contained in this agreement or any default by the Debtor in the observance or performance of any covenant or condition required

to be observed or performed by the Debtor hereunder may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom. This Agreement shall not be amended unless amended in writing executed by the Debtor and the Lender.

6.2 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor, at any time on or after the occurrence of a Default that is continuing, to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The Lender shall give the Debtor prior written notice of any exercise by the Lender of the power of attorney hereby granted. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successors and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.3 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this agreement.

6.4 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations of the Debtor under the Facility Agreement until the payment in full and discharge of all Obligations of the Debtor therein.

6.5 No Obligation to Advance

Neither the execution nor delivery of this agreement shall obligate the Lender to advance any moneys to the Debtor.

6.6 Consumer Goods

Notwithstanding any other clause in this agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.7 Notices

All notices or other communications provided for herein shall be given or delivered in accordance with Section 11.07 of the Facility Agreement which shall apply hereto *mutatis mutandis*.

6.8 Successors and Assigns

This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

6.9 Entire Agreement

This agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.10 Receipt of Financing Statement, etc.

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.11 Acknowledgement

The Debtor hereby acknowledges receipt of an executed copy of this agreement.

6.12 Paramountcy

- (a) In the event of any conflict or inconsistency between the provisions of this agreement and the Facility Agreement, the provisions of the Facility Agreement shall govern and prevail, and such provision of this agreement shall be deemed to be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference.
- (b) In the event of any conflict or inconsistency between the provisions of this agreement and the Facility Agreement and the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall govern and prevail, and such provision of this agreement shall be deemed to be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this agreement which may be in addition to the rights and remedies contained in the Intercreditor Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

6.13 Counterparts

This agreement may be executed in any number of counterparts, all of which shall be deemed to be an original and such counterparts taken together shall constitute one agreement, and any of the parties hereto may execute this agreement by signing any such counterpart.

6.14 Reinstatement.

Notwithstanding Section 6.4, this agreement, if terminated, shall be reinstated if at any time any payment (in whole or in part) of any of the Obligations of the Debtor under the Facility Agreement are rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Debtor or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Debtor has executed this agreement as of the date first written above.

Harte Gold Corp.
8 King Street East
Toronto, ON M5C 1B5

HARTE GOLD CORP.

By:



Name: J.T. Coetzer
Title: CEO


Attention: Sam Coetzer
Email: scoetzer@hartegold.com

AHG (Jersey) Limited.
47 Esplanade, St Helier,
Jersey, JE1 0BD

Attention: Alastair Carter
Email: Alastair.Carter@crestbridge.com
and APPIAN.JSY@crestbridge.com

AHG (JERSEY) LIMITED, as Lender

By: 
Name: Mark Collins
Title: Director

By: 
Name: di it ana e
Title: Director

SCHEDULE "A"
PLEDGED SECURITIES

Description of Pledged Certificated Securities

- Nil. -

EXHIBIT “U”

EXHIBIT "U"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

HARTE GOLD CORP.

as Obligor

and

AHG (JERSEY) LIMITED

as Holder

DEMAND DEBENTURE

August 28, 2020

**DEMAND DEBENTURE
HARTE GOLD CORP.**

Debenture dated as of August 28, 2020 made by Harte Gold Corp. to and in favour of AHG (Jersey) Limited, as lender.

RECITALS:

- (a) The Holder has agreed to make a certain credit facility available to the Obligor on the terms and conditions contained in the Credit Agreement;
- (b) It is a condition precedent to the extension of credit to the Obligor under the Credit Agreement that the Obligor execute and deliver this collateral Debenture in favour of the Holder as security for the payment and performance of the Obligor's Obligations.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

Section 1 Acknowledgement and Promise to Pay.

For value received, the Obligor acknowledges itself indebted and promises to pay **ON DEMAND**, to or to the order of the Holder the principal sum of Fifty-Five Million Dollars

(US\$55,000,000.00) in lawful money of the United States in accordance with the terms of this Debenture. The principal amount outstanding from time to time bears interest both before and after demand and judgment to the date of repayment in full at the rate of TWENTY-FIVE per cent (25%) per annum. Interest at such rate accrues daily and is calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and is payable monthly, in arrears, on the first Business Day of each and every month commencing the month immediately following this date. Overdue interest bears interest at the same rate, calculated in the same manner. The Obligor promises to pay the principal amount, interest and other amounts owing under this Debenture at the offices of the Holder at which any notice may be given to the Holder in connection with this Debenture or at such other place as the Holder may designate by notice in writing to the Obligor.

Section 2 Defined Terms.

Terms defined in the *Personal Property Security Act* (Ontario) (“**PPSA**”) or the *Securities Transfer Act*, 2006 (Ontario) (“**STA**”) and used but not otherwise defined in this Debenture have the same meanings. For greater certainty, the terms “account”, “chattel paper”, “document of title”, “equipment”, “goods”, “intangible”, “investment property”, “money”, “personal property” and “proceeds” have the meanings given to them in the PPSA; and the terms “certificated security”, “control”, “deliver”, “entitlement holder”, “financial asset”, “securities account”, “securities intermediary”, “security entitlement” and “uncertificated security” have the meanings given to them in the STA. Capitalized terms used in this Debenture but not defined have the meanings given to them in the Credit Agreement regardless of whether or not the Credit Agreement remains in full force and effect.

“**Charged Premises**” means the property and undertaking subject to the Security.

“**Credit Agreement**” means the facility agreement dated as of August 28, 2020, among the Obligor and the Holder, as the same may be amended, modified, supplemented, restated or replaced from time to time.

“**Debenture**” means this demand debenture and all schedules attached to it, as it may be amended, modified, extended, renewed, restated, replaced or supplemented from time to time.

“**Holder**” means AHG (Jersey) Limited, with registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD, and its successors and permitted assigns, and any subsequent holder or holders of this Debenture.

“**Instruments**” means (i) a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or (ii) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder, or (iii) chattel paper or any other writing that evidences both a monetary obligation and a security interest in or a lease of specific goods, or (iv) documents of title or any other writing that purports to be issued by or addressed to a bailee and purports to cover such goods in the bailee’s possession

as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the Person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers, or (v) any document or writing commonly known as an instrument, but excludes investment property.

“Intellectual Property” means (i) all registered patents, trademarks, industrial designs and copyrights, as well as the benefit of all applications therefor, and reissues, divisions, continuations, renewals, extensions and continuations in part; (ii) all unregistered rights to trademarks, service marks, logos, designs, business names, domain names, copyrights, moral rights, inventions, confidential information, trade secrets, know-how; (iii) any other intellectual property rights and interests, whether registered or unregistered; and (iv) the rights to use all of the foregoing assets and all Related Rights.

“Obligor” means Harte Gold Corp., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

“Receiver” means a receiver, receiver and manager or other Person having similar powers or authority appointed by the Holder or by a court at the instance of the Holder in respect of the Charged Premises or any part thereof.

“Related Rights” means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

“Secured Obligations Termination Date” means the date on which all Obligations of the Obligor (other than those provisions which by their terms survive the termination of the Loan Documents) have been permanently paid in full and the Lender has no commitments to provide credit to the Obligor under any Loan Document.

“Securities” means securities as defined in the STA, but excludes any ULC Shares.

“Security” means the grants, mortgages, charges and security interests constituted by this Debenture.

“ULC Shares” means shares in any unlimited company or unlimited liability corporation at any time owned or otherwise held by the Obligor.

Section 3 Interpretation.

- (1) In this Debenture the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”. The expressions “Article”, “Section” and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Debenture.
- (2) Any reference in this Debenture to gender includes all genders. Words importing the singular number only include the plural and vice versa. Any reference to this Debenture or any other agreement referenced herein is a reference to this Debenture or such other agreement as amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Debenture, any reference in this Debenture to a statute is a reference to such statute and all rules and regulations made under it as they may have been or may from time to time be amended or re-enacted.
- (3) The division of this Debenture into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation. The schedules attached to this Debenture form an integral part of it for all purposes of it.

Section 4 Grant of Security – Fixed Charge.

Subject to Section 7, as continuing collateral security for the payment and discharge of its Obligations, the Obligor grants, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of a fixed and specific mortgage, charge and pledge, to and in favour of the Holder and otherwise grants to the Holder a security interest in all of the Obligor’s present and future undertaking, personal property and real property that is situated at, located on, pertains to or forms part of the Borrower Real Property Interests, including without limitation all of the Obligor’s right, title, estate and interest, in and to each of:

- (a) all real and immoveable property, both freehold and leasehold, surface and/or subsurface, as the case may be, and any other interests and rights in any real or immoveable property wheresoever situate, now owned or hereafter acquired by the Obligor (collectively, the “**Real Property**”) including all of the real and personal property described in Schedule 1 hereto, and all rights, mining rights, mining claims (whether patented or unpatented), mining leases (including the leasehold or other interest created pursuant to any such mining lease and all rights or options of the lessee under each such mining lease to purchase or acquire the leasehold estate of the landlord or any right or option of termination, renewal, extension or first offer and/or first refusal for the same), leases (and where the interest of the Obligor in such Real Property is a leasehold interest, each such lease agreement, as amended, assigned, supplemented, restated and/or novated, as the case may be, is a “**Lease**”) and all of the Obligor’s rights and interests therein including, without limitation, all of the Obligor’s rights and benefits of any kind whatsoever under each Lease, the unexpired residue of the term under each Lease and all other estate and interest of the Obligor in each Lease, now held or hereafter acquired by the Obligor, and all licences, easements, rights-of-way, privileges, benefits, and profits a prendre in real property with respect to the Real Property (and all renewals, extensions and

amendments or substitutions thereof); all facilities located on, relating to or required for use in connection with the Real Property; and all buildings, erections, structures, improvements, underground facilities, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, machinery and equipment presently situated on or under the Real Property or which may at any time hereafter be constructed or brought or placed on or under the Real Property or used in connection with the Real Property;

- (b) all equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents, now owned or hereafter acquired, wherever situate;
- (c) all inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor, now owned or hereafter acquired, wherever situate;
- (d) all studies, plans, blueprints, designs, records, files, charts, drawings, specifications, manuals, bills of lading and other documents of title, whether negotiable or otherwise, now owned or hereafter acquired;
- (e) the proceeds of any insurance or expropriation payable or due in respect of any damage to or taking of all or any part of the Charged Premises, the proceeds of any business interruption insurance and any property in any form derived directly or indirectly from any dealings with all or any part of the Charged Premises or that indemnifies or compensates for the loss, destruction or damage to all or any part of the Charged Premises;
- (f) all rents, revenues, income, proceeds, profits and other monies derived from or pertaining to the Real Property, or any part thereof (surface and/or subsurface, as the case may be), to which the Obligor may from time to time be entitled with full power to demand, sue, recover, receive and give receipts therefor and otherwise enforce the rights of the Obligor thereto in the name of the Obligor;
- (g) all accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them, now owned or hereafter acquired;
- (h) securities accounts and all of the credit balances, securities entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;
- (i) Instruments and Securities;

- (j) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits in which the Obligor now has or hereafter acquires any interest;
- (k) all Intellectual Property;
- (l) to the fullest extent permitted by Laws, all authorizations orders, permits, approvals, grants, licences, claims (including mining claims whether patented or unpatented) consents, rights, franchises, privileges, certificates, judgments, writs, injunctions, awards, determinations, directions, decrees, demands or the like issued or granted by law or by rule or regulation of any governmental or public department, commission, board, office, agency or other body now or hereafter issued or granted to it;
- (m) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 4(a) through Section 4(l) inclusive;
- (n) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 4(a) through Section 4(m) inclusive, or the proceeds of such proceeds;
- (o) the Borrower Mineral Rights, including:
 - (I) all minerals, ore bodies and metals located in, upon, beneath or within, the Real Property, including all rights for the exploration, extraction, milling, processing, smelting, refining or other beneficiation of minerals, ore bodies and metals (“**Mining**”) of such minerals, ore bodies and metals including, without limitation, all licences, easements, rights-of-way, privileges, benefits, rights and options appertaining or appurtenant thereto, together with all buildings, erections, structures and improvements now or hereafter constructed or placed in, under or upon the Sugar Zone Project including, without limitation, in respect of each such right or interest, any greater or other right, title and interest therein or in any part thereof which the Obligor may acquire and hold during the currency of this Debenture but only to the extent such greater right directly relates to the Mining of minerals, ore bodies and metals located in, upon, beneath or within, the Sugar Zone Project;
 - (II) all minerals, ore bodies and metals that are mined, produced, extracted or otherwise recovered from the Sugar Zone Project, including doré and all concentrate produced; and
 - (III) all mining claims, licences and authorizations relating to the Sugar Zone Project and registered in the name of the Obligor from time to time.

If any agreement, Crown lease, right, franchise, licence or permit which is to be assigned pursuant to Section 4 hereof (a “**Material Agreement**”) (A) is not assignable to the Holder

(because the same is not assignable without the consent of the other party or parties thereto and such consent has not been obtained as of the date hereof or because the remedies for the enforcement of the Material Agreement would not, as a matter of law, pass to the Holder as an incidence of the transfers and assignments made pursuant to this Debenture), or (B) cannot be the subject of a security interest (because the creation of the security interest therein without the consent of a third party would constitute a breach of the terms of the Material Agreement or permit any third party to terminate the Material Agreement), then in each case the Obligor's beneficial interest in such Material Agreement shall be held in trust for the Holder by the Obligor and the said beneficial interest and all benefits derived under such Material Agreement shall be for the account of the Holder subject to the terms of this Debenture and in particular Section 17 hereof. Upon this Debenture becoming enforceable, in order that the full value of the beneficial interest in every Material Agreement not assigned to the Holder pursuant to this Debenture but held in trust for the Holder as aforesaid may be realized by the Holder, the Obligor shall, at the request and expense and under the direction of the Holder, in the name of the Obligor, take all such reasonable action and do or cause to be done all such things as are reasonable and desirable in order that the obligations of the Obligor under such Material Agreement may be performed in such manner that the beneficial interest in such Material Agreement shall be preserved and shall enure to the benefit of the Holder or as the Holder may direct in writing and the collection of any monies due and payable and to become due and payable shall be facilitated and the Obligor shall promptly pay over to the Holder or as it may direct in writing all monies collected by or paid to the Obligor in respect of the beneficial interest in every such Material Agreement.

Section 5 Grant of Security – Floating Charge.

Subject to Section 7, as continuing collateral security for the payment and discharge of its Obligations, the Obligor grants, mortgages and charges, as and by way of a floating charge, to and in favour of the Holder and otherwise grants to the Holder a security interest in, all of its property and undertaking now owned or hereafter acquired that is situated at, is located on, pertains to or forms a part of the Borrower Real Property Interests, wherever situate and all of the personal property and undertaking in which the Obligor now has or hereafter acquires any interest, of every nature and kind, that is, is situated at, is located on, pertains to or forms a part of the Borrower Real Property Interests, wherever situate except such of its property and undertaking as are validly subject to the fixed and specific mortgages, charges, pledges and security interests granted pursuant to Section 4. Until the Security is enforceable, the floating charge in no way hinders or prevents the Obligor from disposing of or dealing with the subject matter of the floating charge in the ordinary course of business and for purposes of carrying on the same; provided that such action is not in breach of any specific provision of, or covenant in, this Debenture or any other Loan Document to which the Obligor is a party.

Section 6 Effectiveness and Attachment.

- (1) The Security is effective whether or not any monies or liabilities so secured are advanced or incurred before or after or at the same time as this Debenture is issued. The Security will remain effective until such time as this Debenture is discharged as provided in Section 23, irrespective of whether, at any prior time, there may have been no indebtedness, liabilities or obligations (direct, indirect, absolute, contingent or otherwise) of the Obligor to the Holder. For greater certainty, this Debenture represents a continuous collateral charge and any security interest created hereby shall not cease to operate or be or be deemed

to be void by reason of the Obligor's obligations being from time to time reduced and thereafter increased, entirely extinguished and thereafter incurred, becoming or being zero at any time or from time to time, and no payment (save as to moneys realized from this Debenture) received by the Holder shall reduce or be deemed to reduce, or be or be deemed to be a payment on account of, the principal amount secured hereby unless such payment is specifically appropriated in writing by the Holder in reduction of the principal amount secured hereby.

- (2) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Charged Premises (other than after-acquired Charged Premises), (iii) it has not agreed to postpone the time of attachment of the Security and (iv) it has received a copy of this Debenture.

Section 7 Scope of Security.

- (1) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security with respect to each Restricted Asset will constitute a trust (provided that the creation of such a trust does not also result in a similar termination of such agreement, licence, permit or quota) created for the benefit of the Holder, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset for the benefit of the Holder, on the following basis:
 - (a) prior to the date enforcement is sought in accordance with Section [9.02] of the Credit Agreement (the "**Enforcement Date**"), the Obligor is entitled to receive all such proceeds; and
 - (b) on and after the Enforcement Date, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to and for the benefit of the Holder, and (ii) the Obligor will take all actions requested by the Holder to collect and enforce payment and other rights arising under the Restricted Asset.
- (2) The Obligor will use commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Holder in accordance with this Debenture. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on or after the date of this Debenture expressly permit assignments of the benefits of such agreements as collateral security to the Holder in accordance with the terms of this Debenture.
- (3) The Security with respect to trade-marks constitutes a security interest in, and a charge, hypothecation and pledge of, such Charged Premises for the benefit of the Holder but does not constitute an assignment of such Charged Premises to the Holder.
- (4) Prior to the Enforcement Date, the grant of the Security in the Intellectual Property does not affect in any way the Obligor's rights to commercially exploit the Intellectual Property, defend it, enforce the Obligor's rights in it or with respect to it against third parties in any

court or claim and be entitled to receive any damages with respect to any infringement of it.

- (5) The Security does not extend to consumer goods, or any ULC Shares at any time owned by or otherwise held by the Obligor.
- (6) The Security does not extend or apply to the last day of the term of any lease or sublease of real property or agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Holder may direct.
- (7) The mortgages, assignments, transfers, grants, conveyances and charges created by this Debenture are intended to be mortgages, assignments, transfers, grants, conveyances and charges of the entire estate, right, title and interest of the Obligor in and to the Charged Premises and every part thereof and, if the estate, right, title and interest of the Obligor in and to any such Charged Premises enlarges, the mortgages, assignments, transfers, grants, conveyances and charges hereof will be enlarged and extended to constitute mortgages, assignments, transfers, grants, conveyances and charges of such enlarged estate, right, title and interest promptly upon the acquisition thereof by the Obligor and without the necessity of any further act on the part of the Holder and will become and be subject to the Security hereof as fully and completely as though now owned by Obligor.
- (8) Every part, parcel, lot or strata lot into which the Charged Premises or any part thereof are or may hereafter be divided does and will stand charged with the whole of the principal sum, interest and all other amounts payable hereunder and no Person will have any right to require the principal sum, interest of or any other amount secured hereby to be apportioned upon or in respect of any such part, parcel, lot or strata lot.

Section 8 Protective Disbursements.

If the Obligor fails to perform any of its covenants in this Debenture, then the Holder may, in its absolute discretion, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Holder may make the payment but is under no obligation to do so. All sums paid or expended by the Holder are immediately payable by the Obligor, bear interest at the rate set forth in this Debenture and are secured by this Debenture, having the benefit of the Security in priority to the indebtedness evidenced by this Debenture. No such performance or payment will relieve the Obligor from any default under this Debenture or the consequences of such default.

Section 9 Covenants.

The Obligor will not sell, assign, convey, exchange, lease, release or abandon or otherwise dispose of any Charged Premises except as permitted by the Credit Agreement. The Obligor will not create or suffer to exist any Encumbrance on the Charged Premises, except for Permitted Encumbrances and as permitted by the Credit Agreement. On and after the Enforcement Date, the Obligor will immediately upon demand by the Holder in accordance with the Credit Agreement, create and grant as and by way of a fixed and specific mortgage and charge to and in favour of the Holder, further security over any of the Charged Premises referred to in Section 5.

Section 10 Enforcement.

The Security becomes and is enforceable against the Obligor on and after the Enforcement Date. Neither the Holder nor any subsequent holder of this Debenture may, at any time, claim any greater amount in respect of the principal amount of this Debenture than the aggregate amount of the Obligations of the Obligor outstanding at that time. Payment to the Holder of interest for any period in respect of the Obligations of the Obligor in accordance with the Credit Agreement is deemed to be payment in satisfaction of the interest payment for the same period under this Debenture.

Section 11 Remedies.

On and after the Enforcement Date, the Holder may realize upon the Charged Premises and enforce its rights by:

- (a) entry into possession of the Charged Premises by any method permitted by law;
- (b) sale, grant of options to purchase, or lease of all or any part of the Charged Premises;
- (c) holding, storing and keeping idle or operating all or any part of the Charged Premises;
- (d) collection of any proceeds arising in respect of the Charged Premises;
- (e) collection, realization or sale of, or other dealing with, the accounts forming part of the Charged Premises;
- (f) license or sublicense, whether on an exclusive or non-exclusive basis, of any Intellectual Property forming part of the Charged Premises for such term and on such conditions and in such manner as the Holder in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such Intellectual Property);
- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Debenture includes a receiver and manager) of all or any part of the Charged Premises;
- (h) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (i) filing of proofs of claim and other documents to establish claims to the Charged Premises in any proceeding relating to the Obligor;
- (j) appointment by instrument in writing of a receiver or agent of all or any part of the Charged Premises and removal or replacement from time to time of any such receiver or agent; and

- (k) any other remedy or proceeding authorized or permitted in this Debenture or otherwise by law or equity.

Section 12 Additional Rights.

In addition to the rights of the Holder set forth in Section 11, and elsewhere in this Agreement, on and after the Enforcement Date, the Holder may:

- (a) require the Obligor, at the Obligor's expense, to assemble the Charged Premises, to the extent reasonably practicable, at a place or places designated by notice in writing and the Obligor agrees to so assemble the Charged Premises immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Holder the location or locations of the Charged Premises and the Obligor agrees to make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Charged Premises, and prepare for the disposition of the Charged Premises, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Charged Premises, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on Obligor);
- (e) pay any liability secured by any Encumbrance against any part of the Charged Premises (the Obligor will immediately on demand reimburse the Holder for all such payments), and any such liability, if paid by the Holder, shall be added to the Obligations and bear interest at the rate provided herein;
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings and other property of or used by the Obligor for such time as the Holder sees fit, free of charge, and the Holder shall not be liable to the Obligor for any act, omission or negligence (other than gross negligence or wilful misconduct) in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Charged Premises and mortgage, charge or grant a security interest in the Charged Premises, whether or not in priority to the Security, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Premises, and give good and valid receipts and discharges

and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Charged Premises offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Charged Premises without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Holder, the Holder may, for the purpose of making payment for all or any part of the Charged Premises so purchased, use any claim for the principal, interest and other amounts owing under this Debenture then due and payable to it as a credit against the purchase price.

Section 13 Default Under Other Encumbrances.

Any amount paid by the Holder after the occurrence of an Event of Default on account of monies payable under any encumbrance upon the Security or any part thereof shall:

- (a) be added to the Obligations;
- (b) bear interest at the interest rate set out in Section 1; and
- (c) be repaid by the Obligor to the Holder on demand.

Section 14 Exercise of Remedies.

The remedies under Section 11 and Section 12 may be exercised from time to time on and after the Enforcement Date separately or in combination and are in addition to, and not in substitution for, any other rights of the Holder however arising or created. The Holder is not bound to exercise any right or remedy and the exercise of any right or remedy is without prejudice to any other rights of the Holder including the right to claim for any deficiency. The taking of any action or proceeding or refraining from so doing, or any other dealings with any other security for the monies secured by this Debenture shall not release or affect the Security.

Section 15 Receiver's Powers.

- (1) Any Receiver appointed by the Holder is vested with the rights and remedies which could have been exercised by the Holder in respect of the Obligor or the Charged Premises and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the Receiver, any replacement and any remuneration are within the sole and unfettered discretion of the Holder.
- (2) Any Receiver appointed by the Holder will act as agent for the Holder for the purposes of taking possession of the Charged Premises, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The Receiver may sell, lease, or otherwise dispose of the Charged Premises as agent for the Obligor or as agent for the Holder as the Holder may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the Receiver acting as agent for the Obligor, and to release and indemnify the Receiver

in respect of all such actions other than such actions arising from the Receiver's gross negligence or wilful misconduct.

- (3) The Holder, in appointing or refraining from appointing any Receiver, does not incur liability to the Receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such Receiver.
- (4) All moneys from time to time received by the Receiver may be applied as follows (i) first, in discharge of all operating expenses and other outgoings affecting the Charged Premises, (ii) second, in keeping in good standing all charges and liens on the Charged Premises having priority over the Security, (iii) third, in payment of the remuneration and disbursements of the Receiver, (iv) fourth, in payment to the Holder of the moneys payable hereunder, and (v) the balance, if any, shall be paid to the Obligor or as a court of competent jurisdiction may otherwise direct.

Section 16 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Holder (and any officer of the Holder) the true and lawful attorney of the Obligor for the purposes set out in this section. As the attorney of the Obligor, the Holder has the power to exercise for and in the name of the Obligor with full power of substitution, at any time on and after the Enforcement Date, any of the Obligor's right (including the right of disposal), title and interest in and to the Charged Premises including the execution, endorsement, delivery and transfer of the Charged Premises to the Holder, its nominees or transferees, and the Holder and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Charged Premises to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor agrees to be bound by any representations and actions made or taken in good faith by the Holder pursuant to this power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Holder taken in good faith under this power of attorney. The Obligor authorizes the Holder to delegate in writing to another Person any power and authority of the Holder under this power of attorney as may be necessary or desirable in the opinion of the Holder, and to revoke or suspend such delegation.

Section 17 Performance Until Demand.

Subject to the terms of the Credit Agreement, until demand has been made upon the Obligor hereunder by the Holder and in accordance with the terms and conditions of the Credit Agreement, the Obligor shall be entitled to deal with the Security and enforce all of the benefits, advantages and powers thereunder as if this Debenture had not been made. Upon demand being made hereunder and in accordance with the terms and conditions of the Credit Agreement, the Holder may, but shall not be obligated to, exercise all rights, powers, authority and discretions of the Obligor in respect of the Security in its place and stead.

Section 18 Dealing with the Charged Premises.

- (1) The Holder is not obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold before realizing upon or otherwise dealing with the Charged Premises in such manner as it may consider desirable.
- (2) The Holder may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the obligations and liability of the Obligor or the rights of the Holder in respect of the Charged Premises.
- (3) The Holder is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Premises, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Premises or for the purpose of preserving any rights of any Persons in respect of the Charged Premises, (iii) responsible for any loss occasioned by any sale or other dealing with the Charged Premises or by the retention of or failure to sell or otherwise deal with the Charged Premises, or (iv) bound to protect the Charged Premises from depreciating in value or becoming worthless.
- (4) The Holder has no obligation to keep the Charged Premises in its possession identifiable.
- (5) The Holder may, on and after the Enforcement Date, (i) notify any Person obligated on an account or on chattel paper or any obligor on an instrument to make payments to the Holder, whether or not the Obligor was previously making collections on such accounts, chattel paper, instruments, and (ii) assume control of any proceeds arising from the Charged Premises.

Section 19 Standards of Sale.

Without prejudice to the ability of the Holder to dispose of the Charged Premises on and after the Enforcement Date in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Charged Premises may be disposed of in whole or in part;
- (b) the Charged Premises may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any sale conducted by the Holder will be at such time and place, on such notice and in accordance with such procedures as the Holder, in its sole discretion, may deem advantageous;
- (d) the Charged Premises may be disposed of in any manner and on any terms necessary to avoid violation of Laws (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that

they are purchasing for their own account for investment and not with a view to the distribution or resale of the Charged Premises) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (e) a disposition of the Charged Premises may be on such terms and conditions as to credit or otherwise as the Holder, in its sole discretion, deems advantageous; and
- (f) the Holder may establish an upset or reserve bid or price in respect of the Charged Premises.

Section 20 Dealings by Third Parties.

No Person dealing with the Holder or its agent or a receiver is required to determine (i) whether the Enforcement Date shall have occurred, (ii) whether the powers which the Holder or its agent or a receiver is purporting to exercise have become exercisable, (iii) whether any money remains due upon the Security, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or any other dealing by the Holder or its agent or a receiver with the Charged Premises, or (vi) how any money paid to the Holder has been applied.

Section 21 No Right of Set-Off.

The principal, interest and other amounts and liabilities secured by this Debenture will be paid by the Obligor when due without regard to any equities existing between the Obligor and any other party and without regard to any right of set-off or cross-claim or of any other claim or demand of the Obligor against the Holder or otherwise except as otherwise set out in the Credit Agreement.

Section 22 Continuing and Additional Security.

This Debenture shall not be considered as satisfied or discharged by an intermediate payment of part of the Security but shall constitute and be a continuing security to the Holder and shall be in addition to and not in substitution for any other security now or hereafter held by the Holder. The remedies of the Holder under this Debenture may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Holder however created.

Section 23 Discharge.

Upon the Secured Obligations Termination Date, the Holder shall, at the request and expense of the Obligor, execute and deliver to the Obligor such financing statements and other documents or instruments as the Obligor may reasonably require to effect the discharge of the Security and the return and surrender of the Debenture; provided that so long as AHG (Jersey) Limited is the Holder, it shall not be required to return physical possession of the Debenture to the Obligor to effect such return and surrender.

Section 24 Statutory Waiver.

Any purchaser of the Charged Premises from the Holder, its agent or receiver shall hold the Charged Premises absolutely free from any claim or right of whatever kind including any equity of redemption of the Obligor, and the Obligor hereby specifically waives, to the fullest extent permitted by law, as against any such purchaser, all right of redemption, stay or appraisal which the Obligor now has or may have under any rule of law now existing or hereafter adopted.

Section 25 Notices.

All notices and other communications provided for herein shall be in writing and shall be delivered in accordance with the provision of the Credit Agreement, if to the Obligor then to the Borrower, and if to the Holder, then to the Lender.

Section 26 No Merger.

This Debenture does not operate by way of merger of any of the principal, interest and other amounts owing under this Debenture and no judgment recovered by the Holder will operate by way of merger of, or in any way affect, the Security, which, without duplication, is in addition to, and not in substitution for, any other security now or hereafter held by the Holder in respect of the principal, interest and other amounts owing under this Debenture.

Section 27 Further Assurances.

The Obligor will do all acts and things and execute and deliver or cause to be executed and delivered all deeds, transfers, assignments, documents and instruments that the Holder may reasonably require for (i) protecting the Charged Premises, (ii) perfecting the Security, and (iii) exercising all powers, authorities and discretions conferred upon the Holder. On and after the Enforcement Date, the Obligor will do all acts and things and execute and deliver all deeds, transfers, assignments and instruments that the Holder may require for facilitating the sale of the Charged Premises in connection with realization upon such Charged Premises.

Section 28 Successors and Assigns.

This Debenture is binding upon the Obligor, its successors and assigns, and enures to the benefit of the Holder and its successors and assigns. This Debenture may only be assigned by the Holder in accordance with the terms of the Credit Agreement. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Debenture.

Section 29 Amendment and Waivers.

- (1) Any term of this Debenture may be amended or waived only with the consent of the Holder and the Obligor and any such amendment or waiver will be binding on the Obligor and the Holder.
- (2) No consent or waiver by the Holder in respect of this Debenture is binding unless made in writing and signed by an authorized officer of the Holder. Any consent or waiver given under this Debenture is effective only in the specific instance and for the specific purpose

for which given. No waiver of any of the provisions of this Debenture constitutes a waiver of any other provision.

- (3) A failure or delay on the part of the Holder in exercising a right under this Debenture does not operate as a waiver of, or impair, any right of the Holder however arising. A single or partial exercise of a right on the part of the Holder does not preclude any other or further exercise of that right or the exercise of any other right by the Holder.

Section 30 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Debenture to be illegal, invalid or unenforceable, that provision will be severed from this Debenture and the remaining provisions will remain in full force and effect.

Section 31 Governing Law.

This Debenture will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 32 Conflict.

- (1) In the event of a conflict or inconsistency between the provisions of this collateral Debenture and the provisions of the Credit Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency.

Section 33 Land Registration Reform Act.

The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded and replaced by the terms of this Debenture, to the extent that such implied covenants are inconsistent with the terms hereof.

Section 34 Registration

Subject to the Credit Agreement, The Holder shall have the right at any time and without notice to cause this Debenture or notice thereof to be registered or filed in any place or office where the Holder or its counsel deem advisable or necessary for the creation, perfection or preservation of the Security.


Section 35 Conflict

In the event of a conflict between the terms and provisions of this Debenture and the terms and provisions of the Credit Agreement, the terms and provisions of the Credit Agreement shall prevail.

[SIGNATURE LINES FOLLOW ON THE NEXT PAGE]

IN WITNESS WHEREOF the Obligor has executed this Debenture.

HARTE GOLD CORP.

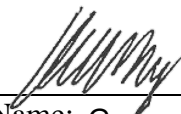
By: 
Name: S.T. Cortez
Title: CEO

By: _____
Name:
Title:

IN WITNESS WHEREOF the Obligor has executed this Debenture.

HARTE GOLD CORP.

By: _____
Name:
Title:

By:  _____
Name: Graham du Preez
Title: EVP & CFO

SCHEDULE 1
LIST OF PROPERTIES COMPRISING THE BORROWER REAL PROPERTY
INTERESTS AND THE BORROWER MINERAL RIGHTS

Part I - Freehold Properties

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|--------------|-------------|-------------|------------|---|-----------|
| 1. | None | White River | Freehold | 31082-0218 | PCL 4507 SEC AWS; PT FARM LOCATION CK74 HUNT AS IN LT50339; WHITE RIVER | SR/MR |
| 2. | None | White River | Freehold | 31082-0219 | PCL 4508 SEC AWS; PT FARM LOCATION CK74 HUNT AS IN LT50340; WHITE RIVER | SR/MR |
| 3. | None | White River | Freehold | 31082-0234 | PCL 11183 SEC AWS; PT FARM LOCATION CK77 HUNT PT 1 1R6484; WHITE RIVER | SR/MR |

Part II - Leasehold Properties

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|--|---------------------|-------------|------------|---|---|
| 4. | 1069328 TO 1069331 INCLUSIVE, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 | Hambleton and Odium | Leasehold | 31053-0001 | MINING CLAIMS 1069328 TO 1069331 INCLUSIVE, SSM1069334, SSM1069335, SSM1069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 BEING PTS 1,2,3,4,5,6,7,8,9 PL 1R13039, EXCEPT SURFACE RIGHTS BEING PTS 2 TO 9 INCLUSIVE PL 1R13039 HAMBLETON, ODLUM | SR/MR - Pt 1, Plan 1R13039 MRO - Pts 2-9, Plan 1R13039 |
| 5. | SSM1069332, SSM1069333, SSM1069343, SSM1182993; PT MINING CLAIMS SSM1069344, SSM1069346 | Hambleton | Leasehold | 31054-0003 | MINING CLAIMS SSM1069332, SSM1069333, SSM1069343, SSM1182993; PT MINING CLAIMS SSM1069344, SSM1069346 HAMBLETON PT 1 1R13011; DISTRICT OF ALGOMA | SR/MR |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|---|--|-------------|------------|---|---|
| 6. | PT MINING CLAIM SSM1232640 | Gourlay and Strickland | Leasehold | 31054-0004 | PT MINING CLAIM SSM1232640 GOURLAY & STRICKLAND PT 2 1R13011; DISTRICT OF ALGOMA | SR/MR |
| 7. | PT MINING CLAIM SSM1235595 | Gourlay | Leasehold | 31054-0005 | PT MINING CLAIM SSM1235595 GOURLAY PT 3 1R13011; DISTRICT OF ALGOMA | SR/MR |
| 8. | PT MINING CLAIMS SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595 | Hambleton, Gourlay, Strickland and Odlum | Leasehold | 31054-0006 | MINING RIGHTS ONLY PT MINING CLAIMS SSM1069344, SSM1069345, SSM1069346, SSM1232640, SSM1235595 HAMBLETON, GOURLAY, STRICKLAND & ODLUM PTS 4-9 1R13011; DISTRICT OF ALGOMA | MRO |
| 9. | SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069354, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659, SSM1140660 | Hambleton, Odlum and Strickland | Leasehold | 31077-0001 | MINING CLAIMS SSM937771, SSM937772, SSM937772, SSM1043806, SSM1043807, SSM1043808, SSM1043809, SSM1043810, SSM1069352, SSM1069353, SSM1069354, SSM1069355, SSM1069366, SSM1069367, SSM1069368, SSM1069369, SSM1069370, SSM1069371, SSM1140638, SSM1140639, SSM1140640, SSM1140641, SSM1140642, SSM1140643, SSM1140644, SSM1140645, SSM1140646, SSM1140647, SSM1140658, SSM1140659 & SSM1140660 BEING PTS 1,2,3,4,5,6,7 & 8 PL 1R13019 EXCEPT SURFACE RIGHTS BEING PTS 2 TO 8 INCLUSIVE PL 1R13019 HAMBLETON, ODLUM & STRICKLAND; CITY OF SAULT STE. MARIE | SR/MR - Pt 1, Plan 1R13019 MRO - Pts 2-8, Plan 1R13019 |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO / MRO |
|-----|---|------------------------|-------------|------------|---|---|
| 10. | SSM937770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, SSM1078251, SSM1078252, SSM1135499, SSM1194337, SMM1194340 | Hambleton and Odium | Leasehold | 31078-0001 | MINING CLAIMS SSM937770, SSM1043803, SSM1043811, SSM1043812, SSM1069356, SSM1069357, SSM1069358, SSM1069363, SSM1069364, SSM1069365, SSM1069372, SSM1069373, SSM1069374, SSM1078250, SSM1078251, SSM1078252, SSM1135499, SSM1194337 & SMM1194340 BEING PTS 1 TO 11 PL 1R13038 EXCEPT SURFACE RIGHTS BEING PTS 4,5,7,8,9 & 11 PL 1R13038 HAMBLETON ODLUM; CITY OF SAULT STE. MARIE | SR/MR - Pts 1, 2, 3, 6 & 10, Plan 1R13038 MRO - Pts 4, 5, 7, 8, 9 & 11, Plan 1R13038 |

Part III - Unpatented Mining Claims

See attached.

EXHIBIT “V”

EXHIBIT "V"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julia Galloway

A Commissioner for Taking Affidavits

INTERCREDITOR AGREEMENT

THIS AGREEMENT dated as of August 28, 2020

AMONG:

HARTE GOLD CORP.
as Borrower

-and-

BNP PARIBAS

as administrative agent for the Senior Creditors (as defined herein)

-and-

AHG (JERSEY) LIMITED
as Subordinated Creditor

WHEREAS the Borrower is now or may hereafter become indebted or otherwise liable to the Senior Creditors pursuant to the Senior Documents and has provided or may hereafter provide security therefor;

AND WHEREAS the Obligors may hereafter guarantee the payment and performance of all or a portion of the Senior Debt and may hereafter provide security therefor;

AND WHEREAS the Borrower is now or may hereafter become indebted or otherwise liable to the Subordinated Creditor pursuant to the Subordinated Documents and has provided or may hereafter provide security therefor;

AND WHEREAS the Obligors may hereafter guarantee the payment and performance of the Subordinated Debt and may hereafter provide security therefor;

AND WHEREAS the parties wish to confirm the respective priorities and rights of the Senior Creditors and the Subordinated Creditor, as creditors of the Obligors, and as secured parties with respect to the Property of each Obligor;

NOW THEREFORE, in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 General Definitions.

Unless the context otherwise requires, in this Agreement:

“**Affiliate**” shall have the meaning ascribed to such term in the Securities Act (Ontario), as in effect on the date of this Agreement and, in the case of the Subordinated Creditor, also includes Appian Natural Resources Fund LP, Appian Natural Resources Fund II LP and Appian Capital Advisory LLP and their respective Affiliates and any investment fund advised or managed by any of them.

“**Agreement**” means this agreement, including its recitals and schedules.

“**Assignment and Assumption Agreement**” is defined in Section 3.6.1(c).

“**Banking Day**” means, any day other than a Saturday or a Sunday on which banks generally are open for normal banking business in Toronto, Ontario.

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada).

“**Borrower**” means Harte Gold Corp., a corporation incorporated under the laws of Ontario.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).

“**Catch-up Payments**” has the meaning specified in Section 4.2.

“**Commitment**” means, in respect of any Senior Lender, such Senior Lender’s commitment to make advances to the Borrower under the Senior Credit Agreement.

“**DIP Financing**” means the obtaining of credit or incurring debt secured by Liens on the Property pursuant to section 11.2 of the CCAA or section 50.6 of the BIA, or equivalent or analogous provisions of any other Insolvency Law.

“**Distribution**” means, with respect to any Secured Party Debt, (i) any payment or distribution by any Obligor of cash, securities or other property, by set-off or otherwise, on account of such Secured Party Debt or (ii) any redemption, purchase or other acquisition of such Secured Party Debt by any Obligor; provided, however, “**Distribution**” shall not include an issuance of common shares of the Borrower nor, for the avoidance of doubt, payments in cash of amounts due under section 4.7(c) of the Financing Agreement.

“**Enforcement Action**” means, with respect to any Secured Party Debt, an action under applicable law to (a) initiate, file or commence, or join in the initiation, filing or commencement of an Insolvency Proceeding; (b) foreclose, execute, levy, or collect on, take possession or control of, sell or otherwise realize upon (judicially or non-judicially), or dispose of (whether publicly or privately), Property, or otherwise exercise or enforce remedial rights with respect to any Obligor or Property under the Senior Documents or the Subordinated Documents (including by way of setoff, recoupment, notification of a public or private sale or other disposition pursuant to applicable law, notification to account debtors, notification to depositary banks under deposit account control or similar

agreements, or exercise of rights under landlord consents, if applicable), (c) solicit bids from third parties to conduct the liquidation or disposition of Property or to engage or retain sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers or other third parties for the purposes of marketing, promoting, and selling Property, (d) accept or receive a transfer of Property in satisfaction of any obligation secured thereby, or (e) otherwise enforce a security interest or exercise another right or remedy, as a secured creditor, at law or in equity, or pursuant to the Senior Documents or the Subordinated Documents (including the commencement of applicable legal proceedings or other actions with respect to all or any portion of the Property or any Obligors to facilitate the actions described in the preceding clauses and exercising voting rights in respect of equity interests comprising Property).

“**Event of Default**” means an “**Event of Default**” as such term is defined in any of the Secured Party Credit Documents, unless otherwise specified herein.

“**Financing Agreement**” means the financing agreement dated July 14, 2020, as amended August 28, 2020 between the Borrower and ANR Investments 2 B.V.

“**Fraudulent Conveyances Law**” means the *Assignments and Preferences Act* (Ontario), the *Fraudulent Conveyances Act* (Ontario), Sections 95 through 101 of the BIA, or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign.

“**Insolvency Law**” means the BIA, the CCAA, the *Winding-Up and Restructuring Act* (Canada), any provincial law providing for the appointment of a receiver by a court of competent jurisdiction, any provision of any statute governing the existence of any legal person permitting the legal person to propose an arrangement in respect of any class of its creditors, including plans of arrangement under the *Canada Business Corporations Act*, or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign.

“**Insolvency Proceeding**” means, whether voluntary or involuntary, any proceeding relative to an Obligor or the Property, or any part thereof, under any Insolvency Law, including any bankruptcy, receivership (whether by private or court appointment), interim-receivership, liquidation, compromise, arrangement, reorganization, restructuring, recapitalization (including any proceeding in respect of any plan of arrangement or compromise under the Canada Business Corporations Act or any other statute governing the existence of any legal entity where such legal entity proposes an arrangement involving a compromise, conversion or release of any indebtedness or other liabilities), or any similar proceeding under applicable law, including any proceeding for voluntary liquidation, dissolution or winding-up of an Obligor or any corporate reorganization involving one or more insolvent Obligors.

“**Lenders**” means, collectively, the Senior Lenders and the Subordinated Creditor and “**Lender**” means any one of them.

“**Lien**” means (i) any right of set-off intended to secure the payment or performance of an obligation, (ii) any interest in Property created by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, sale/lease-back transaction, deposit arrangement, title retention, capital lease or discount, factoring or securitization arrangement on recourse terms, (iii) any statutory deemed trust or lien, (iv) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds Property and (v) any agreement to grant any of the foregoing rights or interests described in clauses (i) to (iv) of this definition.

“**Obligors**” at any time means, the Borrower, and each other future Person that has, or is required to, become a party to this Agreement pursuant to Section 3.4, and “**Obligor**” means any of them.

“**Payment Blockage Period**” means the period commencing upon the earlier of (x) the receipt by the Subordinated Creditor of a Senior Debt Default Notice from the Senior Agent or (y) the initiation of an Insolvency Proceeding and ending upon the earliest of: (i) the date upon which the Subordinated Creditor receives a further written notice from the Senior Agent that the Senior Debt Default(s) has been cured; or (ii) the date upon which the Subordinated Creditor receives a further written notice from the Senior Agent that the Senior Lenders have waived the Senior Debt Default(s).

“**Payment in Full**” in relation to any Secured Party Debt means permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable Secured Party Credit Documents) to the applicable Secured Party in full of such Secured Party Debt in accordance with the express provisions of the Secured Party Credit Documents, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any Insolvency Law, Fraudulent Conveyances Law or any other law affecting creditors’ rights generally or general principles of equity, and the cancellation or expiry of all commitments to lend or otherwise extend credit.

“**Permitted Subordinated Debt Payment**” means:

- (a) prepayments of principal of the Subordinated Debt using the proceeds received by the Borrower from an equity issuance of the Borrower in accordance with the Subordinated Credit Agreement; and
- (b) payment of principal of the Subordinated Debt at its scheduled maturity in accordance with the terms of the Subordinated Credit Agreement provided that (x) no Senior Debt Default exists at the time of such payment or would arise immediately thereafter and (y) the covenants in Section 11.2 of the Senior Credit Agreement are in compliance on a *pro forma* basis after making such payment and the Borrower has delivered to the Senior Agent a compliance certificate evidencing same;

- (c) payment of reimbursement obligations required to be paid under the Subordinated Credit Agreement by way of reimbursement for out-of-pocket costs and expenses incurred by the Subordinated Creditor in connection with the negotiation, settlement, execution, delivery and entry into effect of, and perfection of security under the Subordinated Documents incurred prior to the Restatement Date;
- (d) payment of fees relating to any amendment, waiver or similar instrument in respect of the Subordinated Credit Agreement that conforms to those paid to the Senior Lenders;
- (e) payment of reimbursement obligations required to be paid under the Subordinated Credit Agreement by way of reimbursement for out-of-pocket costs and expenses incurred by the Subordinated Creditor after the Restatement Date; and
- (f) payment of arrears of any of the foregoing amounts to the extent permitted by Sections 4.1 and 4.2.

“**Person**” means any natural person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

“**PPSA**” means the *Personal Property Security Act* (Ontario) or the equivalent or analogous statute in any other applicable jurisdiction.

“**Pricing**” means any interest, fee or other amount payable under a Secured Party Credit Document that would constitute “interest” within the meaning of the *Criminal Code* (Canada).

“**Proceeds**” means

- (a) all proceeds (as defined in the PPSA) of the Property; and
- (b) whatever is recovered (including money, choses in action, securities, assets and other property):
 - (i) from any sale or disposition of, or other enforcement or realization of any Lien with respect to any Obligor and/or any Property, including in connection with an Enforcement Action;
 - (ii) as a distribution in respect of any Property or Secured Party Debt in an Insolvency Proceeding,
 - (iii) pursuant to any demand or proceedings under Fraudulent Conveyances Law involving any Obligor or Property;

- (iv) as insurance or expropriation proceeds or any other payment representing indemnity or compensation for loss of, damage to or interruption in the business, operation or enjoyment of all or any part of the Property or any proceeds thereof, or
- (v) as a result of the exercise of any right of set off or other similar right or remedy,

in each case received by any Senior Creditors or the Subordinated Creditor (or receiver on their behalf) after the occurrence of any Enforcement Action, net of all proper costs, charges and expenses or liabilities incurred in connection with the foregoing, including legal fees and all proper costs, charges, expenses and liabilities of any receiver.

“Property” means all present and after acquired property of the Obligors.

“Purchase Date” is defined in Section 3.6.4.

“Purchase Notice” is defined in Section 3.6.4.

“Purchase Price” is defined in Section 3.6.9.

“Purchased Obligations” is defined in Section 3.6.1.

“Restatement Date” has the meaning assigned to it in the Senior Credit Agreement.

“Secured Party” means a Senior Creditor or the Subordinated Creditor, as the context requires.

“Secured Party Credit Documents” means the Senior Documents or the Subordinated Documents, as the context requires.

“Secured Party Debt” means Senior Debt or Subordinated Debt, as the context requires.

“Secured Party Security” means Senior Security or Subordinated Security, as the context require

“Senior Agent” means BNP Paribas, in its capacity as administrative agent of the Senior Creditors pursuant to the Senior Credit Agreement.

“Senior Credit Agreement” means the amended and restated credit agreement dated as of August 28, 2020 between the Borrower, the Senior Agent and the Senior Lenders.

“Senior Creditors” has the meaning ascribed to the term **“Finance Parties”** in the Senior Credit Agreement.

“**Senior Debt**” means, collectively, all of the Secured Obligations (as such term is defined in the Senior Credit Agreement) of all of the Obligor.

“**Senior Debt Default Notice**” means a written notice from the Senior Agent to the Subordinated Creditor making reference to this Agreement and pursuant to which the Subordinated Creditor is notified of the occurrence of a Senior Debt Default, which notice incorporates a reasonably detailed description of such Senior Debt Default.

“**Senior Debt Default**” means any “**Event of Default**” under Section 13 of the Senior Credit Agreement.

“**Senior Documents**” has the meaning ascribed to the term “**Finance Documents**” in the Senior Credit Agreement.

“**Senior Lenders**” has the meaning ascribed to the term “**Lenders**” in the Senior Credit Agreement and “**Senior Lender**” means any of the Senior Lenders.

“**Senior Security**” means the Security (as defined in the Senior Credit Agreement).

“**STA**” means the *Securities Transfer Act, 2006* (Ontario) or the equivalent or analogous statute in any other applicable jurisdiction.

“**Standstill Period**” has the meaning specified in Section 6.1.

“**Subordinated Creditor**” means AHG (Jersey) Limited.

“**Subordinated Credit Agreement**” means the credit agreement dated as of August 28, 2020 in an amount initially not to exceed \$28,000,000 (but which may be increased by up to an additional \$20,000,000) entered into by the Borrower and the Subordinated Creditor.

“**Subordinated Debt**” means, collectively, all of the Obligations (as such term is defined in the Subordinated Credit Agreement) of all of the Obligor.

“**Subordinated Debt Default**” means any “**Event of Default**” under Section 9.01 of the Subordinated Credit Agreement.

“**Subordinated Debt Default Notice**” means a written notice from the Subordinated Creditor to the Senior Agent making reference to this Agreement and pursuant to which the Senior Agent is notified of the occurrence of a Subordinated Debt Default, which notice incorporates a reasonably detailed description of such Subordinated Debt Default.

“**Subordinated Documents**” has the meaning ascribed to the term “**Loan Documents**” in the Subordinated Credit Agreement but, for the avoidance of doubt, excluding the Financing Agreement and any other documents evidencing liabilities and obligations in connection therewith.

“**Subordinated Security**” means the Security (as defined in the Subordinated Credit Agreement).

“**Subsidiary**” of any person (the “**relevant party**”) at any time means and includes (i) any person that is Controlled by the relevant party and a majority of whose voting capital stock is at that time owned by the relevant party directly or indirectly through Subsidiaries of the relevant party and (ii) any other person (A) the accounts of which are consolidated with those of the relevant party in the relevant party’s consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles and (B) that is Controlled by the relevant party. A person shall be deemed to be a Subsidiary of another person if it is a Subsidiary of a person that is that other’s Subsidiary. For the purpose of this definition, “**Control**” means the power to direct the management and policies of such person, directly or indirectly, whether through ownership of voting capital stock, by contract or otherwise.

“**Unrestricted Enforcement Action**” means any of: (i) the provision of any notice of default or event of default to the Obligors (or any of them) with respect to any Subordinated Debt; (ii) the making of a demand for payment on the Obligors (or any of them) with respect to any Subordinated Debt; (iii) the filing of a proof of claim or similar instrument with respect to any Subordinated Debt; (iv) the filing of any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims under the Subordinated Documents; (v) the voting of a claim under the Subordinated Documents in a manner consistent with the terms of this Agreement; (vi) the taking of any action required to preserve the validity, efficacy or priority position (as against creditors other than the Senior Lenders) of the Subordinated Debt or any Subordinated Security in respect thereof, including the commencement or initiation of any action required to comply with statutory limitation periods; (vii) the issuance by the Subordinated Creditor (or any agent, trustee or receiver appointed by it) of any statutory notices (including the service upon any Obligor and the filing in any register of any prior notice of the exercise of any Subordinated Security required in connection with any Subordinated Security); or (viii) the exercise of any conversion rights under the Subordinated Documents; provided that in each case such action does not (a) involve the appointment of a trustee, liquidator, receiver or similar person with respect to the Property, (b) invoke any sale, foreclosure, restriction or limitation on the Property or (c) defeat, hinder, delay or otherwise interfere with any Enforcement Action initiated by or on behalf of the Senior Lenders.

1.2 Additional References

To the extent the context so admits, in this Agreement the following words and expressions shall be given the following corresponding extended meanings:

an “**agreement**” – any agreement, oral or written, any simple contract, deed or specialty, and includes any bond, bill of exchange, indenture, instrument or undertaking.

“**change**” – change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive.

a “**document**” – a written agreement, consent, waiver, certificate, notice or other written document or instrument.

a “**guarantee**” – any guarantee, indemnity, letter of comfort or other assurance made in respect of any indebtedness, other obligation or financial condition of another, including (i) any purchase or repurchase agreement, (ii) any obligation to supply funds or invest in such other, (iii) any keep-well, take-or-pay, through-put or other arrangement having the effect of assuring or holding harmless another against financial loss, or maintaining another’s solvency or financial viability or (iv) any obligation under any credit derivative; but shall exclude endorsements on notes, bills and cheques presented to financial institutions for collection or deposit in the ordinary course of business.

“**include**” – include without limitation and such term shall not 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.

a “**person**” – an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a body corporate organized under the laws of any jurisdiction, a government or agency of a government or any other artificial legal or commercial entity.

a “**proceeding**” – any proceeding, legal action, lawsuit, arbitration, mediation, alternative dispute resolution proceeding or other proceeding, including any Insolvency Proceeding.

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

“**rights**” – 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.

“**set-off**” – any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, deduction, counter-claim 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”) – (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 person 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 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 Agreement to any party hereto or any other person shall (where the context so admits) include its successors.

“**written**” and “**in writing**” – an original writing or a pdf or facsimile copy of a writing.

1.3 References to Agreements

Unless the context otherwise requires, each reference in this Agreement to any agreement or document (including this Agreement and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change made to it at or before the time in question; provided that (a) each reference in this Agreement to any Senior Documents shall be construed so as to refer to such Senior Documents to the extent it has been changed in accordance with the provisions of Section 2.3 and (b) each reference in this Agreement to any Subordinated Documents shall be construed so as to refer to such Subordinated Documents to the extent it has been changed in accordance with the provisions of Section 2.4.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections, Subsections, Schedules and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. References in this Agreement to Articles, Sections, Subsections, paragraphs, subparagraphs, clauses and Schedules are to Articles, Sections, Subsections, paragraphs, subparagraphs and clauses of and Schedules annexed to this Agreement. The Article and Section headings in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions and shall not be considered part of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.

1.5 Reference to Statutes

Unless the context otherwise requires, each reference in this Agreement 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.

1.6 Grammatical Variations

In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner.

1.7 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of the United States.

ARTICLE 2 CHANGES AND CONSENTS

2.1 Consent

2.1.1 The Senior Agent consents to the incurrence of the Subordinated Debt and the granting of the Subordinated Security and confirms that the entering into and performance of the Subordinated Documents is not prohibited by the Senior Documents.

2.1.2 The Subordinated Creditor consents to the incurrence of the Senior Debt and the granting of the Senior Security and confirms that the entering into and performance of the Senior Documents is not prohibited by the Subordinated Documents.

2.1.3 The Borrower confirms to the Senior Creditors that it has provided to the Senior Agent a true and complete copy of the Subordinated Credit Agreement and all other Subordinated Documents in existence as at the Restatement Date that have been requested by the Senior Agent and the Senior Agent confirms receipt of such Subordinated Documents from the Borrower on or prior to the Restatement Date.

2.1.4 The Borrower confirms to the Subordinated Creditor that it has provided to it a true and complete copy of the Senior Credit Agreement and all other Senior Documents in existence as at the Restatement Date that have been requested by the Subordinated Creditor and the Subordinated Creditor confirms receipt of a copy of such Senior Documents on or prior to the Restatement Date.

2.2 Further Guarantees and/or Security

2.2.1 Each of the Subordinated Creditor and the Obligors severally agrees with the Senior Creditors that no Obligor shall provide, nor shall the Subordinated Creditor receive, any additional guarantee and/or security and/or collateral with respect to any Subordinated Debt unless a substantially identical guarantee and/or security and/or collateral is provided to the Senior Agent on behalf of the Senior Creditors.

2.2.2 Each of the Senior Creditors and the Obligors severally agrees with the Subordinated Creditor that no Obligor shall provide, nor shall any Senior Creditor receive, any additional guarantee and/or security and/or collateral with respect to any Senior Debt unless a substantially identical guarantee and/or security and/or collateral is provided to the Subordinated Creditor.

2.3 Changes to Senior Documents

The Senior Creditors may, without the prior consent of or notice to any Subordinated Creditor, from time to time enter into new Senior Documents creating new or additional Senior Debt or new or additional Senior Security and change any of the terms, conditions or other provisions of, or add any new or additional terms, conditions or other provisions to, any of the Senior Documents, including:

- (a) increase the amount of the Senior Debt (including readvances) outstanding;
- (b) increase the Pricing under the Senior Documents, shorten the maturity date under any Senior Documents, increase any of the fees, indemnity, reimbursement or other similar obligations of any of the Obligors under any Senior Documents; or
- (c) extend the term of any Senior Debt, or increase the frequency or amount of mandatory repayments due, pursuant to any Senior Documents;

provided that the Senior Creditors may not, without the consent of the Subordinated Creditor (any such consent not to be unreasonably withheld, delayed or conditioned), (i) increase the aggregate total principal amount of the Commitments of the Senior Lenders under the Senior Credit Agreement (as in effect on the Restatement Date) by more than \$20,000,000, (other than in respect of any DIP Financing), (ii) increase the Pricing under the Senior Documents or any fees thereon other than in accordance with the terms of the Senior Documents, (iii) shorten the maturity date under any Senior Documents other than in accordance with the terms of the Senior Documents or (iv) add a provision to the Senior Documents that directly prohibits payment of the Subordinated Debt which payment is otherwise permitted to be paid under this Agreement and the other Senior Documents. For certainty, the Senior Agent may from time to time make reasonable changes to the agency fees that it charges the Borrower in connection with the Senior Documents.

2.4 Changes to Subordinated Documents

The Subordinated Creditor may, without the prior consent of or notice to any Senior Creditor, change any of the terms, conditions or other provisions of, or add any new or

additional terms, conditions or other provisions to, any of the Subordinated Documents, except that no such change or addition may be made without the prior consent of the Senior Creditors (any such consent not to be unreasonably withheld, delayed or conditioned) if, until Payment in Full of the Senior Debt, such change or addition would:

- (a) increase the principal amount of the Subordinated Debt (including readvances) outstanding, other than by way of Increases (as defined in the Subordinated Credit Agreement);
- (b) increase the Pricing under the Subordinated Documents or shorten the maturity date under any Subordinated Documents, in each case other than in accordance with the terms of the Subordinated Documents;
- (c) increase any of the fees thereon;
- (d) increase the frequency or amount of mandatory repayments due, pursuant to any Subordinated Documents;
- (e) amend or otherwise modify the definition of “**BNP Refinancing**” or Section 4.05 of the Subordinated Credit Agreement; or
- (f) modify covenants (including any indemnity, reimbursement or other similar obligation of any of the Obligors), defaults, or events of default to make them materially more restrictive as to any Obligor except for modifications to match changes made to the Senior Documents so as to preserve, on substantially similar economic terms, any differential that exists on the date hereof between the covenants (including any indemnity, reimbursement or other similar obligation of any of the Obligors), defaults, or events of default in the Senior Documents and the covenants (including any indemnity, reimbursement or other similar obligation of any of the Obligors), defaults, or events of default in the Subordinated Documents.

2.5 Copies of Modifications

The Senior Agent and the Subordinated Creditor shall promptly provide to the other party copies of any documents executed and delivered in connection with any amendment, waiver, consent or other modification of any applicable Secured Party Credit Document.

2.6 Acknowledgement of Financing Agreement

The Senior Creditors acknowledge the existence of the Financing Agreement and any other documents evidencing liabilities and obligations in connection therewith (other than the Subordinated Documents) and agree that all liabilities and obligations in connection therewith shall not be subject to subordination or postponement at any time by the Senior Creditors hereunder or otherwise pursuant to their financing arrangements with the Obligors and, for the avoidance of doubt, nothing in this Agreement shall prejudice or limit the rights of ANR Investments 2 B.V. (or any of its Affiliates) under the provisions of the Financing Agreement and any other documents evidencing liabilities and obligations in connection therewith (other

than the Subordinated Documents), including the right to make, file and enforce any claim, including for specific performance and/or monetary damages.

ARTICLE 3 POSTPONEMENT AND SUBORDINATION

3.1 Prior Payment of Senior Debt

To the extent and in the manner set forth in this Agreement, all Subordinated Debt is hereby expressly postponed in right of payment to, and made subordinate and subject in right of payment to, the prior Payment in Full of all Senior Debt.

3.2 Subordination of Security

3.2.1 Until Payment in Full of the Senior Debt, all Senior Security shall have full and absolute priority over each and every item of the Subordinated Security, and each and every item of the Subordinated Security shall rank subordinate and junior to each item of the Senior Security. All Proceeds shall (except as expressly otherwise stipulated hereunder) be applied first to the payment of all outstanding Senior Debt and only after Payment in Full of all Senior Debt will any Proceeds be available to satisfy any Subordinated Debt.

3.2.2 Notwithstanding any priority to which any Secured Party may be or become entitled for any reason whatsoever (including any of the matters listed in Subsection 3.2.3 below) relative to any Property, the Senior Security does hereby and shall have full and absolute priority over, and shall rank as senior security to, the Subordinated Security until Payment in Full of all Senior Debt.

3.2.3 The rights of the Senior Creditors and the priorities, postponements and subordinations provided for in this Agreement shall apply irrespective of any act, matter or thing of any kind, nature or description whatsoever, including (a) the time or sequence of creation, granting, execution, delivery or registration of any security document, (b) the terms or provisions of any Secured Party Credit Document, (c) the attachment or perfection, or the non-perfection, of any Lien, (d) the time or sequence of any advances of any Secured Party Debt, (e) the time or sequence of any demand, default or event of default, enforcement or crystallization under any Secured Party Credit Document, (f) the initiation of any Insolvency Proceedings, (g) any other factor of legal relevance that would otherwise establish priorities, including any of the matters referred to in Section 11.1 hereof.

3.3 Pledged Collateral

3.3.1 If the Senior Agent has any Property of any Obligor in its possession or control which has also been pledged to the Subordinated Creditor (such Property being the “**Pledged Collateral**”), then, subject to Section 3.2 and this Section 3.3 the Senior Agent will possess or control the Pledged Collateral as gratuitous bailee and/or gratuitous agent for perfection for the benefit of Subordinated Creditor as secured party, so as to satisfy the requirements of “perfection by possession” within the meaning of the PPSA or “control” within the meaning of the STA.

3.3.2 The Senior Agent will have no obligation to the Subordinated Creditor to ensure that any Pledged Collateral is genuine or owned by any Obligor or to preserve rights or benefits of any person except as expressly set forth in this Section 3.3. The duties or responsibilities of the Senior Agent under this Section 3.3 will be limited solely to possessing or controlling the Pledged Collateral as bailee and/or agent for perfection in accordance with this Section 3.3 and delivering the Pledged Collateral upon Payment in Full of the Senior Debt provided in Subsection 3.3.4.

3.3.3 The Subordinated Creditor hereby waives and releases the Senior Creditors from all claims and liabilities arising out of the Senior Agent's role under this Section 3.3 as bailee and/or agent with respect to the Pledged Collateral.

3.3.4 When there has been Payment in Full of the Senior Debt, the Senior Agent will deliver or transfer control of any Pledged Collateral in its possession or control, together with any necessary endorsements (which endorsements will be without recourse and without any representation or warranty),

- (a) first, to the Subordinated Creditor if any Subordinated Debt remains outstanding, and
- (b) second, to the Obligor entitled thereto,

3.4 Additional Obligors

3.4.1 The Subordinated Creditor shall not receive any guarantee from or security over any Property of any Obligor unless that Obligor is a party to this Agreement and such Obligor complies concurrently with the provisions of Section 2.2 or the parties to this Agreement enter into an agreement supplemental hereto pursuant to which that Obligor becomes party hereto and such guarantee becomes part of the Subordinated Documents and such security becomes part of the Subordinated Security and such Obligor complies concurrently with the provisions of Section 2.2.

3.4.2 A Senior Creditor shall not receive any guarantee from or security over any Property of any Obligor unless that Obligor is a party to this Agreement and such Obligor complies concurrently with the provisions of Section 2.2 or the parties to this Agreement enter into an agreement supplemental hereto pursuant to which that Obligor becomes party hereto and such guarantee becomes part of the Senior Documents and such security becomes part of the Senior Security and such Obligor complies concurrently with the provisions of Section 2.2.

3.5 Marshalling

The Subordinated Creditor hereby waives any rights it may have under applicable law to assert the doctrine of marshalling or to otherwise require any Senior Creditor to marshal any Property of any Obligor for the benefit of the Subordinated Creditor.

3.6 Purchase Right of Subordinated Creditor

3.6.1 Subject to this Section 3.6, from the commencement of an Enforcement Action and during its continuance, the Subordinated Creditor will have an option to purchase the Senior Debt (collectively, the “**Purchased Obligations**”). Such purchase will:

- (a) include all principal of, and all accrued and unpaid interest, fees, and expenses in respect of, the Senior Debt,
- (b) be on an “as is, where is” basis, without legal warranty of any kind (other than as set forth in the Assignment and Assumption Agreement), and at the Subordinated Creditor’s sole risk and peril,
- (c) be made pursuant to an assignment and assumption agreement substantially in the form attached hereto as Schedule B (the “**Assignment and Assumption Agreement**”), and
- (d) otherwise be subject to the terms and conditions of this Section 3.6.

The Senior Creditors will retain all rights to indemnification attributable to the Purchased Obligations provided in the relevant Senior Documents for all claims and other amounts relating to periods prior to the purchase of the Purchased Obligations pursuant to this Section 3.6.

3.6.2 Notwithstanding anything to the contrary in this Agreement, following delivery of a Purchase Notice, the Standstill Period applicable to the Subordinated Creditor shall (if such Standstill Period would otherwise expire before such time) be extended until the earlier of (x) the date that such purchase is complete and (y) 30 days following delivery of the Purchase Notice. Upon the occurrence of a Purchase Event that is continuing, neither the Senior Agent nor any other Senior Creditor shall commence or continue any Enforcement Action for five (5) Banking Days (or such shorter period as the Subordinated Creditor may consent to) other than any action as may be required to preserve the validity, perfection or priority of the Senior Documents or the Senior Security or take such action as is necessary to toll any limitation period or prevent its expiry or otherwise preserve (but not enforce) its rights and remedies.

3.6.3 The Senior Agent will, after the occurrence of a Purchase Event, (a) deliver prompt written notice thereof to the Subordinated Creditor and (b) from time to time before and after the delivery of a Purchase Notice pursuant to Section 3.6.4, upon the reasonable written request of the Subordinated Creditor, promptly advise the Subordinated Creditor in writing of the then current amount of the Purchased Obligations (with reasonable details of the calculation thereof).

3.6.4 At any time following the occurrence and during the continuance of any Enforcement Action, so long as the Subordinated Creditor exercises the right set forth in this Section 3.6, the Subordinated Creditor may, by giving prior written notice to the Senior Agent (a “**Purchase Notice**”) within 30 days after the Subordinated Creditor's receipt of a notice from the Senior Agent that an Enforcement Action has occurred, require the sale, transfer and assignment by the Senior Agent and the other Senior Creditors to the Subordinated Creditor on the date

specified in such Purchase Notice, which date shall be at least five (5) Banking Days, but not more than ten (10) Banking Days, following receipt by the Senior Agent of such Purchase Notice, of all (but not only part) of the rights and obligations of the Senior Agent and the other Senior Creditors under the Senior Documents constituting Purchased Obligations in consideration for the irrevocable payment in full by the Subordinated Creditor to the Senior Agent, for and on behalf of the Senior Creditors, of an amount equal to the Purchase Price on the date of such purchase (the “**Purchase Date**”).

3.6.5 Each of the Obligors hereby acknowledges and agrees that (i) such sale, transfer and assignment by the Senior Agent and the other Senior Creditors to the Subordinated Creditor shall not require its consent thereto and (ii) upon the Subordinated Creditor purchasing such rights and obligations from the Senior Agent and Senior Creditors, such rights and obligations shall no longer represent debt that is revolving in nature, and any unused commitment under the Senior Credit Agreement will be deemed cancelled.

3.6.6 Upon the consummation of the purchase of the Senior Debt pursuant to this Section 3.6, the Senior Agent (and all other agents under the Senior Credit Agreement) shall be deemed to have resigned as an "agent" or "administrative agent" for the Senior Creditors under the Senior Documents; provided that the Senior Agent (and all other agents under the Senior Credit Agreement) shall be entitled to all of the rights and benefits of a former "agent" or "administrative agent" under the Senior Credit Agreement.

3.6.7 Notwithstanding the foregoing purchase of the Senior Debt by the Subordinated Creditor, the Senior Creditors shall retain those contingent indemnification obligations and other obligations owing or to be owing to them under the Senior Documents which by their express terms would survive any repayment of the Senior Debt pursuant to this Section 3.6.

3.6.8 Upon the Senior Agent’s receipt of an effective Purchase Notice conforming to this Section 3.6, the Subordinated Creditor will be irrevocably obligated to purchase, and the Senior Creditors will be irrevocably obligated to sell, all, and not less than all, of the Purchased Obligations in accordance with the terms set out in the Assignment and Assumption Agreement.

3.6.9 The purchase price for the Purchased Obligations (as adjusted pursuant to Section 3.6.10, the “**Purchase Price**”) will equal the sum of (i) the principal amount (including capitalized interest) at par of all debts, loans and advances included in the Purchased Obligations, (ii) all accrued and unpaid interest thereon through the Purchase Date, and (iii) all accrued and unpaid fees, expenses, costs, penalties and other amounts owed to the Senior Creditors under the Senior Documents on the Purchase Date (including for certainty, all costs and expenses of the Senior Agent incurred in connection with the completion of the transactions contemplated in the Purchase Notice) to the extent allocable to the Purchased Obligations.

3.6.10 Before 10:00 a.m. (New York time) on the Purchase Date,

- (a) the Subordinated Creditor and the Senior Creditors will execute and deliver the Assignment and Assumption Agreement;
- (b) the Subordinated Creditor will pay the Purchase Price to the Senior Agent by wire transfer of same day funds;

- (c) (i) all (A) Senior Debt relating or attributable to Qualified Risk Management Agreements, and (B) Senior Debt relating or attributable to Cash Management Agreements, shall be irrevocably terminated (as each such term is defined in the Senior Credit Agreement), (ii) the net aggregate amount then owing to counterparties under Qualified Risk Management Agreements that are Senior Documents, including all amounts owing to counterparties as a result of the termination (or early termination) thereof shall have been irrevocably paid in full, and (iii) the net aggregate amount then owing to creditors under Cash Management Agreements that are Senior Documents, including all amounts owing to the creditors as a result of the termination (or early termination) thereof shall have been irrevocably paid in full; provided, the parties hereto acknowledge and agree that the amounts included in (ii) and (iii) above may be included in (in the case of amounts owing to a Senior Creditor), or excluded from (in the case of amounts owing to an Obligor), as applicable, the Purchase Price; and
- (d) the Subordinated Creditor will execute and deliver to the Senior Creditors acting reasonably, in form and substance acceptable to the Senior Creditors, a full and final release and waiver of all claims against the Senior Creditors, including those claims arising out of this Agreement and the transactions contemplated hereby, and any other documentation that the Senior Creditors, acting reasonably, may require.

3.6.11 Any Senior Debt not constituting Purchased Obligations, if any, (and all Senior Security therefor) shall, after the closing of the purchase of the Purchased Obligations in accordance with this Section 3.6, (i) be expressly postponed in right of payment to, and made subordinate and subject in right of payment to, the prior Payment in Full of all Purchased Obligations and Subordinated Debt, and (ii) rank subordinate and junior to each item of the Security securing the Purchased Obligations and the Subordinated Debt.

ARTICLE 4

PERMITTED SUBORDINATED DEBT PAYMENTS

4.1 Payment Blockage

- (a) Notwithstanding the terms of the Subordinated Documents, each Obligor hereby agrees that it may not make, and the Subordinated Creditor hereby agrees that it will not accept, any Distribution with respect to the Subordinated Debt until Payment in Full of the Senior Debt. Notwithstanding the foregoing, but subject to Article 7, each Obligor may make, and the Subordinated Creditor may accept, Permitted Subordinated Debt Payments; provided, however, that no Obligor may make, and the Subordinated Creditor may not accept, Permitted Subordinated Debt Payments during a Payment Blockage Period, other than Permitted Subordinated Debt Payments described in paragraph (d) of the definition thereof. The Borrower hereby acknowledges and agrees that it shall not make, and the Subordinated Creditor acknowledges and agrees that it shall not receive, either any payments of interest with respect to the Subordinated Debt or the Equity Structuring Fee (as defined in the Financing Agreement) other than by way of Common Shares (as such term is defined in the Subordinated Credit Agreement).

- (b) For greater certainty, if at any time a Senior Debt Default or, if more than one, all of the Senior Debt Defaults, set out in a Senior Debt Default Notice or multiple Senior Debt Default Notices is or are (i) cured (if and to the extent capable of cure), or (ii) waived or revoked by the Senior Lenders, then the Senior Creditors will not be entitled to commence any Enforcement Action but will have to rely on the issuance of a fresh Senior Debt Default Notice, in respect of a fresh Senior Debt Default.
- (c) For greater certainty, if at any time a Subordinated Debt Default or, if more than one, all of the Subordinated Debt Defaults, set out in a Subordinated Debt Default Notice or multiple Subordinated Debt Default Notices is or are (i) cured (if and to the extent capable of cure), or (ii) waived or revoked by the Subordinated Creditor, then the Subordinated Creditor will not be entitled to commence any Enforcement Action but will have to rely on the issuance of a fresh Subordinated Debt Default Notice, in respect of a fresh Subordinated Debt Default, and the expiration of another Standstill Period as set out in Section 6.1.

4.2 Resumption of Payments

Each Obligor may resume Permitted Subordinated Debt Payments upon the expiration of the Payment Blockage Period. Each Obligor may also make any Permitted Subordinated Debt Payments missed due to the application of Section 4.1 (“**Catch-up Payments**”) in respect of the Subordinated Debt or any judgment with respect thereto upon the expiration of the Payment Blockage Period provided that (a) the Borrower is in pro forma compliance (after giving effect to the payment of the Catch-Up Payment) with Sections 11.2(a) - (e) of the Senior Credit Agreement (as in effect on the date that the Catch-Up Payment is made), and (b) no other Default (as such term is defined in the Senior Credit Agreement) exists at the time that the Catch-Up Payment is made in respect of which a Senior Debt Default Notice has been delivered to the Subordinated Creditor or would be caused by the making of the Catch-Up Payment.

4.3 Waiver Effective

No Senior Debt Default shall be deemed to have been waived for purposes of this Article 4 unless and until the Borrower shall have received a written waiver from the Senior Agent sufficient pursuant to the terms of the Senior Documents to waive such Senior Debt Default.

4.4 Not a Waiver

The delivery of a Senior Debt Default Notice, and the postponement of the rights of the Subordinated Creditor caused thereby, shall not be deemed to be a waiver of, or otherwise prevent the occurrence or recognition of, any default or event of default under the Subordinated Documents.

ARTICLE 5 APPLICATION OF PROCEEDS

5.1 Application of Proceeds

Subject to the claims, if any, of secured creditors of the Obligors whose security ranks in priority to the Secured Party Security, all Proceeds shall be applied and distributed, and the claims of the Secured Parties shall be deemed to have the relative priorities which would result in the Proceeds being applied and distributed, as follows:

- (a) firstly, to the payment of all reasonable costs and expenses incurred by the Secured Parties (including, without limitation, all legal fees and disbursements) in the exercise of all or any of the powers granted to them hereunder or under the Secured Party Security and in payment of all of the remuneration of any receiver and all costs and expenses properly incurred by such receiver (including, without limitation, all legal fees and disbursements) in the exercise of all or any powers granted to it under the Secured Party Security;
- (b) second, to the Senior Creditors, on account of the Payment in Full of the Senior Debt;
- (c) third, to the Subordinated Creditor, on account of the Payment in Full of the Subordinated Debt; and
- (d) fourth, all amounts remaining after the foregoing distributions shall be applied in accordance with applicable law.

ARTICLE 6 SUBORDINATED DEBT STANDSTILL PROVISIONS

6.1 Standstill Period

The Subordinated Creditor shall not, without the prior written consent of the Senior Agent, take any Enforcement Action with respect to the Subordinated Debt, until the passage of 135 days from the delivery of a Subordinated Debt Default Notice to the Senior Agent, which standstill period shall be extended (i) while the Senior Agent is diligently pursuing its rights and remedies under the Senior Documents and (ii) during any Insolvency Proceeding or stay period (each, a “**Standstill Period**”). Notwithstanding the foregoing, during a Standstill Period the Subordinated Creditor may take such action as may be required to preserve the validity, perfection or priority of the Subordinated Documents or the Subordinated Security or take such action as is necessary to toll any limitation period or prevent its expiry or otherwise preserve (but not enforce) its rights and remedies, including any Unrestricted Enforcement Actions. Any Distributions or Proceeds received by the Subordinated Creditor shall in any event be held in trust by it for the benefit of the Senior Creditors and promptly paid or delivered to the Senior Agent in the form received until Payment in Full of all Senior Debt.

6.2 Manner of Exercise

The rights of the Senior Creditors to enforce any provision of this Agreement or any Senior Documents will not be prejudiced or impaired by:

- (a) any act or failure to act of any Obligor or any Senior Creditor, other than an act or failure to act by a Senior Creditor which is in breach of this Agreement; or
- (b) non-compliance by any person other than a Senior Creditor with any provision of this Agreement, any Senior Documents or any Subordinated Documents, regardless of any knowledge thereof that any Senior Creditor may have or otherwise be charged with.

6.3 Subordinated Creditor Enforcement Action

The Subordinated Creditor agrees in favour of the Senior Creditors that only the Subordinated Creditor may take Enforcement Action pursuant to the Subordinated Security.

ARTICLE 7 INSOLVENCY PROCEEDINGS

7.1 Distributions

In the event of distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the Property of any Obligor, or the proceeds thereof to creditors, or any proposal by any Obligor to creditors for a compromise, arrangement, readjustment, reamortization or restructuring of any Secured Party Debt or other readjustment of any of the obligations of any Obligor, whether any of the foregoing is by reason of any Insolvency Proceeding, marshalling of the assets or liabilities of any Obligor or any other proceeding involving the compromise, arrangement, readjustment, reamortization or restructuring of all or any part of any Secured Party Debt or the application of the Property of any Obligor to the payment or liquidation thereof, or upon the dissolution or other winding-up of the business of any Obligor (unless permitted under the Senior Credit Agreement or otherwise consented to by the Senior Lenders), or upon the sale of all or substantially all of the Property of any Obligor (unless permitted under the Senior Credit Agreement or otherwise consented to by the Senior Lenders), whether pursuant to an Enforcement Action or otherwise, the Senior Creditors shall be entitled to receive Payment in Full of the Senior Debt before the Subordinated Creditor are entitled to receive any direct or indirect payment or distribution of any cash or other Property of any Obligor on account of the Subordinated Debt (including Permitted Subordinated Debt Payments) and to that end, the Senior Creditors shall be entitled to receive directly, for application in payment of the Senior Debt (to the extent necessary so that there is Payment in Full of all Senior Debt after giving effect to any substantially concurrent payment or distribution to the Senior Creditors in respect of the Senior Debt), all Proceeds and each Distribution of any kind or character, whether in cash or other property (other than, for the avoidance of doubt, common shares of the Borrower), which shall be payable or deliverable in any of the circumstances referred to in this Section 7.1 upon or with respect to the Subordinated Debt. To the extent any payment of Senior Debt (whether by or on behalf of any Obligor, as proceeds of security or enforcement of any right of set-off or

otherwise) is declared to be fraudulent or preferential, set aside or otherwise required to be paid to any Obligor or a trustee, or a receiver or creditor under or in connection with any Fraudulent Conveyances Law or Insolvency Proceeding, then if such payment is recoverable by, or paid over to, such Obligor, trustee, receiver or creditor, the Senior Debt or part thereof originally satisfied or intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

7.2 Filing Proofs of Claim

In order to enable the Senior Creditors to enforce their rights under this Agreement in any Insolvency Proceeding, upon the failure of the Subordinated Creditor to present on a timely basis a proof of claim against any Obligor or other motion or pleading as may be reasonably necessary to establish the Subordinated Creditor's entitlement to payment of any Subordinated Debt, as the case may be, the Senior Agent is hereby irrevocably authorized, appointed and empowered (but shall not be obliged) as the proxy and attorney of the Subordinated Creditor (a) to make and present for and on behalf of the Subordinated Creditor proofs of claims or other such motions or pleadings and to demand, sue for, receive and collect any and all dividends or other payments or distributions made on the Subordinated Debt in whatever form the same may be paid or issued and to apply the same on account of the Senior Debt and (b) to demand, sue for, collect and receive each of the aforesaid payments and distributions on account of Subordinated Debt and give acquittance therefor and to file claims and take such other actions in respect of Subordinated Debt, in its own name or in the name of the Subordinated Creditor or otherwise, as the Senior Agent may deem necessary or advisable for the enforcement of this Agreement.

7.3 DIP Financing and Other Matters

Until the Payment in Full of all Senior Debt, if an Insolvency Proceeding has commenced,

- (a) the Subordinated Creditor shall not support any DIP Financing that is proposed to rank superior in priority to, or *pari passu* with, the Senior Debt, unless such DIP Financing is provided by the Senior Creditors (or any of them) or consented to by the Senior Creditors, and the Subordinated Creditor retains its liens on the Property;
- (b) the Senior Creditors will not support any DIP Financing that is proposed to rank in priority to, or *pari passu* with, the then outstanding Subordinated Debt and subordinate to the Senior Debt (unless the Senior Creditors have declined to offer the DIP Financing and such DIP Financing is being offered by the Subordinated Creditor on terms that are consistent with the terms of this Agreement);
- (c) the Subordinated Creditor shall not be restricted in any manner in the exercise of its voting rights and other rights in any Insolvency Proceeding, provided that it shall not vote to accept or otherwise support any proposed plan, arrangement, liquidation, reorganization, proposal, compromise, asset sale or disposition or similar arrangement or transaction or otherwise participate in Insolvency Proceedings in a manner that is inconsistent with the terms of this Agreement;

- (d) the Senior Creditors shall not be restricted in any manner in the exercise of their voting rights and other rights in any Insolvency Proceeding that are consistent with the terms of this Agreement;
- (e) the Subordinated Creditor shall have the right to credit bid the Subordinated Debt in any sales process in respect of the Property, provided that any such credit bid by the Subordinated Creditor shall contemplate the Payment in Full of the Senior Debt in cash on or before closing;
- (f) the Senior Creditors shall have the right to credit bid the Subordinated Debt in any sales process in respect of the Property; and
- (g) the Subordinated Creditor acknowledges, agrees and confirms that it will not propose, seek, approve, consent to, vote in favour of or otherwise support any plan, arrangement, liquidation, reorganization, proposal, compromise, asset sale or disposition or similar arrangement or transaction (each a “**Transaction**”) unless such Transaction (A) contemplates the Payment in Full of the Senior Debt in cash upon closing or (B) the Senior Creditors consent to, vote in favour of or otherwise support such Transaction (in compliance with the terms of this Agreement).

7.4 Entitlement to Recoveries

Subject to the provisions of this Agreement, the Senior Agent agrees that the Subordinated Creditor shall be permitted to retain any net proceeds paid, or reorganization securities issued, to the Subordinated Creditor pursuant to any Insolvency Proceeding for an Obligor.

ARTICLE 8 UNAUTHORIZED PAYMENTS OF SUBORDINATED DEBT

8.1 Payments Received on Subordinated Debt

If the Subordinated Creditor receives any Distribution which it is not permitted to receive under the provisions of this Agreement, then the Subordinated Creditor shall receive and hold such Distribution, separate and apart from its assets and in trust for the benefit of the Senior Creditors and shall promptly pay or deliver the same over to the Senior Agent in precisely the form received (except for the endorsement or assignment of the Subordinated Creditor, as the case may be, or other person where necessary) to the extent necessary for Payment in Full of the Senior Debt after giving effect to any substantially concurrent Distribution to or for the benefit of the Senior Creditors in respect of the Senior Debt.

ARTICLE 9 NO CHALLENGE

9.1 No Challenge

The Subordinated Creditor hereby agrees that, subject to the terms of this Agreement, it will not challenge the Senior Documents on the grounds that any of them, or an portion thereof, is invalid, ineffective or unenforceable in whole or in part. The Senior Agent hereby agrees that, subject to the terms of this Agreement, it will not challenge the Subordinated Documents on the grounds that any of them, or any portion thereof, is invalid, ineffective or unenforceable in whole or in part.

Neither the Subordinated Creditor nor the Senior Agent will, in any manner, challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the Senior Debt, the Subordinated Debt or the Secured Party Security (or any related Liens) of the other or take any action whereby the priorities set out within this Agreement might be impaired or defeated.

ARTICLE 10 RIGHTS OF SUBORDINATED CREDITOR

10.1 Rights of Subordinated Creditor

Subject to the terms of this Agreement, nothing contained in this Agreement is intended to or shall impair or reduce, the obligations of the Obligor, which are absolute and unconditional, to pay the Subordinated Debt as and when the same shall become due and payable or comply with all of the terms and conditions of the Subordinated Documents. As between the Subordinated Creditor and the Senior Creditors, the right and entitlement of the Subordinated Creditor to take any Enforcement Action under any of the Subordinated Documents is subject to the terms of this Agreement.

ARTICLE 11 GENERAL PROVISIONS

11.1 No Waiver of Subordination Provisions

No right of the Senior Creditors to enforce subordination as provided in this Agreement shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Obligor or by any act or failure to act by a Senior Creditor or any agent of or receiver appointed by or on the application of the Senior Agent, or any Senior Creditor, or by any invalidity or unenforceability of any Senior Security (whether as a result of Fraudulent Conveyances Laws or otherwise), or by any non-compliance by any Obligor with any of the Subordinated Documents, regardless of any knowledge thereof which the Senior Agent or any other Senior Creditor may have or be otherwise charged with. Without limitation of the foregoing, but in no way relieving any Obligor of its obligations under the Senior Documents, each Senior Creditor and the Senior Agent may, at any time and from time to time, without the consent of or notice to the Subordinated Creditor, without incurring responsibility and without impairing or releasing the subordination and other benefits provided in this Agreement or the

obligations under this Agreement of the Subordinated Creditor to any Senior Creditor, do any one or more of the following:

- (a) sell, exchange, realize upon, enforce or otherwise deal with in any manner any Property pledged or mortgaged for or otherwise securing the Senior Debt, or release or discharge any obligation in respect of the Senior Debt of any Obligor or any person that guarantees the Senior Debt, or any obligation incurred directly or indirectly in respect thereof;
- (b) settle or compromise any Senior Debt or any other obligation of any Obligor or any person that guarantees the Senior Debt, or any security therefor or any obligation incurred directly or indirectly in respect thereof, and apply any sums by whomsoever paid and however realized to any obligation (including the Senior Debt) in any manner or order; and
- (c) fail to take or to record or otherwise perfect, or release, surrender or discharge, any Lien securing the Senior Debt, exercise or delay in or refrain from exercising any right against any Obligor or any other person or any guarantee or security, and elect any remedy and otherwise deal freely with each Obligor and any other person and with any guarantee or security.

11.2 Acknowledgment of Intercreditor Agreement

The Subordinated Credit Agreement shall contain a provision, in form and substance satisfactory to the Senior Agent, whereby the Subordinated Creditor and applicable Obligors acknowledge that the right, title and interest of the Subordinated Creditor thereunder in and to any Subordinated Debt and any Subordinated Security is subject to this Agreement and is subordinated to the claims of the Senior Creditors pursuant to this Agreement.

11.3 Acknowledgments

All of the Senior Debt shall be deemed to have been made or incurred and continued in reliance upon this Agreement. The Subordinated Creditor expressly waives any notice of the acceptance by a Senior Creditor of the subordination and other provisions of this Agreement and all other notices not specifically required pursuant to the terms of this Agreement. The Subordinated Creditor expressly waives notice of reliance by a Senior Creditor upon the subordination and other agreements as herein provided. The Subordinated Creditor agrees that the Senior Creditors and the Senior Agent have made no warranties or representations with respect to the due execution, legality, validity, completeness or enforceability of any agreement, document, instrument or security relating to the Senior Debt or the collectability of the Senior Debt, and agrees that the Senior Creditors and the Senior Agent shall be entitled to manage and supervise their financial accommodation to the Obligors in accordance with applicable law and their usual practices, changed from time to time as they deem appropriate under the circumstances without regard to the existence of any rights that the Subordinated Creditor may now or in the future have in or to any of the Property of any Obligor, but subject always to the express terms of this Agreement.

11.4 No Warranties by the Subordinated Creditor

Each Senior Creditor agrees that the Subordinated Creditor has not made any warranties or representations with respect to the due execution, legality, validity, completeness or enforceability of any agreement, instrument or security relating to the Subordinated Debt or the collectability of the Subordinated Debt and agrees that the Subordinated Creditor shall be entitled to manage and supervise its financial accommodation to the Obligors in accordance with applicable law and its usual practices, changed from time to time as it deems appropriate under the circumstances without regard to the existence of any rights that any Senior Creditor or the Senior Agent may now or in the future have in or to any of the Property of any Obligor, but subject always to the express terms of this Agreement.

11.5 Waivers

No waiver shall be deemed to be made by any Secured Party, of any of its rights under this Agreement, unless the same shall be in writing signed by the party to be bound thereby, and each waiver, if any, shall be a waiver only with respect to the specific instance involved.

11.6 Successors and Assigns; Assignment of Debt

11.6.1 All of the terms, conditions, covenants and provisions of this Agreement shall be binding upon the parties to this Agreement and their respective successors and assigns and shall enure to the benefit of the parties to this Agreement and their respective successors and permitted assigns and to any persons which purchase all or any part of the Senior Debt.

11.6.2 Each Senior Creditor shall have the right to assign, sell or transfer (including the sale of a participation) all or any part of its right, title or interest in the Senior Debt in accordance with the terms and conditions of the Senior Documents. Any person acquiring an interest in the Senior Debt from a Senior Creditor, or any successor or assignee of a Senior Creditor, shall be bound by the terms, conditions and other provisions of and be entitled to the rights, benefits and priorities confirmed by, this Agreement as if such person were an original party hereto as a Senior Creditor.

11.6.3 The Subordinated Creditor shall have the right to assign, sell or transfer (including the sale of a participation) all or any part of its right, title or interest in the Subordinated Debt in accordance with the terms and conditions of the Subordinated Documents. Any person acquiring an interest in the Subordinated Debt from the Subordinated Creditor, or any successor or assignee of the Subordinated Creditor, shall be bound by the terms, conditions and other provisions of and be entitled to the rights, benefits and priorities confirmed by, this Agreement as if such person were an original party hereto as the Subordinated Creditor.

11.7 Discharge

After the Payment in Full of all of the Senior Debt, the Senior Agent will, at the cost and expense of the Obligors, (i) provide a discharge of the Senior Security (and all registrations in respect thereof which do not otherwise also perfect any of the Subordinated Security) (and the Subordinated Creditor shall do the same relative to the Subordinated Security

after Payment in Full of the Subordinated Debt), and (ii) provided that there is then outstanding Subordinated Debt (and a notice from the Subordinated Creditor stating there is Subordinated Debt outstanding shall be conclusive of that fact for this purpose), the Senior Agent will, subject to applicable law, deliver to the Subordinated Creditor any share certificates, other securities and powers of attorney then held by the Senior Agent representing Property that was held by the Senior Agent pursuant to the Senior Security to the extent such Property has been granted to the Subordinated Creditor pursuant to the terms of the Subordinated Security. The other parties hereto expressly consent to such delivery.

11.8 Subrogation of Subordinated Debt

The Subordinated Creditor shall be subrogated to the rights of the Senior Creditors and, as applicable, the Senior Agent to receive payments and distributions of Property of the Obligors in respect of and on account of Senior Debt, to the extent of the application thereto of monies or other Property which would have been received by the Subordinated Creditor but for the provisions of this Agreement, until the Payment in Full of the Subordinated Debt, provided that any rights of subrogation so arising shall not be exercised prior to Payment in Full of the Senior Debt.

11.9 No Discharge of Subordinated Debt

The Obligors hereby agree that any Distributions paid over to the Senior Creditors pursuant to the provisions of this Agreement and not applied in reduction of the Subordinated Debt shall be deemed not to have discharged any of the obligations of the applicable Obligors in respect of the Subordinated Debt (and, to the extent that by operation of applicable law they are treated as doing so, the Obligors shall indemnify the Subordinated Creditor on demand from and against any loss suffered or incurred by them in consequence thereof, and such indemnity shall comprise part of Subordinated Debt subject to the terms and conditions of this Agreement).

11.10 No Other Beneficiaries

No person, including a receiver, other than the Subordinated Creditor, the Senior Creditors, the Obligors (but only with respect to those matters referred to in the first sentence of Section 11.13) and any receiver appointed by or on the application of the Senior Agent or the other Senior Creditors, shall be entitled to any benefit under this Agreement so as to claim any priority over the Subordinated Creditor and, for such purpose, the provisions of Article 3 shall not apply for the benefit of any such person (other than the Senior Creditors and any such receiver) to the extent that the Senior Documents or the Senior Security, or any part thereof, is determined to be unenforceable, invalid or unperfected against any other receiver by a court of competent jurisdiction.

11.11 Enforceability by Obligors

Nothing in this Agreement shall create any rights in favour of any Obligor and the agreements of the Senior Creditors and the Subordinated Creditor hereunder shall not be enforceable by any Obligor except for those matters referred to in the first sentence of Section 11.13.

11.12 Waiver, etc.

At any time and from time to time, the Senior Creditors may, as they see fit, extend the time for payment of the Senior Debt and grant waivers, indulgences, forbearances or other accommodations at the request of the Obligors or any other person in respect of the Senior Debt. At any time and from time to time, the Subordinated Creditor may, as they see fit, extend the time for payment of the Subordinated Debt and grant waivers, indulgences, forbearances or other accommodations at the request of the Obligors or any other person in respect of the Subordinated Debt.

11.13 Changes

This Agreement may be changed without the consent of any Obligor; provided that, unless consented to by the Obligors so affected, no such change shall create any additional obligations or liabilities on the Obligors. No agreement purporting to change (other than to waive) any provision of this Agreement shall be binding upon the parties hereto unless that agreement is in writing and signed by the Senior Agent and the Subordinated Creditor except that with respect to matters referred to in the proviso of the first sentence of this Section 11.13 the Obligors shall also be required to sign such writing. No waiver of strict performance or compliance with any provision of this Agreement shall be binding on the Senior Creditors unless such waiver is in writing signed by the Senior Agent and no waiver of strict performance or compliance with any provision of this Agreement shall be binding on the Subordinated Creditor unless such waiver is in writing signed by the Subordinated Creditor, provided that for those matters referred to in the proviso of the first sentence of this Section 11.13, the written consent of the Obligors shall also be required for such waiver to be binding.

11.14 Further Assurances

Each of the parties hereto severally agrees to take such actions and execute and deliver such documents, confirmations, postponements, subordinations, acknowledgements, releases and discharges as may from time to time be reasonably requested by any other party hereto in order to give effect to the terms, conditions, provisions and intent of this Agreement.

11.15 Notices

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication (each, a “**Notice**”) shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any Notice with respect to this Agreement, each such Notice shall be in writing and shall be deemed to have been validly served, given or delivered: (i) upon the earlier of actual receipt by the intended recipient and five (5) Banking Days after deposit with Canada Post or similar United States postal services, registered or certified mail, return receipt requested, with proper postage prepaid; (ii) upon transmission, when sent by telecopy or other similar facsimile transmission; provided the sender receives confirmation of telecopy or facsimile receipt from the intended recipient’s telecopy or facsimile machine (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or Canada Post or similar United States postal services as otherwise provided in this Section 11.15); (iii) one (1) Banking Day after deposit with a

reputable overnight courier with all charges prepaid; or (iv) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or telecopy number indicated on Schedule A or to such other address (or telecopy number) as may be substituted by notice given as herein provided. The giving of any Notice required hereunder may be waived in writing by the party entitled to receive such Notice.

11.16 Exchange of Information

11.16.1 Each of the Obligors agrees that the Senior Creditors, the Senior Agent, the Subordinated Creditor may from time to time provide the other with information concerning the Obligors.

11.16.2 Upon receipt of a written request therefor by a Secured Party at any time and from time to time (but no more frequently than monthly) while this Agreement remains in effect, the other Secured Party will promptly provide the other with a written statement of the outstanding principal, interest and other amounts owing pursuant to its Secured Party Credit Documents.

11.16.3 The Secured Parties may exchange, as between themselves, all financial and other information and opinions from time to time in their knowledge or possession relating to or in connection with the Obligors, upon receipt of a request therefor from the other Secured Party, to the extent that such Secured Party is not prohibited from releasing such information by applicable law.

11.17 Term

This Agreement shall remain in full force and effect until the Payment in Full of the Senior Debt after which this Agreement shall terminate without further action on the part of the parties hereto.

11.18 Entire Agreement; Severability

This Agreement contains the entire intercreditor agreement as between the Senior Creditors and the Subordinated Creditor with respect to the indebtedness, obligations, liabilities and Property of the Obligors. If any of the provisions of this Agreement shall be held invalid or unenforceable by any court having jurisdiction, this Agreement shall be construed as if not containing those provisions, and the rights and obligations of the parties to this Agreement should be construed and enforced accordingly. Each party hereto, at the request of a Secured Party, shall enter into good faith negotiations with each other party hereto to replace any invalid or unenforceable provision contained in this Agreement with a valid and enforceable provision which has the commercial effect as close as possible to that of the invalid and unenforceable provision, to the extent permitted by law.

11.19 Cumulative Rights

11.19.1 The rights, powers and remedies of the Senior Creditors under this Agreement shall be in addition to all rights, powers and remedies given to the Senior Creditors by virtue of any statute or rule of law, any agreement or instrument relating to the Senior Debt, the Senior

Documents or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently.

11.19.2 The rights, powers and remedies of the Subordinated Creditor under this Agreement shall be in addition to all rights, powers and remedies given to the Subordinated Creditor by virtue of any statute or rule of law, any agreement or instrument relating to the Subordinated Debt, the Subordinated Documents or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently.

11.20 Limitations Act

The parties hereto agree to vary the limitation period under the *Limitations Act, 2002* (Ontario), other than one established by Section 15 of that Act, applicable to this Agreement and any claim hereunder to six (6) years.

11.21 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. Each of the parties to this Agreement irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario and the Supreme Court of Canada in connection with all matters arising out of or related to this Agreement and the respective rights, entitlements, duties, liabilities and obligations of the parties in respect of this Agreement.

11.22 Waiver of Jury Trial

For the purposes of any proceeding arising out of this Agreement, each party hereto irrevocably waives to the fullest extent permitted by applicable law, any right it may have to a trial by jury in such proceeding (a) to enforce or defend any rights under or in connection with or relating to this Agreement, or (b) arising from or relating to any relationship existing in connection with this Agreement, and agrees that any such proceeding shall be tried before a court and not before a jury. Each party hereto hereby (i) certifies that no representative of any other party hereto has represented expressly or otherwise that such other party hereto would not, in the event of any proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that the other parties hereto have been induced to enter into this Agreement by, among other things, the waivers and certifications in this Section 11.22.

11.23 Specific Performance

Each of the parties to this Agreement acknowledges that each of the Secured Parties would be damaged irreparably in the event any of the provisions of this Agreement for its benefit are not performed in accordance with their specific terms or are otherwise breached. Accordingly each of the parties to this Agreement agrees that each of the Secured Parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions of this Agreement in any action instituted in any court of competent jurisdiction, in addition to any other remedy to which they may be entitled at law or in equity.

11.24 Counterparts and Facsimile or e-mail

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any change to this Agreement) by one party hereto to any other party hereto by facsimile transmission or e-mail in pdf format, shall be as effective as delivery to the other parties hereto of an original manually executed counterpart hereof.

11.25 Senior Agent Binding Senior Lenders

11.25.1 Each reference in this Agreement to the Senior Lenders shall be contractually binding on each Senior Lender as if they were an original party hereto notwithstanding that they have not executed this Agreement. The Senior Agent hereby covenants and agrees that it will provide a copy of this Agreement to each Senior Lender along with any amendment entered into from time to time and will obtain such assurances that it requires in order to ensure that the provisions contained in this Section 11.25.1 are true and correct at all times.

11.26 Subordinated Creditor Acknowledgement

11.26.1 The Subordinated Creditor acknowledges and agrees that, to the extent a Subordinated Debt Default occurs solely as a result of a breach of clause (f) of Schedule "H" of the Financing Agreement as it relates to the Senior Credit Agreement (a "**Cross-Default Subordinated Debt Default**") and the corresponding Senior Debt Default is cured or waived, such Cross-Default Subordinated Debt Default shall automatically be similarly cured or waived without any further action being required of the Subordinated Creditor.

11.27 Paramountcy

11.27.1 Each of the Creditors agrees that in the event of any conflict or inconsistency between (x) any provision in the Senior Credit Documents or the Subordinated Credit Documents, on the one hand, and (y) the provisions of the Intercreditor Agreement, on the other, the provisions of the Intercreditor Agreement shall prevail and govern.

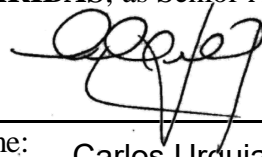
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS OF WHICH the parties to this Agreement have duly executed this Agreement as of the date indicated on the first page of this Agreement.

HARTE GOLD CORP., as Borrower

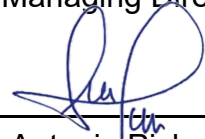
By:  _____
Name: Graham du Preez
Title: EVP & CFO

BNP PARIBAS, as Senior Agent



By: _____


Name: Carlos Urquiaga
Title: Managing Director




By: _____

Name: Antonio Pichardo
Title: Director

AHG (JERSEY) LIMITED., as Subordinated
Creditor

By: 
Name: Mark Collins
Title: Director

By: 
Name: di it ana e
Title: Director

**SCHEDULE A
NOTICE ADDRESSES**

1. If to any of the Obligors:

Harte Gold Corp.
8 King Street East
Toronto, ON M5C 1B5

Attention: Rein Lehari
Telefax: (416) 368-5146
Email: rlehari@hartegold.com

With a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: Justin Parappally
Telefax: (416) 869-5591
Email: jparappally@stikeman.com

2. If to Subordinated Creditor:

AHG (Jersey) Limited
47 Esplanade,
St Helier, Jersey
JE1 0BD

Attention: Alastair Carter
Email: Alastair.Carter@crestbridge.com & APPIAN.JSY@crestbridge.com

3. If to Senior Agent at:

BNP Paribas
787 7th Ave
New York, New York 10019
USA

Attention: Antonio Pichardo
Telephone: (212) 340-5392
Email: antonio.pichardo@us.bnpparibas.com

Attention: Roman Shteynberg
Telephone: (917) 472-4310
Email: roman.shteynberg@us.bnpparibas.com

SCHEDULE B
ASSIGNMENT AND ASSUMPTION AGREEMENT

Dated _____, 20__

Reference is made to the Amended and Restated Credit Agreement made as of August 28, 2020 (as amended, modified or supplemented to the date hereof, the “**Credit Agreement**”) between, inter alia, Harte Gold Corp., as borrower (the “**Borrower**”), the Lenders named therein and BNP Paribas, as administrative agent of the Senior Creditors (in that capacity, the “**Administrative Agent**”). Reference is also made to that certain Intercreditor Agreement dated August 28, 2020 (as amended, modified or supplemented to the date hereof, the “**Intercreditor Agreement**”) between, inter alia, the Administrative Agent, as Senior Agent and AHG (Jersey) Limited, as Subordinated Creditor. Terms defined in the Intercreditor Agreement are used herein as therein defined.

Each of the parties listed in Exhibit “A” attached hereto (each an “**Assignor**” and collectively the “**Assignors**”) and <@> (the “**Assignee**”) agree as follows:

(a) Each Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from such Assignor the Purchased Obligations.

(b) Each Assignor hereby assigns to the Assignee, and the Assignee hereby assumes all of such Assignor's rights, benefits, covenants, liabilities and obligations under the Senior Credit Documents other than those rights to indemnification attributable to the Purchased Obligations provided in the relevant Senior Documents for all claims and other amounts relating to periods prior to Effective Date.

(c) Each Assignor and the Assignee agree that the Purchase Price shall be US\$_____, to be paid by the Assignee in accordance with Exhibit “B” attached hereto.

(d) Each Assignor represents and warrants that: (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and (iii) the Obligors (as defined in the Credit Agreement) under the Senior Documents owe the Assignors the sum of US\$_____, in aggregate, comprised of US\$_____ of principal, US\$_____ of interest [and _____] [additional costs and expenses].

(e) Each Assignor: (i) agrees that, from and after the Effective Date, if it receives any payments of principal, interest or other amounts (other than indemnification payments attributable to the Purchased Obligations provided in the relevant Senior Documents) from any of the Obligors in respect of the Senior Documents, it will hold such monies in trust for the Assignee and immediately remit such monies to the Assignee, (ii) acknowledges, agrees and confirms that, as the Assignee may reasonably request, it will make, do and execute or cause to be made, done or executed, all such further assurances, acts, assignments, transfers, deeds and other documents as are necessary or appropriate in order to give effect to the transaction

contemplated by this Assignment, (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Senior Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Senior Documents or any other instrument or document furnished pursuant thereto; and (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Obligor or the performance or observance by the Obligors of any of their obligations under the Senior Documents or any other instrument or document furnished pursuant thereto.

(f) The Assignee confirms that no representation or warranty of any kind is made by any Assignors except as expressly stated herein or in any agreement, document or instrument delivered pursuant hereto and the Assignee shall have no recourse to any Assignor with respect to the collection of the Purchased Obligations.

(g) The effective date of this Assignment (the “**Effective Date**”) shall be the date first written above.

(h) As of the Effective Date (i) the Assignee shall have the rights and obligations under the Senior Documents that have been assigned to it pursuant to this Assignment and (ii) each Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Senior Documents including, without limitation, the obligation to provide any credit to any Obligor pursuant to such Senior Documents.

This Assignment constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior or other agreements or understandings. This Assignment may only be amended by instrument in writing signed by all parties hereto.

This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement on the date first written above.

BNP PARIBAS, as Senior Agent¹

By: _____
Name:
Title:

**AHG (JERSEY) LIMITED, as Subordinated
Creditor**

By: _____
Name:
Title:

¹ Signature pages of applicable Lenders to be added at the time of entering into Assignment and Assumption

EXHIBIT "A"
LIST OF ASSIGNORS

[List of Lenders to be added at the time of entering into Assignment and Assumption]

EXHIBIT "B"
PURCHASE PRICE AND WIRE TRANSFER INSTRUCTIONS

| Assignor | Amount of Purchase Price to be Paid to Assignor | Wire Transfer Instructions |
|-----------------|--|-----------------------------------|
| | | |
| | | |
| | | |

EXHIBIT “W”

EXHIBIT "W"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

1000025833 ONTARIO INC.

- AND -

SILVER LAKE RESOURCES LIMITED

- AND -

HARTE GOLD CORP.

SUBSCRIPTION AGREEMENT

DATED DECEMBER 6, 2021

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT dated December 6, 2021 is made by and between:

1000025833 ONTARIO INC., a corporation incorporated under the laws of Ontario

(hereinafter, the "**Investor**")

-and-

SILVER LAKE RESOURCES LIMITED, a corporation incorporated under the laws of Australia

(hereinafter, the "**Guarantor**")

-and-

HARTE GOLD CORP., a corporation incorporated under the laws of Ontario

(hereinafter, the "**Company**")

RECITALS:

WHEREAS the Company is a public company based in Toronto, Ontario, whose business mainly consists of operating a gold mining operation commonly known as the "Sugar Zone Mining Operation", located on the Dayohessarah Greenstone Belt in northern Ontario, within the Sault Ste. Marie Mining Division;

WHEREAS the Company intends to commence CCAA Proceedings in order to, *inter alia*, seek creditor protection and pursue the SISP with a view to implementing a transaction which will allow the continuation of its Business and operations, as a going concern;

WHEREAS the Investor has agreed to: (i) act as a "stalking horse bidder" in the context of the SISP and, (ii) if this Agreement and SISP Procedures are approved by the Court and this Agreement is subsequently determined to be the "Successful Bid" in accordance with the SISP Procedures, to subscribe for and purchase from the Company, the Subscribed Shares, on the terms and conditions set out in this Agreement and in accordance with the Closing Sequence set out herein, in order to become the sole shareholder of the Company upon Closing;

WHEREAS the Guarantor has agreed to guarantee and be responsible for all of the obligations of the Investor pursuant to this Agreement;

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Agreement.

"Action" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

"Administration Charge" means the super-priority charge to be granted pursuant to the Initial Order.

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **"control"** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **"controlled"** shall have a similar meaning.

"Agreement" means this Subscription Agreement between the Investor and the Company, as may be amended, supplemented, restated or otherwise modified in accordance with the terms hereof.

"AHG" means AHG (Jersey) Limited.

"Appian Facility Agreement" means the Facility Agreement entered into between the Company, as borrower, and AHG, as lender, on August 28, 2020.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"Approval and Reverse Vesting Order" means an order issued by the Court substantially in the form attached hereto as **Schedule "A"** and otherwise acceptable to the Investor, the Company and the Monitor, each acting reasonably: (i) approving the Transactions; (ii) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Encumbrances against the Company, except only the Permitted Encumbrances; (iii) authorizing and directing the Company to file the Articles of Reorganization; (iv) terminating and cancelling all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company, if any (other than the rights of the Investor under this Agreement), for no consideration (v) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Investor (or as it may direct) all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances

"Articles of Reorganization" means articles of reorganization to change the conditions in respect of the Company's authorized and issued share capital to provide for a redemption right in favour of the Company, which shall be in form and substance satisfactory to the Investor, as confirmed in writing in advance of the filing thereof.

"Assumed Liabilities" means (a) Liabilities specifically and expressly designated by the Investor as assumed Liabilities in **Schedule "H"** (b) Liabilities which relate to the Business under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; (c) Cure Costs in relation to Retained Contracts and Trade Amounts, up to a maximum aggregate amount of \$7,500,000 for such Cure Costs and such Trade Amounts; and (d) the Excluded Liability Promissory Note.

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by that entity.

"Authorization" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"Bid Deadline" means the deadline for the receipt by the Monitor of bids and deposits in accordance with the SISP Procedures.

"BNPP Credit Agreement" means the Amended and Restated Credit Agreement entered into between the Company, as borrower, and BNP Paribas, as lender, on August 28, 2020, as amended by a first amending agreement dated December 11, 2020, a second amending agreement dated June 8, 2021 and a third amending agreement dated November 17, 2021, and under which the rights and obligations of BNP Paribas as lender have been assigned to the Investor.

"Books and Records" means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of the Company, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

"Business" means the business and operations carried on by the Company as at the date of this Agreement and as at the date of Closing.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario, Canada or the state of Western Australia, Australia.

"Cash Consideration" means a cash payment in an amount required to pay all claims ranking in priority to, or *pari passu* with, the amounts owing to the lenders under the BNPP Credit Agreement (excluding the amounts owing under the DIP Term Sheet), plus amounts necessary to fund the completion of the CCAA Proceedings and the bankruptcy of ResidualCo. 1 and ResidualCo. 2 upon completion of the Transactions, as determined by the Monitor, the Company and the Investor each acting reasonably, or as determined by the Court.

"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

"CCAA Proceedings" means the proceedings commenced by the Company under the CCAA.

"Closing" means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

"Closing Date" means the date on which Closing occurs.

"Closing Date Value" has the meaning set out in Section 5.3.

"Closing Sequence" has the meaning set out in Section 6.2.

"Closing Time" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"Company" means Harte Gold Corp.

"Competition Act" means the Competition Act, R.S.C., 1985, c. C-34.

"Conditions Certificates" has the meaning set out in Section 7.3.

"Contracts" means all contracts, agreements, deeds, licenses, leases, obligations, commitments, promises, undertakings, engagements, understandings and arrangements to which the Company is a party to or by which the Company is bound or under which the Company has, or will have at Closing, any right or liability or contingent right or liability (in each case, whether written or oral, express or implied) relating to the Business, including any Personal Property Leases and any Contracts in respect of Employees.

"Court" means the Ontario Superior Court of Justice (Commercial List).

"Credit Bid Consideration" has the meaning set out in Section 2.2(b).

"Cure Costs" means all monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of the Company's insolvency, the commencement of the CCAA Proceedings by the Company or the Company's failure to perform a non-monetary obligation.

"Deposit" has the meaning set out in Section 2.1.

"DIP Lender" means 1000025833 Ontario Inc.

"DIP Term Sheet" means the DIP Facility Loan Agreement dated as of December 6, 2021 between the Company and the DIP Lender, as may be amended from time to time in accordance with its terms.

"Discharged" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"Disposition Date" means any date on which AHG sells all or part of the Share Consideration.

"Employees" means all individuals who, as of Closing Time, are employed by the Company, whether on a full-time or part-time basis, including all individuals who are on an approved and

unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any Terminated Employees, and "**Employee**" means any one of them.

"**Encumbrances**" means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

"**Encumbrances to Be Discharged**" means all Encumbrances on the Retained Assets, including without limitation the Encumbrances listed in **Schedule "F"**, and excluding only the Permitted Encumbrances.

"**Excluded Assets**" means: (i) all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing; and (ii) those assets listed in **Schedule "C"**, an amended list of which may be delivered by the Investor no later than two (2) Business Days before the Closing Date.

"**Excluded Assets and Contracts Promissory Note**" has the meaning set out in Section 3.2,

"**Excluded Contracts**" means all Contracts that are not Retained Contracts, including those Contracts listed in **Schedule "D"**.

"**Excluded Liabilities**" means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company or relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, the non-exhaustive list of those certain Liabilities set forth in **Schedule "E"**, any and all Liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which the Company may be bound as at the Closing Time, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, Liabilities for Employees whose employment with the Company or its Affiliates is terminated on or before Closing and all Liabilities to or in respect of the Company's Affiliates. For avoidance of doubt, Excluded Liabilities shall not include any debts, obligations, Liabilities or Encumbrances that are or are deemed to be an interest in land and, to the extent that any of the Excluded Liabilities listed in Schedule "E" hereof is determined by the Court to be an interest in land ("**Interest in Land**"), such determination by the Court shall not constitute nor give rise to a breach under this Agreement and the Investor and the Guarantor shall remain bound by the terms of this Agreement, including the obligation to pay the Subscription Price, and any Interest in Land shall be deemed to be Assumed Liabilities hereunder.

"**Excluded Liability Price**" has the meaning set out in Section 3.1.

"**Excluded Liability Promissory Note**" has the meaning set out in Section 3.1.

"**Existing Shares**" means all issued and outstanding shares of the Company prior to Closing.

"Final Order" means, in respect of any Court Order, that such Court Order shall not have been vacated, set aside, or stayed, and that the time within which an appeal or request for leave to appeal must be initiated has passed with no appeal or leave to appeal having been initiated.

"Governmental Authority" means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial (including the government of Ontario), territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

"Guarantor" means Silver Lake Resources Limited.

"HST" means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"Initial Order" means the Initial Order to be granted by the Court in the context of the CCAA Proceedings, as such order may be amended, restated or varied from time to time.

"Interim Period" means the period from the date that the SISP Order is granted, to the earlier of the date that the offer submitted by the Investor pursuant to this Agreement is declared to not be the "Successful Bid" pursuant to the SISP Procedures or the Closing Time, as applicable.

"Investment Canada Act" means the Investment Canada Act, R.S.C., 1985, c. 28.

"Investor" means 1000025833 Ontario Inc.

"Law" has the meaning set out in the definition of **"Applicable Law"**.

"Legal Proceeding" means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

"Liability" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Material Permits, Mineral Tenures, Licenses and Contracts" means those Permits, Licenses and Contracts listed in Schedule "L" and the Mineral Tenures.

"Mineral Tenures" means the mining claims, leases and other property rights of the Company listed in Schedule "K".

"Monitor" means FTI Consulting Canada Inc. in its capacity as monitor of the Company in the CCAA Proceedings, to the extent appointed by the Court, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of ResidualCo. 1 or ResidualCo. 2 to the extent subsequently appointed as such.

"Monitor's Certificate" means the certificate, substantially in the form attached as Schedule "A" to the Approval and Reverse Vesting Order, to be delivered by the Monitor in accordance with Section 7.3, and thereafter filed by the Monitor with the Court.

"Order" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

"Organizational Documents" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"Outside Date" means March 31, 2022, or such other date as the Company (with the consent of the Monitor) and the Investor may agree to in writing.

"Party" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

"Permits and Licenses" means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business or issued to, granted to, conferred upon, or otherwise created for, the Company, including, without limitation, as listed in **Schedule "J"**.

"Permitted Encumbrances" means the Encumbrances related to the Retained Assets listed in **Schedule "I"**, an amended list of which may be agreed to by the Investor, the Company and Monitor prior to the granting of the Approval and Reverse Vesting Order.

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"Personal Property" means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

"Personal Property Lease" means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which the Company is a party or under which it has rights to use Personal Property.

"Purchase and Sale Transactions" means the transactions contemplated by this Agreement which provide for, among other things, (a) the issuance by the Company of the Subscribed Shares to the Investor in consideration for the Subscription Price, (b) the assignment by the Company to ResidualCo1 of the Excluded Assets and Excluded Contracts in consideration for the Excluded Assets and Contracts Promissory Note, and (c) the assignment by the Company to ResidualCo2 of the Excluded Liabilities in consideration for the Excluded Liability Promissory Note, each on and subject to the terms set forth herein.

"RBC Commission" means the brokerage commission owing by the Investor to Royal Bank of Canada in connection with the Transactions.

"Realized Consideration" has the meaning set out in Section 5.3.

"Related to the Business" means primarily (i) used in; (ii) arising from; or (iii) otherwise related to the Business or any part thereof.

“Representative” when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“ResidualCo. 1” means a corporation to be incorporated by the Company in advance of Closing, to which the Excluded Assets and Excluded Contracts will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

“ResidualCo. 2” means a corporation to be incorporated in advance of Closing, to which the Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

“Retained Assets” has the meaning set out in Section 3.2.

“Retained Contracts” means those Contracts listed in **Schedule “G”**.

“Share Consideration” has the meaning set out in Section 2.2(c).

“Silver Lake Parties” means 1000025833 Ontario Inc., Cue Minerals Pty Ltd. and Silver Lake Resources Limited.

“Silver Lake Shares” means fully paid ordinary shares of the Guarantor, which shall be freely transferrable under applicable Australian securities laws and in Canada.

“SISP” means the Sale and Investment Solicitation Process to be conducted by the Company in the context of the CCAA Proceedings in accordance with the SISP Procedures;

“SISP Order” means an order issued by the Court substantially in the form attached hereto as **Schedule “B”** and otherwise acceptable to the Investor, the Company and the Monitor, each acting reasonably, approving, among other things, the SISP, the SISP Procedures and the use of this Agreement as the Stalking Horse Bid;

“SISP Procedures” means the procedures governing the SISP, substantially in the form appended as Schedule A to the SISP Order;

“Stalking Horse Bid” means the stalking horse offer submitted by the Investor pursuant to this Agreement.

“Subscribed Shares” means 100 Common Shares in the capital of the Company, to be subscribed for by the Investor and issued by the Company, in accordance with the terms of this Agreement.

“Subscription Price” has the meaning set out in Section 2.2.

“Target Closing Date” means February 18, 2022, or such other date as the Company (with the consent of the Monitor and the DIP Lender) and the Investor may agree to in writing.

“Tax Act” means the *Income Tax Act* (Canada).

“Tax Returns” means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“Taxes” or **“Tax”** means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add- on minimum taxes, HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“Terminated Employees” means those individuals employed by the Company whose employment will be terminated by the Company prior to Closing, as per a list to be provided by the Investor to the Company by no later than the Bid Deadline.

“Trade Amounts” means any accrued and unpaid trade payables of the Company to third parties in connection with the Business that are unpaid as of the Closing.

“Transaction Taxes” means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax consequences arising from, or relating to, or in respect of the consummation of the Transactions.

“Transactions” means all of the transactions contemplated by this Agreement, including the Purchase and Sale Transactions.

“VWAP” means the volume weighted average trading price of Silver Lake Shares for the applicable period on the ASX (or if the Silver Lake Shares are no longer traded on the ASX, on such other exchange as the Silver Lake Shares are then traded) or if not such prices are available for such applicable period, "VWAP" shall be the fair value per Silver Lake Share as reasonably determined by the board of directors of the Guarantor.

1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern time on the last day of the period. If any period of

time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern time on the next succeeding Business Day.

1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.6 Exhibits and Schedules

- (a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

| | | |
|--------------|---|--|
| Schedule "A" | - | Form of Approval and Reverse Vesting Order |
| Schedule "B" | | Form of SISP Order |
| Schedule "C" | - | Excluded Assets |
| Schedule "D" | - | Excluded Contracts |
| Schedule "E" | - | Excluded Liabilities |
| Schedule "F" | - | Encumbrances to be Discharged |
| Schedule "G" | | Retained Contracts |
| Schedule "H" | | Assumed Liabilities |
| Schedule "I" | - | Permitted Encumbrances |
| Schedule "J" | | Permits and Licenses |
| Schedule "K" | | Mineral Tenures |
| Schedule "L" | | Material Permits, Licenses and Contracts |

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 SUBSCRIPTION FOR SUBSCRIBED SHARES AND ASSUMPTION OF LIABILITIES

2.1 Deposit

As a deposit for the Subscription Price, the Investor shall pay to the Monitor, by wire transfer of immediately available funds, an amount of \$100,000 (the "**Deposit**"), within two (2) days of the granting of the Initial Order by the Court, which Deposit shall be held in escrow by the Monitor in a non-interest bearing account on behalf of the Company. If the Closing does not occur for any reason other than the Agreement having been terminated by the Company pursuant to Section 8.1(a)(v), the Deposit will be forthwith refunded in full to the Investor (without interest, offset or deduction). If the Agreement is terminated by the Company pursuant to Section 8.1(a)(v), the full amount of the Deposit shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions.

2.2 Subscription Price

The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the "**Subscription Price**"):

- (a) Cash Consideration: The Cash Consideration, which shall be satisfied as follows: (i) by the release of the Deposit by the Monitor to the Company, and (ii) by wire transfer to the Monitor of immediately available funds in the amount of the balance of the Cash Consideration. The Cash Consideration will be subsequently transferred to ResidualCo. 1 and ResidualCo. 2, in payment of the Excluded Assets and Contracts

Promissory Note and Excluded Liability Promissory Note, on the Closing Date and in accordance with the Closing Sequence;

- (b) Credit Bid Consideration: An amount equivalent to all amounts and obligations owing by the Company to the Investor under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet, which the Investor shall cause the release thereof in favour of the Company at Closing (the "**Credit Bid Consideration**");
- (c) Share Consideration: Silver Lake Shares, in a number equal to the value of all properly perfected and secured amounts and obligations owing by the Company to AHG under the Appian Facility Agreement as of the Closing Date, divided by the VWAP of the Silver Lake Shares for the five trading days prior to the Closing Date, which shall be issued to AHG (the "**Share Consideration**");
- (d) Assumption of Assumed Liabilities: An amount equivalent to the Assumed Liabilities which the Investor shall cause the Company to retain, on the Closing Date and in accordance with the Closing Sequence.

The Guarantor agrees to guarantee and be responsible for all of the Investor's obligations contemplated in this Agreement, including, without limitation, the Investor's obligation to pay the Cash Consideration and the Share Consideration.

ARTICLE 3 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

3.1 Transfer of Excluded Liabilities to ResidualCo. 2

On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to and assumed by ResidualCo. 2 and the Company shall issue to ResidualCo. 2 an interest-free promissory note (the "**Excluded Liability Promissory Note**") in an amount equal to a portion, to be agreed upon between the Parties, of the Cash Consideration (the "**Excluded Liability Price**") in consideration for ResidualCo. 2 assuming the Excluded Liabilities. The Excluded Liabilities shall be transferred to and assumed by ResidualCo. 2 in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order. Notwithstanding any other provision of this Agreement, neither the Investor nor the Company shall assume or have any Liability for any of the Excluded Liabilities and the Company and its assets, undertaking, business and properties shall be fully and finally Discharged from all Excluded Liabilities as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order. For greater certainty, the Company shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Liabilities to ResidualCo. 2 and the assumption of the Excluded Liabilities by ResidualCo. 2.

3.2 Transfer of Excluded Assets and Excluded Contracts to ResidualCo. 1

On the Closing Date, the Company shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Mineral Tenures, Retained Contracts,

Permits and Licenses and Books and Records (the "**Retained Assets**"), except, however, any assets sold in the ordinary course of business during the Interim Period. For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo. 1, in accordance with the Closing Sequence, on the Closing Date and same shall be vested in ResidualCo. 1 pursuant to the Approval and Reverse Vesting Order, all in consideration of an interest-free promissory note ("the **Excluded Assets and Contracts Promissory Note**") in an amount equal to the portion of the Cash Consideration in excess of the Excluded Liability Promissory Note. For greater certainty, the Company shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to ResidualCo. 1.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties as to the Company

Subject to the issuance of the Approval and Reverse Vesting Order, the Company represents and warrants to the Investor as follows and acknowledge and agree that the Investor is relying upon such representations and warranties in connection with the subscription by the Investor of the Subscribed Shares:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the laws of the Province of Ontario, in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (e) Proceedings. There are no Legal Proceedings pending against the Company with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Retained Assets or the Closing of the Transactions, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent or the Company from fulfilling any of its obligations set forth in this Agreement.
- (f) Competition Act. The aggregate book value of assets in Canada, and the annual gross revenues from sales in, from or into Canada, of the Company and its affiliates, are in each case less than \$300 million, calculated in accordance with the Competition Act and the regulations enacted thereunder.

- (g) Material Permits, Mineral Tenures, Licenses and Contracts. The Material Permits, Mineral Tenures, Licenses and Contracts are in full force and effect.

4.2 Representations and Warranties as to the Investor

The Investor represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the issuance by the Company of the Subscribed Shares.

- (a) Incorporation and Status. The Investor is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Investor of this Agreement has been authorized by all necessary corporate action on the part of the Investor.
- (c) No Conflict. The execution, delivery and performance by the Investor of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Investor.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Investor and this Agreement a legal, valid and binding obligation of the Investor, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (e) No Commissions. Other than with respect to the RBC Commission which shall be satisfied by the Investor, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement.
- (f) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Investor, threatened against the Investor before any Governmental Authority, which would: (i) prevent the Investor from paying the Subscription Price to the Company; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement or (iii) which would reasonably be expected to delay, restrict or prevent the Investor from fulfilling any of its obligations set forth in this Agreement.
- (g) Investment Canada Act. The Investor is a "Canadian" or a "WTO Investor" or a "Trade Agreement Investor" within the meaning of the Investment Canada Act.
- (h) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the Investor's execution, delivery or performance of this Agreement and each of the agreements to be executed and delivered by the Investor hereunder, including the subscription of the Subscribed Shares hereunder.

- (i) Financial Ability. The Investor has cash on hand and/or firm financing commitments from lenders in amounts sufficient to allow it to pay the Deposit, the balance of the Cash Consideration and all other costs and expenses in connection with the consummation of the Transactions and the Investor will have, as of the Closing Date, sufficient funds available for purposes of paying the Cash Consideration and paying any other amount due hereunder or in respect thereof.
- (j) Competition Act. The aggregate book value of assets in Canada, and the annual gross revenues from sales in, from or into Canada, of the Investor and its affiliates, are in each case less than \$100 million, calculated in accordance with the Competition Act and the regulations enacted thereunder
- (k) Residence of Investor. The Investor is not a non-resident of Canada within the meaning of the Tax Act.

4.3 As is, Where is

The Subscribed Shares shall be issued, sold and delivered to the Investor subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to the either the Subscribed Shares or the Retained Assets (including title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, with respect to same). For greater certainty, the Retained Assets shall be retained by the Company in the context of the Transaction on an “*as is where is*” basis.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Reverse Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of such Liability, if any, and the Investor acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company in order to make an independent analysis of same.

ARTICLE 5 COVENANTS

5.1 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing by the Target Closing Date.

5.2 Application for Initial Order and Motion for Approval and Reverse Vesting Order

As soon as practicable after the execution of this Agreement, the Company shall (a) file with the Court an application seeking the issuance of the Initial Order and (b) in advance of the 10-day comeback hearing in respect of the Initial Order, serve and file a motion seeking the issuance of the SISP Order and, (c) following the conduct of the SISP and if this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures, serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order.

The Company shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Initial Order, the SISP Order and, if applicable, the Approval and Reverse Vesting Order and the Investor shall cooperate with the Company in its efforts to obtain the issuance and entry of such orders. The Company's application and motion materials seeking (i) the Initial Order, (ii) the SISP Order and (iii) the Approval and Reverse Vesting Order (if this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures) shall be in form and substance satisfactory to the Investor, acting reasonably. The Company will provide to the Investor a reasonable opportunity to review a draft of the application and motion materials to be served and filed with the Court, it being acknowledged that such application and motion materials should be served as promptly as reasonably possible following the execution of this Agreement, and will serve such materials on the service list prepared by the Company and reviewed by the Monitor, and on such other interested parties, and in such manner, as the Investor may reasonably require. The Company will promptly inform counsel for the Investor of any and all threatened or actual objections to the application for the issuance of the Initial Order, the motion for the issuance of the SISP Order and, if applicable, the motion for the issuance of the Approval and Reverse Vesting Order, of which it becomes aware, and will promptly provide to the Investor a copy of all written objections received. However, and notwithstanding the foregoing, the Company will have no obligation to provide the Investor with any motion materials or draft motion materials for the issuance of the Approval and Reverse Vesting Order if this Agreement is not determined to be the "Successful Bid" pursuant to the SISP Procedures.

5.3 Silver Lake Shares Post Closing Adjustment

If AHG sells all of the Share Consideration through the ASX (or if the Silver Lake Shares are no longer traded on the ASX, on such other exchange as the Silver Lake Shares are then traded) to a Person who is not an Affiliate of AHG within 90 days of the Closing Date and the gross consideration (such consideration, the "**Realized Consideration**") realized in respect of such sale is less than the amount equal to the number of Silver Lake Shares issued as Share Consideration multiplied by the amount equal to the VWAP of the Silver Lake Shares for the five trading days prior to the Closing Date ("**Closing Date Value**"), the Investor shall pay in cash, on or before the 100th day following the Closing Date (such timing at the Investor's option), to AHG the difference between the Closing Date Value and the greater of (i) the sum of the VWAP of the Silver Lake Shares for the two trading days prior to each Disposition Date multiplied by the number of Silver Lake Shares issued as Share Consideration sold by AHG on each such Disposition Date; and (ii) the Realized Consideration.

5.4 Interim Period

- (a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (ii) as necessary in connection with the CCAA Proceedings; (iii) as otherwise provided in the Initial Order and any other Court orders, prior to the Closing Time; or (iv) as consented to by the Investor and the Company, such consent not to be unreasonably withheld, conditioned or delayed: (A) the Company shall continue to maintain its Business and operations in substantially the same manner as conducted on the date of this Agreement, including preserving, renewing and keeping in full force its corporate existence as well as the Material Permits, Mineral Tenures, Licenses and Contracts; (B) the Company shall not transport, remove or dispose of, any of its assets out of its current locations outside of its ordinary course of Business;
- (b) During the Interim Period, except as contemplated or permitted by this Agreement or any Court order, the Company shall not enter into any non-arms' length transactions involving the Company or its assets or the Business without the prior approval of the Investor.

- (c) During the Interim Period, the Investor shall furnish to the Company such information concerning the Investor as shall be reasonably requested, including all such information as shall be necessary to enable the Company to verify that the representations and warranties and covenants of the Investor contained in this Agreement have been complied with.

5.5 Access During Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Investor, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such non-intrusive and non-destructive investigations of the financial and legal condition of the Business and the Retained Assets as the Investor reasonably deems reasonably necessary or desirable to further familiarize itself with the Business and the Retained Assets, provided that neither the Investor or the Guarantor shall be entitled to any confidential or otherwise sensitive information regarding the conduct of the SISP, as determined by the Company and the Monitor, each acting reasonably. Without limiting the generality of the foregoing: (a) the Investor and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Investor and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and, solely in the event this Agreement is declared the "Successful Bid" in accordance with the SISP Procedures, the Company's customers and contractual counterparties. Such investigations shall be carried out at the Investor's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Company shall co-operate reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Investor.

5.6 Regulatory Approvals and Consents

If this Agreement and SISP Procedures are approved by the Court and this Agreement is subsequently determined to be the "Successful Bid" in accordance with the SISP Procedures:

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.5; and
- (c) The Parties shall, and shall cause their respective affiliates to, promptly provide all information, documents and data to Governmental Authorities as may be requested,

required or ordered pursuant to statutory and non-statutory requests for information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section 5.5.

5.7 Insurance Matters

During the Interim Period, the Company shall use commercially reasonable efforts to keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the Company in the ordinary course of business.

5.8 Books and Records

The Investor shall cause the Company to preserve and keep the Books and Records for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Investor shall cause the Company to make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and shall permit the Monitor to take copies of such Books and Records as it may reasonably require.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

6.2 Closing Sequence

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, the Investor shall pay the unpaid balance of the Cash Consideration to be held in escrow by the Monitor, on behalf of the Company, and the entire Cash Consideration shall be dealt with in accordance with this Closing Sequence;
- (b) Second, the Investor shall cause the Company to be released from all amounts and obligations owing to the Investor by the Company under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet;
- (c) Third, the Company shall be deemed to: (i) transfer to ResidualCo. 1 the Excluded Assets and the Excluded Contracts, and (ii) transfer to ResidualCo. 2 the Excluded Liabilities, all pursuant to the Approval and Reverse Vesting Order, and the Company shall issue the Excluded Assets and Contracts Promissory Note to ResidualCo. 1 and the Excluded Liability Promissory Note to ResidualCo. 2;

- (d) Fourth, all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;
- (e) Fifth, the Company shall issue the Subscribed Shares and the Investor shall subscribe for and purchase the Subscribed Shares, and the Cash Consideration (including the Deposit) shall be released from escrow for the benefit of the Company, but shall continue to be held by the Monitor in escrow on the Company's behalf;
- (f) Sixth, the Company shall satisfy the amount owing under the Excluded Assets and Contracts Promissory note and the Excluded Liability Promissory Note using the Cash Consideration (including the Deposit), and hereby irrevocably directs the Monitor to cause such payment to be made from the Cash Consideration (including the Deposit) held by the Monitor, subject to the completion of all other steps in the Closing Sequence, although such amounts shall continue to be held by the Monitor on behalf of, respectively, ResidualCo. 1 and ResidualCo. 2; and
- (g) Seventh, the Share Consideration shall be provided to AHG, in full and final satisfaction of the amounts owing under the Appian Facility Agreement and all obligations owing thereunder.

The Investor, with the prior consent of the Company and the Monitor, acting reasonably, may amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

6.3 The Investor's Closing Deliveries

At or before the Closing (as applicable), the Investor shall deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below), the following:

- (a) a certificate dated as of the Closing Date and executed by an executive officer of the Investor confirming and certifying that each the conditions in Sections 7.2(e) and 7.2(f) have been satisfied;
- (b) the unpaid balance of the Cash Consideration in accordance with Section 6.2(a);
- (c) the Share Consideration in accordance with Section 6.2(b)
- (d) an irrevocable release by the Silver Lake Parties in favour of (i) the Company's current and former directors, officers, employees, agents, representatives and all of their respective advisors, including financial advisors and legal counsel and (ii) the Monitor and its current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (such Persons in (i) and (ii) above being collectively referred to herein as the "**Released Parties**") from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown against any of the Released Parties, including, where applicable, in their capacity as

equity holders of the Company; provided, however, that nothing shall release the Released Parties from any claims arising from willful misconduct and fraud; and

- (e) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.4 The Company's Closing Deliveries

At or before the Closing (as applicable), the Company shall deliver or cause to be delivered to the Investor, the following:

- (a) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each the conditions in Sections 7.1(e) a have been satisfied;
- (b) the Excluded Liability Promissory Note;
- (c) evidence satisfactory to the Investor, acting reasonably, of the filing of the Articles of Reorganization; and
- (d) share certificates representing the Subscribed Shares.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 The Investor's Conditions

The Investor shall not be obligated to complete the Transactions contemplated by this Agreement, unless each of the conditions listed below in this Section 7.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Investor, and may be waived by the Investor in whole or in part, without prejudice to any of its rights of termination in the event of non- fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Investor only if made in writing, provided that if the Investor does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Investor. The Company shall take all such commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed below in this Section 7.1 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall not have been vacated, set aside or stayed; and (iii) at least two clear Business Days have elapsed since the Approval and Reverse Vesting Order was issued by the Court and become a Final Order.
- (c) The Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Investor at the Closing all the documents contemplated in Section 6.4.

- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. The Company shall have performed in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.
- (g) Terminated Employees. The Company shall have terminated the employment of the Terminated Employees, as requested by the Investor in its sole discretion, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be Excluded Liabilities which, pursuant the Approval and Reverse Vesting Order and the Closing Sequence, shall be Discharged as against the Company and transferred to ResidualCo 2.

The Investor acknowledges and agrees that (i) its obligations to consummate the Transactions contemplated by this Agreement are not conditioned or contingent in any way upon receipt of financing from a third party, and (ii) failure to consummate the Transactions contemplated herein as a result of the failure to obtain financing shall constitute a breach of this Agreement by the Investor which will give rise, *inter alia*, to the Company's recourses under Section 2.1.

7.2 The Company's Conditions

The Company shall not be obligated to complete the Transactions contemplated by this Agreement unless each of the conditions listed below in this Section 7.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided that if the Company does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Company. The Investor shall take all such actions, steps and proceedings as are reasonably within the Investor's control as may be necessary to ensure that the conditions listed below in this Section 7.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting

Order shall not have been vacated, set aside or stayed; and (iii) at least two clear Business Days have elapsed since the Approval and Reverse Vesting Order was issued by the Court.

- (c) Investor's Deliverables. The Investor shall have executed and delivered or caused to have been executed and delivered to the Company (with a copy to the Monitor) at the Closing all the documents and payments contemplated in Section 6.3.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. The Investor shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Investor on or before the Closing.

7.3 Monitor's Certificate

When the conditions to Closing set out in Section 7.1 and Section 7.2 have been satisfied and/or waived by the Company or the Investor, as applicable, the Company, the Investor or their respective counsel will each deliver to the Monitor confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates and the receipt of the entire Cash Consideration and the Share Consideration, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Investor, at which time the Closing Sequence will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Investor). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Monitor will have no liability to the Company or the Investor as a result of filing the Monitor's Certificate.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

- (a) Subject to Section 8.1(b), this Agreement may be terminated on or prior to the Closing Date:
 - (i) by the mutual agreement of the Company and the Investor;

- (ii) by the Investor, on the one hand, or the Company, on the other hand, upon notice to the other Party if: (A) the Court declines at any time to grant the Initial Order; (B) the Court declines at any time to grant the SISP Order; or (C) the Court declines at any time to grant the Approval and Reverse Vesting Order, provided that the reason for the SISP Order or the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
 - (iii) by the Company or the Investor, if this Agreement and the Stalking Horse Bid set out herein is determined *not* to be the “Successful Bid”, as defined in and in accordance with the SISP Procedures;
 - (iv) by the Investor, on the one hand, or the Company, on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
 - (v) by the Company, if there has been a material violation or breach by the Investor of any agreement, covenant, representation or warranty of the Investor in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Company or cured by the Investor within five (5) Business Days of the Company providing notice to the Investor of such breach, unless the Company is itself in material breach of its own obligations under this Agreement at such time; or
 - (vi) by the Investor, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty of the Company in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Investor or cured by the Company within five (5) Business Days of the Investor providing notice to the Company of such breach, unless the Investor is itself in material breach of its own obligations under this Agreement at such time.
- (b) Prior to the Company agreeing or electing to any termination pursuant to Section 8.1(a), the Company shall first obtain the prior written consent of the Monitor.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.1 (*Deposit*), 9.3 (*Expenses*), 9.4 (*Public Announcements*), 9.5 (*Notices*), 9.9 (*Waiver and Amendment*), 9.12 (*Governing Law*), 9.13 (*Dispute Resolution*), 9.14 (*Attornment*), 9.15 (*Successors and Assigns*), 9.16 (*Assignment*), 9.17 (*No Liability; Monitor Holding or Disposing Funds*), and 9.18 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination.

ARTICLE 9 GENERAL

9.1 Tax Returns.

The Investor shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Company to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date.

9.2 Survival.

All representations, warranties, covenants and agreements of the Company or the Investor made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

9.3 Expenses.

Except if otherwise agreed upon amongst the Parties, and subject to the terms of the DIP Term Sheet and the BNPP Credit Agreement, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers). The Company acknowledges and agrees that: (i) the reasonable costs and expenses of the Investor and the Guarantor incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement constitute costs, charges and expenses incurred in connection with a "Default" or "Event of Default" or the enforcement of "Finance Documents", as such terms are defined in the BNPP Credit Agreement, and (ii) the reasonable costs and expenses of the Investor and the Guarantor incurred in connection with the implementation of the Transactions constitute costs, charges and expenses incurred in connection with a "Default" or "Event of Default" or the enforcement of "Finance Documents", as such terms are defined in the BNPP Credit Agreement.

9.4 Public Announcements.

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and issue a press release announcing the execution of this Agreement and, if applicable, the approval by the Court of this Agreement as a Stalking Horse Bid in the context of the SISP. In addition, this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings.

9.5 Notices.

- (a) **Mode of Giving Notice.** Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Company to:

Harte Gold Corp.

TD Canada Trust Tower
161 Bay St. Suite 2400,
Toronto, ON M5J 2S1

Attention: Frazer Bouchier / Graham du Preez
E-mail: fbouchier@hartegold.com / gdupreez@hartegold.com

with a copy to:

Stikeman Elliott LLP

5300 Commerce Court West,
199 Bay St.,
Toronto, ON M5L 1B9

Attention: Guy P. Martel/Claire Zikovsky/Danny Vu
E-mail: gmartel@stikeman.com / czikovsky@stikeman.com /
ddvu@stikeman.com

If to the Monitor to:

FTI Consulting Canada Inc.

79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Nigel Meakin / Jeffrey Rosenberg
E-mail: nigel.meakin@fticonsulting.com /
Jeffrey.rosenberg@fticonsulting.com

With a copy to:

Goodmans LLP

Bay Adelaide Centre
333 Bay St. #3400,
Toronto,
ON M5H 2S7

Attention: Joseph Pasquariello/Christopher Armstrong
E-mail: jpasquariello@goodmans.ca / carmstrong@goodmans.ca

If to the Investor:

1000025833 Ontario Inc.

Attention: Len Eldridge
E-mail: leldridge@slrltd.com.au

with a copy to:

Osler, Hoskin & Harcourt LLP
First Canadian Place
100 King St. W Suite 6200
M5X 1B8

Attention: Marc Wasserman/Kathryn Esaw/Dave Rosenblat
E-mail: mwasserman@osler.com/kesaw@osler.com/drosenblat@osler.com

- (b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.
- (c) Change of Address. Any Party may from time to time change its address under this Section 9.5 by notice to the other Parties given in the manner provided by this Section 9.5.

9.6 Time of Essence.

Time shall be of the essence of this Agreement in all respects.

9.7 Further Assurances.

The Company and the Investor shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

9.8 Entire Agreement.

This Agreement and the deliverables delivered by the Parties in connection with the Transactions contemplated herein constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect to the subject matter herein. There are no conditions, representations, warranties, obligations or other agreements between the Parties with respect to the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

9.9 Waiver and Amendment.

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Company and Investor (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

9.10 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will 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.

9.11 Remedies Cumulative.

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party. For the avoidance of doubt, nothing in this Agreement shall prejudice or limit the rights of the Investor, the Guarantor or their respective Affiliates under the provisions of the DIP Term Sheet, the BNPP Credit Agreement or any other ancillary agreement or document thereto.

9.12 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

9.13 Dispute Resolution.

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 8 hereof, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

9.14 Attornment.

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.14. Each Party agrees that service of process on such Party as provided in this Section 9.14 shall be deemed effective service of process on such Party.

9.15 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

9.16 Assignment

Neither the Company nor the Guarantor may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Prior to Closing, the Investor may assign, upon written notice to the Company, all or any portion of its rights and obligations under this Agreement to an Affiliate provided that such Affiliate is capable of making the same representations and warranties herein and completing the Transactions by the Outside Date. Any purported assignment or delegation in violation of this Section 9.16 is null and void. No

assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

9.17 No Liability; Monitor Holding or Disposing Funds

The Investor and the Company acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Company in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Cash Consideration (including the Deposit) or the Share Consideration or any portion thereof, whether in its capacity as Monitor, in its personal capacity or otherwise. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Company and the Investor with respect to the holding or disposition of any portion of the Cash Consideration (including the Deposit), the Share Consideration or any other obligation of the Monitor hereunder in respect of the Cash Consideration (including the Deposit) or the Share Consideration, or if at any time the Monitor is unable to determine the proper disposition of any portion of the Cash Consideration (including the Deposit) or the Share Consideration or its proper actions with respect to its obligations hereunder in respect of the Cash Consideration (including the Deposit) or the Share Consideration, then the Monitor may (i) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Cash Consideration (including the Deposit), the Share Consideration, or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court, or (ii) hold the Cash Consideration (including the Deposit), the Share Consideration or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Company and the Investor directing the Monitor to disburse the Cash Consideration (including the Deposit), the Share Consideration, or any portion thereof the manner provided for in such direction, or (b) the Monitor receives an order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse the Cash Consideration (including the Deposit) or the Share Consideration in the manner provided for in the order.

9.18 Third Party Beneficiaries.

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section 9.17), and (ii) ResidualCo. 1 as relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo. 1 as an Excluded Asset at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.19 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

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

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

HARTE GOLD CORP.

By: *Frazer Bouchier*
Name: Frazer Bouchier
Title: Chief Executive Officer

1000025833 ONTARIO INC..

By: _____
Name:
Title:

**SILVER LAKE RESOURCES LIMITED,
as Guarantor**


By: _____
Name:
Title:

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


HARTE GOLD CORP.

By: _____
Name:
Title:

1000025833 ONTARIO INC..

By:  _____
Name: **Luke Tonkin**
Title: **DIRECTOR**

SILVER LAKE RESOURCES LIMITED,
as Guarantor

By:  _____
Name: **Luke Tonkin**
Title: **DIRECTOR.**

SCHEDULE "A" FORM OF APPROVAL AND REVERSE VESTING ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) [●], THE [●]th
MR. JUSTICE PATTILLO)
DAY OF JANUARY, 2022

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

APPROVAL AND REVERSE VESTING ORDER

THIS MOTION, made by Harte Gold Corp. (the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*: (a) approving the Subscription Agreement (the "**Subscription Agreement**") entered into by and between the Company, as issuer, and [●], as investor (the "**Investor**"), dated [●], 2021, a copy of which was attached as Exhibit [●] to the Bouchier Affidavit (as defined below, as well as all the Transactions, as defined in the Subscription Agreement (the "**Transactions**"); (b) adding [●] ("**ResidualCo. 1**") and [●] ("**ResidualCo. 2**") as applicants to these proceedings (the "**CCAA Proceedings**"); (c) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging Encumbrances against the Company and the Retained Assets, except only the Permitted Encumbrances; (d) authorizing and directing the Company to file the Articles of Reorganization; (e) terminating and cancelling the Subject Interests for no consideration; (e) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Investor all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances; and (f) granting certain ancillary relief, was heard this day via videoconference due to the COVID-10 pandemic;

ON READING the Motion Record of the Company, including the affidavit of Frazer Bouchier sworn [●], 2022 (the "**Bouchier Affidavit**") and the Exhibits thereto, the [●] Report

(the "[●] Report") of FTI Consulting Canada Inc. ("FTI"), in its capacity as the Court-appointed Monitor of the Company (the "Monitor"), and on being advised that the secured creditors who are likely to be affected by this Order herein were given notice;

ON HEARING the submissions of counsel for the Company, counsel for the Monitor, counsel for BNP Paribas, counsel for 1000025833 Ontario Inc. (a wholly owned subsidiary of Silver Lake Resources Limited), and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present, no one else appearing for any party although duly served as appears from the affidavit of service of [●] dated [●], 2022;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Subscription Agreement.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the Subscription Agreement and the Transactions are hereby approved and the execution of the Subscription Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company and the Investor may deem necessary or otherwise agree to, with the approval of the Monitor. The Company is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the filing of the Articles of Reorganization, the cancellation of the Subject Interests and the issuance of the Subscribed Shares to the Investor, including any such additional documents contemplated in the Subscription Agreement.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Company to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Company and the Investor (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time, all in accordance with the Closing Sequence set out in the Subscription Agreement and the steps contemplated thereunder:

- (a) the Company shall be released, from all amounts and obligations owing to the Investor by the Company under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet;
- (b) the Company shall be deemed to have: (i) transferred to ResidualCo. 1 the Excluded Assets and the Excluded Contracts Liabilities in consideration of the Excluded Assets and Contracts Promissory Note to ResidualCo. 1, and (ii) transferred to ResidualCo. 2 the Excluded Liabilities in consideration of the Excluded Liability Promissory Note to ResidualCo. 2;
- (c) all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company (the "**Subject Interest**") shall be deemed terminated and cancelled for no consideration; and

(d) all of the right, title and interest in and to the Subscribed Shares issued by the Company to the Investor shall vest absolutely in the Investor, and the Retained Assets will be retained by the Company, in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), or any other personal property registry system or pursuant to the *Lands Title Act* (Ontario) or the *Mining Act* (Ontario) (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “B” hereto (the “**Permitted Encumbrances**”)) and, for greater certainty, all of the Encumbrances affecting or relating to the Subscribed Shares and/or the Retained Assets are hereby expunged and discharged as against the Subscribed Shares and Retained Assets, as applicable.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof in connection with the Transactions.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Company and the Investor regarding the satisfaction of the Subscription Price and satisfaction or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor’s Certificate.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Cash Consideration, with the same priority as they had with respect to the Retained Assets immediately prior to the sale, as if the Excluded Contracts and Excluded Liabilities had not been transferred to ResidualCo. 1 and ResidualCo. 2, as applicable, and remained liabilities of the Company immediately prior to the foregoing transfer.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Company or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Investor all human resources and payroll information in the Company records pertaining to past and current employees of the Company. The Investor shall maintain and cause the Company, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Company prior to Closing.

10. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 5 hereof, the Company and the Investor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Company, including without limiting the generality of the foregoing all taxes that could be assessed against the Company or the Investor (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Company (provided, as it relates to the Company, such release shall not apply to (i) Transaction Taxes, or (ii) Taxes in respect of the business and operations conducted by the Company after the Effective Time).

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Contracts (excluding the Excluded Contracts) to which the Company is a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make

any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (e) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Company);
- (f) the insolvency of the Company or the fact that the Company sought or obtained relief under the CCAA;
- (g) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or
- (h) any change of control of the Company arising from the implementation of the Subscription Agreement, the Transactions or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any obligations of the Company in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Company's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Subscription Agreement shall affect or waive the Company's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

13. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative

pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and the Company arising directly or indirectly from the filing by the Company under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 11 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company or the Investor from performing its obligations under the Subscription Agreement or be a waiver of defaults by the Company under the Subscription Agreement and the related documents.

14. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

15. **THIS COURT ORDERS** that, from and after the Effective Time:

- (i) the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (j) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo. 2;
- (k) any Person that prior to the Effective Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim

against the Company but will have an equivalent Excluded Liability Claim against ResidualCo. 1 or ResidualCo. 2, as applicable, in respect of the Excluded Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo. 1 and/or ResidualCo. 2, as applicable; and

- (l) the Excluded Liability Claim of any Person against ResidualCo. 2 following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

16. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

- (m) the Company shall cease to be an applicant in these CCAA Proceedings and the Company shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Company) shall continue to apply in all respects;
- (n) ResidualCo. 1 and ResidualCo. 2 shall be a companies to which the CCAA applies; and
- (o) ResidualCo. 1 and ResidualCo. 2 shall be added as applicants in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "*Applicant*" shall refer to and include ResidualCo. 1 and ResidualCo. 2, *mutatis mutandis*, (ii) "*Property*", as defined in the Initial Order granted by this Court on December 7, 2021 (as amended and/or restated, from time to time, the "**Initial Order**"), shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and

wherever situate including all proceeds thereof, of ResidualCo. 1 and ResidualCo. 2 (including the Cash Consideration) (collectively, the “**ResidualCos. Property**”), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCos. Property.

17. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Company from the purview of these CCAA Proceedings pursuant to paragraph 16(a) hereof and the addition of ResidualCo. 1 and ResidualCo. 2 as applicants in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

18. **THIS COURT ORDERS** that, notwithstanding:

- (p) the pendency of these CCAA Proceedings;
- (q) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Company, ResidualCo. 1 or ResidualCo. 2 and any bankruptcy order issued pursuant to any such applications; and
- (r) any assignment in bankruptcy made in respect of the Company, ResidualCo.1 or ResidualCo. 2;

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo. 1 and ResidualCo. 2, as applicable, and the issuance of the Subscribed Shares to the Investor), and any payments by the Investor authorized herein or pursuant to the Subscription Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company, ResidualCo. 1 and/or ResidualCo. 2, and shall not be void or voidable by creditors of the Company, ResidualCo. 1 or ResidualCo. 2, as applicable, nor shall they

constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

19. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the Company and the Investor, (i) the present and former directors, officers, employees, legal counsel and advisors of the Company and of ResidualCo. 1 and ResidualCo. 2, (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors, and (iii) the Investor, its directors, officers, employees, legal counsel and advisors (the Persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions in respect of the Company or its assets, business or affairs, prior dealings with the Company (wherever or however conducted or governed), or the administration and/or management of the Company or these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo.1 or ResidualCo. 2 or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

THE MONITOR

20. **THIS COURT ORDERS** that the [●] Report and the activities of the Monitor set out in the [●] Report, are hereby approved, provided however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

21. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo. 1 or Residual Co. 2, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

22. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

23. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of the Company, ResidualCo. 1 or ResidualCo. 2, or to have taken or maintained possession or control of the business or property of any of the Company, ResidualCo. 1 or ResidualCo. 2, or any part thereof; or (ii) be deemed to be in Possession (as defined in the Initial Order) of any property of the Company, ResidualCo. 1 or ResidualCo. 2 within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

CURE COSTS

24. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Subscription Agreement shall be paid by or on behalf of the Company to the relevant counterparty to a Retained Contract on or before the date that is [30] days following the Effective Time or such later date as may be agreed to by the Company and the relevant counterparty to a Retained Contract.

GENERAL

25. **THIS COURT ORDERS** that, following the Effective Time, the Investor shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Subscribed Shares and the Retained Assets.

26. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF [●] AND [●]

27. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

28. **THIS COURT DECLARES** that the Company shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Monitor as may be deemed necessary or appropriate for that purpose.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Company, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Company, the Monitor and their respective agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof, provided that the transaction steps set out in paragraph 5 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 5 hereof.

SCHEDULE A
Form of Certificate of Monitor
(see attached)

Encumbrances (as defined below); and (f) granting certain ancillary relief, was heard this day via videoconference due to the COVID-10 pandemic;

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Approval and Reverse Vesting Order.

THE MONITOR CERTIFIES that it was advised by the Company and the Investor that:

1. The Investor has satisfied the Subscription Price (as defined in the Subscription Agreement) in accordance with the Subscription Agreement;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by the Company and the Investor; and
4. This Certificate was delivered by the Monitor at _____ **[TIME]** on _____ **[DATE]**.

**FTI Consulting Canada Inc., in its capacity as
Monitor of Harte Gold Corp., and not in its
personal capacity**

Per: _____
Name:
Title:

SCHEDULE B
Permitted Encumbrances

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING
ORDER**

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Lawyers for the Applicant

SCHEDULE "B" FORM OF SISP ORDER

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Procedures for the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "**SISP Procedures**") or the Amended and Restated Initial Order dated December 16, 2021.

APPROVAL OF THE STALKING HORSE BID, THE SISP AND THE SISP PROCEDURES

3. **THIS COURT ORDERS AND DECLARES** that the execution by the Applicant of the Subscription Agreement dated as of December 6, 2021 in the form attached as Exhibit "W" to the Bouchier Affidavit (the "**Stalking Horse Agreement**") is hereby authorized and approved, *nunc pro tunc*.

4. **THIS COURT AUTHORIZES** the Applicant to use the Stalking Horse Agreement as the "stalking horse bid" in the SISP (the "**Stalking Horse Bid**"). For greater certainty, nothing herein approves the transaction contemplated in the Stalking Horse Bid, and the approval of any transaction contemplated by the SISP, shall be determined on a subsequent motion made to this Court.

5. **THIS COURT ORDERS** that the SISP and the SISP Procedures, substantially in the form attached hereto, be and are hereby approved, and the Applicant and the Monitor are authorized and directed to carry out the SISP in accordance with the SISP Procedures and this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the SISP.

6. **THIS COURT ORDERS** that the Applicant, the Monitor and their respective affiliates, partners, directors, employees, advisors, lawyers, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Applicant or the Monitor, as applicable, as determined by the Court in a final order that is not subject to appeal or other review.

7. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the Property or be deemed to take possession of the Property.

8. **THIS COURT ORDERS** that the Applicant and the Monitor, or any other interested party on at least five (5) Business Days' notice to the lawyers for each of the Applicant, the Monitor and all other parties on the service list established in these proceedings, may apply to this Court for directions with respect to the SISP at any time.

PIPEDA

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant and the Monitor are hereby authorized and permitted to disclose and provide to each Qualified Bidder, personal information of identifiable individuals, including employees of the Applicant, but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicant or the Monitor, as applicable, or, in the alternative, destroy all such information and provide confirmation of its destruction to the Applicant and the Monitor. The Successful Bidder shall maintain the privacy of such information and, upon closing of the Transaction contemplated in the Successful Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant or the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Applicant and the Monitor.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

12. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

SCHEDULE "A"
SISP PROCEDURES

PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

- A. Since May 2021, Harte Gold Corp. ("**Harte Gold**"), with the assistance of, *inter alia*, FTI Consulting Canada Inc. ("**FTI**"), has been conducting a strategic review process (the "**Pre-Filing Strategic Process**") with a view to finding an investor or a purchaser who would allow Harte Gold to pursue its operations as a going concern and maximize value for stakeholders (the "**Opportunity**");
- B. During the Pre-Filing Strategic Process, 1000025833 Ontario Inc. (the "**Stalking Horse Bidder**") expressed interest in the Opportunity, which culminated with the execution on December 6, 2021 of a Subscription Agreement (the "**Stalking Horse Bid**") between Harte Gold and the Stalking Horse Bidder, pursuant to which the Stalking Horse Bidder agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of a sale and investment solicitation process (the "**SISP**") to be undertaken within court-supervised proceedings to be commenced by Harte Gold under the *Companies' Creditors Arrangement Act* ("**CCAA**" and the proceedings commenced thereby, the "**CCAA Proceedings**"), and (ii) if the Stalking Horse Bidder is determined to be the Successful Bidder (as defined herein), to subscribe for and purchase from Harte Gold, the Subscribed Shares (as defined in the Stalking Horse Bid), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of Harte Gold (the "**Stalking Horse Transaction**");
- C. On December 7, 2021 (the "**Filing Date**"), Harte Gold sought and obtained an initial order (as amended, supplemented or amended and restated from time to time, the "**Initial Order**") under the CCAA from the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"), pursuant to which, among other things, FTI was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**");
- D. On December 16, 2021 the CCAA Court granted an order (the "**SISP Order**"), among other things, approving the Stalking Horse Bid and the procedures set out herein (the "**SISP Procedures**");
- E. The purpose of these SISP Procedures is to set out terms and procedures for a transparent, fair and efficient solicitation process to obtain the highest or otherwise best offer for Harte Gold's equity, assets, rights, undertakings and properties (collectively, the "**Property**"); and
- F. Accordingly, these SISP Procedures describe, among other things: (a) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, (b) the manner in which bidders and bids become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (c) the evaluation of bids received, (d) the guidelines for the ultimate selection of the Successful Bid and/or Back-up Bid, and (e) the process for obtaining such approvals (including the approval of the CCAA Court) as may be necessary or appropriate in respect of a Successful Bid.

Defined Terms

1. Capitalized terms used in these SISP Procedures and not otherwise defined have the meanings given to them below:
 - (a) “**Approval Hearing**” is defined in paragraph 2.
 - (b) “**Approval Motion**” is defined in paragraph 25.
 - (c) “**Auction**” is defined in paragraph 22.
 - (d) “**Auction Bidders**” is defined in paragraph 23.
 - (e) “**Auction Date**” is defined in paragraph 2.
 - (f) “**Back-Up Bid**” is defined in paragraph 24(i).
 - (g) “**Back-Up Bidder**” is defined in paragraph 24(i).
 - (h) “**Bid**” is defined in paragraph 18.
 - (i) “**Bid Deadline**” is defined in paragraph 2.
 - (j) “**Business**” means Harte Gold’s business and activities as at Filing Date.
 - (k) “**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
 - (l) “**CA**” means the *Competition Act*, R.S.C., 1985, c. C-34, as amended.
 - (m) “**CCAA**” is defined in the introduction.
 - (n) “**CCAA Court**” is defined in the introduction.
 - (o) “**CCAA Proceedings**” is defined in the introduction.
 - (p) “**Closing**” means the completion of the transaction contemplated by the Successful Bid.
 - (q) “**Data Room**” is defined in paragraph 11.
 - (r) “**Deposit**” is defined in paragraph 18(h)(x).
 - (s) “**Filing Date**” is defined in the introduction.
 - (t) “**FTI**” is defined in the introduction.
 - (u) “**Harte Gold**” is defined in the introduction.
 - (v) “**ICA**” means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.
 - (w) “**Initial Order**” is defined in the introduction.
 - (x) “**Initial Overbid Amount**” means \$500,000.

- (y) **“Known Potential Bidder”** means any party identified as a potential bidder by Harte Gold, in consultation with the Monitor, whether or not such party participated in the Pre-Filing Strategic Process, and for greater certainty shall include each party that has submitted a bid in the Pre-Filing Strategic Process.
- (z) **“Monitor”** is defined in the introduction.
- (aa) **“Monitor’s Website”** means <http://cfcanada.fticonsulting.com/harte>.
- (bb) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to Harte Gold, in consultation with the Monitor.
- (cc) **“Opening Bid”** is defined in paragraph 24(b).
- (dd) **“Overbid”** is defined in paragraph 24(e).
- (ee) **“Overbid Amount”** means \$500,000 or such higher amount as Harte Gold, in consultation with the Monitor, may determine in advance of any round of bidding in the Auction to be applicable for that round of the Auction.
- (ff) **“Participation Letter”** is defined in paragraph 7(a).
- (gg) **“Potential Bidder”** is defined in paragraph 4.
- (hh) **“Pre-Filing Strategic Process”** is defined in the introduction.
- (ii) **“Property”** is defined in the introduction.
- (jj) **“Qualified Bid”** is defined in paragraph 18.
- (kk) **“Qualified Bidder”** is defined in paragraph 9.
- (ll) **“Required Acknowledgement”** means the written acknowledgement in the form attached hereto as Schedule “[B]” to be executed by a party wishing to participate in the SISP.
- (mm) **“SISP”** is defined in the introduction.
- (nn) **“SISP Order”** is defined in the introduction.
- (oo) **“SISP Press Release”** means a press release to be issued by Harte Gold substantially in the form attached hereto as Schedule “[C]”.
- (pp) **“SISP Procedures”** is defined in the introduction.
- (qq) **“Solicitation Materials Distribution Date”** is defined in paragraph 2.
- (rr) **“Solicitation Notice”** means a notice describing the opportunity to participate in the SISP.
- (ss) **“Stalking Horse Bid”** is defined in the introduction.
- (tt) **“Stalking Horse Bidder”** is defined in the introduction.
- (uu) **“Stalking Horse Transaction”** is defined in the introduction.

- (vv) **“Subscription Agreement”** means the template subscription agreement, in a form substantially similar to the Stalking Horse Bid, to be placed in the Data Room.
- (ww) **“Successful Bid”** is defined in paragraph 24(i).
- (xx) **“Successful Bidder”** is defined in paragraph 24(i).
- (yy) **“Superior Offer”** means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate of the “Subscription Price” as defined in and contemplated by the Stalking Horse Transaction plus the Initial Overbid Amount, including cash consideration sufficient to pay in cash the Cash Consideration (as defined in the Stalking Horse Bid) and amounts owing to the Stalking Horse Bidder under the BNPP Credit Agreement and under the DIP Term Sheet, and (ii) Harte Gold and the Monitor, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction. Solely with respect to the definition of **“Superior Offer”**, the Stalking Horse Transaction is valued at CAD\$[●].

Key Dates

2. The key dates for the SISP are as follows:

| DATE | MILESTONE |
|---|---|
| By no later than 1 day following the issuance by the Court of the SISP Order (“Solicitation Materials Distribution Date”) | Distribution by the Monitor of the Solicitation Notice and the Required Acknowledgment to the Known Potential Bidders |
| January 14, 2022 at 5:00 p.m. (prevailing Eastern Time) (“Bid Deadline”) | The deadline for the receipt by the Monitor of Bids and Deposits |
| By no later than January 20, 2022 (“Auction Date”) | Date of the Auction (if any) |
| Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by Harte Gold, with the consent of the Monitor, not to proceed with an Auction in accordance with paragraph 21 (“Approval Hearing”) | Hearing of the Approval Motion |

Supervision of the SISP

3. The Monitor shall supervise Harte Gold's conduct of the SISP as outlined herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this SISP or the responsibilities of the Monitor or Harte Gold hereunder, the CCAA Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor, Harte Gold or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

Solicitation of Interest

4. For all purposes of this SISP, the following persons shall be considered as potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders, and (ii) any other party that executes a Required Acknowledgement and is permitted by Harte Gold, with the consent of the Monitor, to participate in the SISP.
5. As soon as reasonably practicable after the granting of the SISP Order:
 - (a) the Monitor will post the SISP Order and the SISP Procedures on the Monitor's Website; and
 - (b) Harte Gold will issue the SISP Press Release with Canada Newswire designating dissemination in Canada and internationally.
6. By no later than the Solicitation Materials Distribution Date, the Monitor, on behalf of Harte Gold, shall distribute the Solicitation Notice and form of Required Acknowledgement to Known Potential Bidders inviting the Known Potential Bidders to submit a bid pursuant to these SISP Procedures.

Participation Requirements

7. Subject to paragraph 8, in order to participate in the SISP, each Potential Bidder must deliver the following information and executed documents to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto:
 - (a) a letter (a "**Participation Letter**") setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction pursuant to a Superior Offer;
 - (b) an executed NDA; and
 - (c) a copy of the Required Acknowledgment executed by the Potential Bidder.
8. Harte Gold, with the consent of the Monitor may waive compliance with paragraphs 7(a) and 7(b) of these SISP Procedures for any Potential Bidder that is deemed by Harte Gold, with the consent of the Monitor, to have adequately satisfied the requirements set forth in paragraphs 7(a) and 7(b), as applicable, during the Pre-Filing Strategic Process.

9. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraphs 7 and 8 and that Harte Gold, in its reasonable business judgment, in consultation with the Monitor, determines is likely, based on the availability of financing, experience and other considerations, to be able to submit a Superior Offer by the Bid Deadline will be deemed to be a **“Qualified Bidder”**.
10. Notwithstanding paragraphs 7 to 9, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.

Access to Data Room

11. Harte Gold, with the assistance of the Monitor, shall provide each Qualified Bidder with access to a secure online electronic data room (the **“Data Room”**) containing due diligence information.
12. The Monitor shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Monitor and Harte Gold may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder (other than the Stalking Horse Bidder) who, at such time and in the reasonable business judgment of Harte Gold, after consultation with the Monitor, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.
13. Harte Gold also reserves its right, in consultation with the Monitor, to withhold any diligence materials that Harte Gold determines are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that Harte Gold determines is (or is affiliated with) a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in Harte Gold’s exercise of its reasonable business judgment (in consultation with the Monitor), may risk unduly placing Harte Gold at a competitive disadvantage or make it subject to regulatory scrutiny.
14. All due diligence and information requests must be directed to the Monitor at the email addresses specified in **Schedule A** hereto.
15. Harte Gold, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISP, except, in the case of Harte Gold only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.
16. Without limiting the generality of any term or condition of any NDA between Harte Gold and any Potential Bidder or Qualified Bidder, unless otherwise agreed by Harte Gold or ordered by the CCAA Court, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with (a) any counterparty to any contract with Harte Gold, any current or former director, manager, shareholder, officer, member or employee of Harte Gold, other than in the normal course of business and wholly unrelated to Harte Gold, the potential transaction, the Confidential Information (as defined in the NDA), the SISP or the CCAA Proceedings, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, nothing herein shall prohibit secured creditors of Harte Gold, and their respective affiliates and their legal and financial advisors, from communicating with each other, solely to discuss their secured interests in Harte Gold in their capacities as secured creditors, unless such secured creditors have been advised by

the Company or the Monitor that their secured indebtedness is proposed to be paid or otherwise satisfied in full by a Qualified Bidder, in which case, such communications and discussions from that point on shall be made in the presence of the Monitor. At no time shall such secured creditors be entitled to communicate or discuss with one another or with any other Potential Bidder, Qualified Bidder or Auction Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto.

Qualified Bids

17. A Qualified Bidder that wishes to make a bid must deliver their bid to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto so as to be actually received by the Monitor not later than the Bid Deadline.
18. All offers submitted to the Monitor ("**Bids**") for consideration in accordance with paragraph 17, other than the Stalking Horse Bid which is deemed a Qualified Bid, must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
 - (a) **Subscription/Purchase Price**: Each Bid must clearly set forth the subscription/purchase price in Canadian dollars, stated on a total enterprise value basis, (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
 - (b) **Executed Subscription Agreement or other Transaction Agreement**: Each bid must be made by way of the submission of (a) a Subscription Agreement or (b) or such other form of transaction document as the Qualified Bidder may choose, in each case executed by the Qualified Bidder;
 - (c) **Mark-up**: Each Bid must include a full mark-up comparison of their executed Subscription Agreement or other form of transaction document against the form of Subscription Agreement (including all schedules and exhibits thereto) included in the Data Room, as well as any proposed forms of Orders to be sought from the CCAA Court.
 - (d) **Bid Deadline**: Each Bid must be received by the Bid Deadline as set forth herein;
 - (e) **Superior Offer**: Each Bid must represent a Superior Offer;
 - (f) **Capital Structure**: Each Bid must include information to enable Harte Gold and the Monitor to review and assess the financing/cash available post-closing to fund the business, and implement post-closing measures and transactions.
 - (g) **Irrevocable Offer**: Each Bid must be irrevocable until the earlier of (A) the approval by the CCAA Court of a Successful Bid (and the Back-Up Bid) and (B) 45 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the Closing (or the outside date as set forth therein);
 - (h) **Executed Documents**: Each Bid must be accompanied by a duly authorized and executed Subscription Agreement or other form of transaction document and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;

- (i) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (ii) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to Harte Gold, in consultation with the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (iii) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
 - A. any internal approval(s);
 - B. the outcome of unperformed due diligence by the Qualified Bidder; or
 - C. obtaining financing;
- (iv) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (v) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (vi) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, including any approvals under the CA and ICA, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (vii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (viii) Treatment of Employees: Each Bid must include full details of the Qualified Bidder's intention towards offering continued employment to Harte Gold's employees and by providing details on the terms and conditions of employment that will be offered to any continuing employees. For greater certainty, each Bid must include the proposed number of employees of Harte Gold who will become employees of the bidder or remain employees of the Business. Each Bid must also include details on how the Qualified Bidder intends to address Harte Gold's contemplated actions towards its employee population in the context of the restructuring process;

- (ix) Timeline: Each Bid must provide a timeline to closing with critical milestones;
 - (x) Deposit: Each Bid, including the Stalking Horse Bid, must be accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer to an account specified by the Monitor, payable to the order of the Monitor, on behalf of Harte Gold, in trust, in an amount equal to five percent (5%) of the cash consideration contemplated by the Bid (including the Stalking Horse Bid), to be held and dealt with in accordance with the terms of this SISP;
 - (xi) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the CCAA Court approving the contemplated transaction;
 - (xii) Precedent Investments in the Mining Industry: Each Bid must provide any relevant details of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the mining industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;
 - (xiii) Prospective Plans: Each Bid should include the Qualified Bidder’s proposed plans for Harte Gold following consummation of a potential transaction, including intentions for Harte Gold’s operations as well as for management, employees and facilities;
 - (xiv) Confirmation of no Collusion. Each Auction Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted in the SISP; and
 - (xv) Other Information: Each Bid must contain such other information as may be reasonably requested by Harte Gold or the Monitor from time to time.
19. Notwithstanding anything herein to the contrary, Harte Gold, in consultation with the Monitor, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, Harte Gold, in consultation with the Monitor, may evaluate the following non-exhaustive list of considerations: (a) the subscription/purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents, including, if applicable, the proposed revisions to the Stalking Horse Bid; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction, (k) the financing or cash pro forma available post-closing to fund Harte Gold’s Business; (l) the capital sufficient to implement post-closing measures and transactions; and (m) proposed treatment of the employees.
20. Harte Gold, in consultation with the Monitor, may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP Procedures;

(iii) contrary to the best interest of Harte Gold; or (iv) not a Qualified Bid; provided that Harte Gold may, in consultation with the Monitor, waive strict compliance with any one or more of the requirements specified in paragraph 18 above and deem a non-compliant Bid to be a Qualified Bid.

Auction; Successful Bid

21. In the event that no Qualified Bid other than the Stalking Horse Bid is received, then (a) there will be no auction, (b) the Stalking Horse Bid will be deemed to be the Successful Bid, and (c) Harte Gold shall seek approval and authority to consummate the Stalking Horse Bid and the transactions provided for therein at the Approval Hearing.
22. If one or more Qualified Bids other than the Stalking Horse Bid are received, then Harte Gold, in consultation with the Monitor, shall conduct an auction to determine the highest or otherwise best Qualified Bid (the "**Auction**").
23. If the Auction is to take place, then as soon as practicable prior to the Auction, Harte Gold shall provide the Stalking Horse Bidder and all Qualified Bidders having submitted a Qualified Bid (the Stalking Horse Bidder and all Qualified Bidders, together, "**Auction Bidders**") with details of the time and place for the Auction and a copy of the Opening Bid for the Auction.
24. The Auction shall commence on the Auction Date and shall be held at the Toronto office of Stikeman Elliott LLP or by videoconference or such other arrangement acceptable to the Monitor. If the Auction is held at the Toronto office of Stikeman Elliott LLP and any Auction Bidder requests to participate by videoconference, Harte and the Monitor shall facilitate participation by videoconference. The Auction shall be conducted according to the following procedures:
 - (a) Participation: Harte Gold, in consultation with the Monitor, shall direct and preside over the Auction. Only Auction Bidders are eligible to participate in the Auction. Each Auction Bidder must have, present or available, the individual or individuals with the necessary decision-making authority to submit Overbids and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of Harte Gold, the Monitor, and each of the Auction Bidders shall be permitted to attend the Auction.
 - (b) Rounds. Bidding at the Auction shall be conducted in rounds. The Qualified Bid determined by Harte Gold and the Monitor to have the highest and/or best value shall constitute the "**Opening Bid**" for the first round of bidding. The highest and/or best Overbid at the end of each round shall constitute the "**Opening Bid**" for the following round. Harte Gold, in consultation with the Monitor, shall determine what constitutes the Opening Bid for each round in accordance with the assessment criteria set out in paragraph 24(d) below. In each round, an Auction Bidder may submit no more than one Overbid. Harte Gold, in consultation with the Monitor, may impose such time limits for the submission of Overbids as it deems reasonable. For clarity, the Stalking Horse Bidder may submit an Overbid.
 - (c) Failure to Submit an Overbid. If, at the end of any round of bidding, an Auction Bidder (other than the Auction Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Auction Bidder may not participate in any future round of bidding at the Auction. Any Auction Bidder that submits an Overbid during a round (including the Auction Bidder that submitted the Opening

Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. Any Auction Bidder that fails to submit an Overbid in a round (other than the Auction Bidder that submitted the Opening Bid for such round) may be required by Harte Gold and the Monitor to leave the Auction.

- (d) Bid Assessment Criteria. Harte Gold, in consultation with the Monitor, shall determine which Qualified Bid constitutes the Opening Bid for the first round of bidding and the determination of which Overbid constitutes the Opening Bid for each subsequent round of bidding, taking into account all factors that Harte Gold and the Monitor, with the assistance of their advisors, reasonably deem relevant to the value of such bid, including, among other things, those considerations listed in paragraph 19, above.
- (e) Overbids. All bids made during the Auction must be Overbids and shall be submitted in a form to be determined by Harte Gold, in consultation with the Monitor. The identity of each Auction Bidder and all material terms of each Overbid may be fully disclosed by Harte Gold to all other Auction Bidders participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid (as defined below) and the Back-Up Bid. To be considered an “**Overbid**”, a bid made during the Auction must satisfy the following criteria:
 - (i) Minimum Consideration. The overall amount of consideration of any Overbid shall not be less than the value of the Opening Bid of the applicable round of bidding, plus the Overbid Amount; and
 - (ii) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in paragraph 18 above (provided, for greater certainty, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (h) hereof)). To the extent not previously provided (which shall be determined by Harte Gold in consultation with the Monitor), an Auction Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to Harte Gold, in consultation with the Monitor, demonstrating such Auction Bidder’s ability (including financial ability) to close the transaction contemplated by its Overbid;
- (f) Overbid Alterations: An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the prior Overbid so long as, after giving effect to the same, the terms of the new Overbid are no less favorable than any prior Overbid of such Auction Bidder, as determined by Harte Gold in consultation with the Monitor.
- (g) Announcing Highest Overbids. At the end of each round of bidding, Harte Gold, in consultation with the Monitor, shall (i) review each Overbid made in such round; (ii) identify the highest and/or best Overbid; and (iii) announce the terms of such highest and/or best Overbid to all Auction Bidders entitled to participate in the next round of bidding. Such highest and/or best Overbid shall be the Opening Bid for the next round of the Auction.
- (h) Adjournments. Harte Gold, in consultation with the Monitor, may, in its reasonable business judgment, make one or more adjournments in the Auction to, among other things: (i) facilitate discussions with individual Auction Bidders, including any discussion, negotiation or clarification of any Overbid; (ii) allow individual Auction

Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; (iv) give Auction Bidders the opportunity to provide such additional evidence as Harte Gold may require, in its reasonable business judgment, that the Auction Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid amount; and (v) subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, may consider appropriate, facilitate any appropriate consultation by Harte Gold and/or Auction Bidders with third party stakeholders.

- (i) Closing the Auction. If, in any round of bidding, no Overbid is made, the Auction shall be closed and Harte Gold, in consultation with the Monitor and legal advisors: (i) declare the last Opening Bid as the successful Bid (the “**Successful Bid**” and the party submitting such Successful Bid, the “**Successful Bidder**”); (ii) immediately review the other Overbids made in the previous round (or the Qualified Bid if no Overbids were made at the Auction) and identify and record the next highest and/or best Overbid (or Qualified Bid) (the “**Back-Up Bid**” and the party submitting such Back-Up Bid, the “**Back-Up Bidder**”); and (iii) advise the Successful Bidder and the Back-Up Bidder of such determinations and all other Auction Bidders that they are not a Successful Bidder or a Back-Up Bidder. If a Back-up Bid is identified in accordance with this SISF, then such Back-up Bid shall remain open until the closing of the transaction contemplated by the Successful Bid.
- (j) Executed Documentation: The Successful Bidder and the Back-up Bidder (if any) shall, within two (2) Business Days after the conclusion of the Auction, or such longer delay acceptable to Harte Gold, in consultation with the Monitor, submit to Harte Gold executed revised documentation memorializing the terms of the Successful Bid and the Back-up Bid (if any). The Successful Bid and the Back-up Bid may not be assigned to any party without the consent of Harte Gold.
- (k) Reservation of Rights.
 - (i) Notwithstanding anything herein to the contrary, Harte Gold shall be under no obligation to accept the highest or the best Overbid or any Qualified Bid (other than the Stalking Horse Bid if no higher or better Qualified Bid is accepted) or to pursue or hold an Auction or to select any Successful Bid and/or Back-up Bid.
 - (ii) Harte Gold reserves its rights to modify the conduct of the Auction at any time, acting reasonably, in consultation with the Monitor, in any manner that would best promote the goals of the Auction process, including to select the Successful Bid and/or Back-up Bid prior to the completion of the Auction.
- (l) No Collusion. Each Auction Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids. Harte Gold, in consultation with the Monitor, may permit discussions between Auction Bidders at the Auction, subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, considers appropriate. The parties agree that discussions between secured creditors of Harte Gold, including their affiliates, and their legal or financial advisors, regarding their secured interests in Harte Gold, shall not constitute collusive behaviour provided that such secured creditors comply with the requirements of paragraph 16 hereof.

Approval Motion

25. Harte Gold shall apply to the CCAA Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing Harte Gold to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, if any, in the event that the Successful Bid does not close for any reason.
26. The hearing of the Approval Motion will be held on the date of the Approval Hearing. The Approval Motion may be adjourned or rescheduled by Harte Gold or the Monitor, in consultation with the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion, or by notice to the service list in the CCAA Proceedings.
27. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the CCAA Court.

Closing the Successful Bid

28. Harte Gold and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the CCAA Court. If the transaction contemplated by the Successful Bid has not closed by the outside date provided for in the Successful Bid or the Successful Bid is terminated for any reason prior to the outside date provided for in the Successful Bid, Harte Gold may elect, with the consent of the Monitor, to seek to complete the transaction contemplated by the Back-Up Bid, and will promptly seek to close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and Harte Gold will be deemed to have accepted the Back-Up Bid only when Harte Gold has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

General

29. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the subscription/purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by Harte Gold, in consultation with the Monitor. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing.
30. If a Successful Bidder breaches its obligations under the terms of the SISF, its Deposit shall be forfeited as liquidated damages and not as a penalty.
31. All bidders (including Auction Bidders and Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the CCAA Court and waived any right to apply to another jurisdiction in connection with any disputes relating to the SISF, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISF, the

transaction documents and the Closing, as applicable.

32. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.
33. There will be no amendments to this SISP without the consent of the Monitor and Harte Gold and, if such modification or amendment materially deviates from the key dates contemplated in Section 2 hereof, with the written consent of the Stalking Horse Bidder, or with the approval of the CCAA Court.
34. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, or any obligation to enter into any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, other than as specifically set forth in a definitive agreement that may be signed with Harte Gold.
35. Neither Harte Gold nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

SCHEDULE A

Contact Information

Monitor

FTI CONSULTING CANADA INC.

TD South Tower,
79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104,
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Attention of:

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Jeffrey Rosenberg

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Dean Mullett

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SCHEDULE B

Required Acknowledgement

SCHEDULE C

SISP Press Release

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

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Lawyers for the Applicant

SCHEDULE "C" EXCLUDED ASSETS

Any and all of the Company's rights in respect of the retainers paid to Stikeman Elliott LLP, FTI Consulting Canada Inc., Goodmans LLP and Thornton Grout Finnigan LLP.

SCHEDULE "D" EXCLUDED CONTRACTS¹

- All offtake agreements, including without limitation:
 - a) Offtake Agreement dated July 14, 2020, as between ANR Investments B.V. and Harte Gold Corp. and any amendments thereto
 - b) Offtake Agreement dated January 9, 2018, as between ANR Investments B.V. and Harte Gold Corp. and any amendments thereto
 - c) Offtake Agreement dated December 29, 2017, as between Orion (OMF Fund II SO Ltd.) and Harte Gold Corp. and any amendments thereto

But not Contract No. HGC 18-6263 dated October 1, 2018, as between Glencore Canada Corporation and Harte Gold Corp. and any amendments thereto including Amendment No. 1 to Contract No. HGC 18-6263 dated May 27, 2019, as between Glencore Canada Corporation and Harte Gold Corp. and Amendment No. 2 to Contract No. HGC 18-6263 dated February 27, 2020, as between Glencore Canada Corporation and Harte Gold Corp, which shall be a Retained Contract

- All royalty agreements, including without limitation:
 - a) Royalty Agreement dated December 19, 2019, as between 2729992 Ontario Corp. and Harte Gold Corp.
 - b) Royalty Agreement dated August 28, 2020, as between 2729992 Ontario Corp. and Harte Gold Corp.
 - c) Net Profits Royalty, Schedule 3 to Option and Joint Venture Agreement (and the Schedules thereto) dated July 10, 1998, as between Corona Gold Corporation, John E. Ternowesky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer L. Belisle, Broad Horizons Trust, Broad Horizons Inc., and Harte Resources Corporation
 - d) Net Smelter Royalty, Schedule 4 to Option and Joint Venture Agreement (and the Schedules thereto) dated July 10, 1998, as between Corona Gold Corporation, John E. Ternowesky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer L. Belisle, Broad Horizons Trust, Broad Horizons Inc., and Harte Resources Corporation
 - e) Option Agreement dated June 28, 2010 between Harte Gold Corp., Llyod Halverson, Eugene Belisle and John E. Ternowesky
 - f) Net Smelter Royalty, Schedule B to the Property Option Agreement dated August 14, 2017, as between Lloyd Halverson, Doug Kakeeway, John E. Ternowesky, and Harte Gold Corp.

But not the royalty granted by Harte Gold Corp. pursuant to the Impact Benefits Agreement dated April 2018 between Pic Mobert First Nation and Harte Gold Corp. (the "**Impact Benefits Agreement**"), which shall constitute an Assumed Liability and the Impact Benefits Agreement, a Retained Contract

¹ References to "Excluded Contracts" in this section shall include all related security and other documents to which Harte is party.

- All financing agreements other than the BNPP Credit Agreement, including without limitation:
 - a) Financing Agreement dated July 13, 2020, as between ANR Investments 2 B.V. and Harte Gold Corp. and any amendments thereto including the Amending Agreement to the Financing Agreement dated August 28, 2020, as between ANR Investments 2 B.V. and Harte Gold Corp.
 - b) Facility Agreement dated August 28, 2020, as between AHG (Jersey) Limited and Harte Gold Corp.
 - c) Bridge Loan Agreement dated May 3, 2018, as between ANR Investments B.V. and Harte Gold Corp.
- All Subscription Agreements, including without limitation:
 - a) Subscription, Standby Commitment and Facility Extension Agreement dated June 6, 2019, as between ANR Investments B.V. and Harte Gold Corp.
 - b) Subscription Agreement dated March 18, 2021, as between New Gold Inc. and Harte Gold Corp.
 - c) Subscription Agreement dated November 23, 2016, as between ANR Investments B.V. and Harte Gold Corp.
 - d) Subscription Agreement dated December 29, 2017, as between Orion Mine Finance Fund II LP and Harte Gold Corp.
- The following option agreements:
 - a) Option and Joint Venture Agreement (and the Schedules thereto) dated July 10, 1998, as between Corona Gold Corporation, John E. Ternowesky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer L. Belisle, Broad Horizons Trust, Broad Horizons Inc., and Harte Resources Corporation
 - b) Option Agreement dated June 28, 2010, as between Lloyd Halverson, Eugene Belisle, John E. Ternowesky, and Harte Gold Corp.
 - c) Option Agreement dated August 14, 2017, as between Lloyd Halverson, Doug Kakeeway, John E. Ternowesky, and Harte Gold Corp.
- Any and all employment agreements with Terminated Employees
- The lease dated November 28, 2019 between Harte Gold Corp., as tenant, and CT Tower Investments Inc., as landlord, in respect of the property located at 161 Bay Street, Suite 2400, Toronto, Ontario
- The following engagement agreements:
 - a) Engagement Letter dated June 4, 2021, as between Jeffries LLC and Harte Gold Corp.
 - b) Engagement Agreement dated May 24, 2021, as between Scotia Capital Inc. and Harte Gold Corp.

- c) Engagement Letter dated January 15, 2021, as between CIBC World Markets Inc. and Harte Gold Corp.
- d) Engagement Letter dated June 8, 2021, as between Odeon Capital Group LLC and Harte Gold Corp.

SCHEDULE "E" EXCLUDED LIABILITIES

1. All Liabilities relating to or arising from the Retained Contracts, prior to the commencement of the CCAA Proceedings, which are not Cure Costs
2. Any and all Liabilities with regard to any litigation or other legal proceedings brought or initiated, or which could be brought or initiated, against the Company relating to or arising from any act, occurrence or circumstance existing at or before the Closing Date, including any regulatory or enforcement action that might be brought by any Governmental Authority
3. All Liabilities relating to or arising from the Facility Agreement dated August 28, 2020 (as amended, restated, supplemented or otherwise modified, from time to time) between AHG (Jersey) Limited and Harte Gold Corp.
4. All Liabilities relating to or arising from the Financing Agreement dated July 13, 2020 (as amended, restated, supplemented or otherwise modified, from time to time) between ANR Investments 2 B.V. and Harte Gold Corp.
5. All royalty obligations, including, but not limited to, those arising under:
 - a) The Royalty Agreement dated December 19, 2019 (as amended, restated, supplemented or otherwise modified, from time to time), between 2729992 Ontario Corp. and Harte Gold Corp (as applicable)
 - b) The Royalty Agreement dated and August 28, 2020 (as amended, restated, supplemented or otherwise modified, from time to time), between 2729992 Ontario Corp. and Harte Gold Corp (as applicable)
 - c) The Option Agreement dated June 28, 2010 (as amended, restated, supplemented or otherwise modified, from time to time), as between Lloyd Halverson, Eugene Belisle, John E. Ternowesky and Harte Gold Corp.
 - d) The Option Agreement dated August 14, 2017 (as amended, restated, supplemented or otherwise modified, from time to time), as between Lloyd Halverson, Eugene Belisle, John E. Ternowesky, Doug Kakeeway and Harte Gold Corp.
6. All Liabilities arising from any financial instruments (as amended, restated, supplemented or otherwise modified, from time to time) to which Appian Natural Resources Fund LP, Appian Natural Resources Fund II LP and Appian Capital Advisory LLP or any of their affiliates are parties

SCHEDULE "F" ENCUMBRANCES TO BE DISCHARGED

SCHEDULE “G” RETAINED CONTRACTS

All Contracts which are not listed as Excluded Contracts in Schedule D, including without limitation:

1. Contract No. HGC 18-6263 dated October 1, 2018, as between Glencore Canada Corporation and Harte Gold Corp. and any amendments thereto including Amendment No. 1 to Contract No. HGC 18-6263 dated May 27, 2019, as between Glencore Canada Corporation and Harte Gold Corp. and Amendment No. 2 to Contract No. HGC 18-6263 dated February 27, 2020, as between Glencore Canada Corporation and Harte Gold Corp.
2. Any obligations of the Company under the ISDA Master Agreement and Schedule made as of June 10, 2019 (as subsequently supplemented) between BNP Paribas and the Company

SCHEDULE "H" ASSUMED LIABILITIES

1. The royalty granted by Harte Gold Corp. pursuant to the Impact Benefits Agreement.
2. All Liabilities in respect of Employees, except for Liabilities relating to Terminated Employees

SCHEDULE "I" PERMITTED ENCUMBRANCES

1. Reservations, limitations, proviso and conditions, if any, expressed in any original grant from the Crown provided that they do not materially adversely affect value, use or exploitation
2. Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests provided that same does not materially adversely affect value, use or exploitation
3. Rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, telecommunications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of the Freehold Properties contained in Schedule "K", that arise in the ordinary course of business and which do not individually or in the aggregate materially adversely affect value, use or exploitation
4. Encumbrances in respect of any Retained Contracts
5. Encumbrances permitted in writing by the Investor
6. Any obligations of the Company under the ISDA Master Agreement and the Schedule made as of June 10, 2019 (as subsequently supplemented) between BNP Paribas and the Company, all related confirmations thereunder, and the security granted in association therewith

SCHEDULE “J” PERMITS AND LICENSES

See Schedule “L”.

SCHEDULE "K" MINERAL TENURES

Part I – Freehold Properties

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO/MRO |
|-----|--------------|-------------|-------------|------------|--|---------|
| 1. | None | White River | Freehold | 31082-0218 | PCL 4507 SEC A WS; PT FARM LOCATION CK74 HUNT AS IN LT50339; WHITE RIVER | SR/MR |
| 2. | None | White River | Freehold | 31082-0219 | PCL 4508 SEC AWS; PT FARM LOCATION CK74 HUNT AS IN L T50340; WHITE RIVER | SR/MR |
| 3. | None | White River | Freehold | 31082-0234 | PCL 11183 SEC AWS; PT FARM LOCATION CK77 HUNT PT 1 1R6484; WHITE RIVER | SR/MR |

Part II – Leasehold Properties

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO/MRO |
|-----|--|---------------------|-------------|------------|--|---|
| 4. | 1069328 TO 1069331 INCLUSIVE, SSMI069334, SSM1069335, SSMI069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSMI069327, SSM1069337, SSMI069338, SSMI069339, SSMI069348, SSM1069349, SSMI069350 | Hambleton and Odlum | Leasehold | 31053-0001 | MINING CLAIMS I 069328 TO 1069331 INCLUSIVE, SSM1069334, SSM1069335, SSMI069336, SSM1069340, SSM1069341, SSMI069342, SSM1069347, SSMI135498, SSMI182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 BEING PTS 1,2,3,4,5,6,7,8,9 PL IRI3039, EXCEPT SURFACE RIGHTS BEING PTS 2 TO 9 INCLUSIVE PL 1RI3039 HAMBLETON, ODLUM | SR/MR - Pt I, Plan IRI3039 MRO - Pts 2-9, Plan IR13039 |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO/MRO |
|-----|---|---|-------------|----------------|---|---|
| 5. | SSMI069332, SSMI069333, SSMI069343, SSMI182993; PT MINING CLAIMS SSM1069344, SSMI069346 | Hambleton | Leasehold | 31054- 0003 | MINING CLAIMS SSM1069332, SSMI069333, SSM1069343, SSMI182993; PT MINING CLAIMS SSM1069344, SSMI 069346 HAMBLETON PT 1 IR 13011; DISTRICT OF ALGOMA | SR/MR |
| 6. | PT MINING CLAIM SSM1232640 | Gourlay and Strickla | Leasehold | 31054- 0004 | PT MINING CLAIM SSM 1232640 GOURLAY & STRICKLAND PT 2 IRI3011; DISTRICT OF ALGOMA | SR/MR |
| 7. | PT MINING CLAIM SSM1235595 | Gourlay | Leasehold | 31054- 0005 | PT MINING CLAIM SSM1235595 GOURLAY PT 3 IR 13011; DISTRICT OF ALGOMA | SR/MR |
| 8. | PT MINING CLAIMS SSMI069344, SSMI069345, SSMI069346, SSM1232640, SSMI235595 | Hambleton, Gourlay, Strickland and Odium | Leasehold | 31054- 0006 | MINING RIGHTS ONLY PT MINING CLAIMS SSM1069344, SSMI069345, SSMI069346, SSM1232640, SSMI235595 HAMBLETON, GOURLAY, STRICKLAND & ODLUM PTS 4-9 IR 13011; DISTRICT OF ALGOMA | MRO |
| 9. | SSM937771, SSM937772, SSM937772, SSMI043806, SSMI043807, SSMI043808, SSMI043809, SSM1043810, SSMI069352, SSMI069353, | Hambleton, Odium and Strickland | Leasehold | 31077- 0001 | MINING CLAIMS SSM937771, SSM937772, SSM937772, SSMI043806, SSM1043807, SSM1043808, SSMI043809, SSMI043810, SSMI069352, SSMI069353, | SR/MR- Ptl, Plan IRI3019 MRO- Pts 2-8, Plan IR13019 |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO/MRO |
|-----|--|------------------------|-------------|----------------|---|--|
| | SSMI069354, SSMI069355, SSMI069366, SSMI069367, SSMI069368, SSMI069369, SSMI069370, SSMI069371, SSM1140638, SSM1140639, SSM1140640, SSMI140641, SSM1140642, SSMI140643, SSMI140644, SSM1140645, SSMI140646, SSMI140647, SSM1140658, SSM1140659, SSMI140660 | | | | SSMI069354, SSMI069355, SSMI069366, SSMI069367, SSM 1069368, SSMI069369, SSMI069370, SSMI069371, SSMI140638, SSMI140639, SSMI140640, SSMI140641, SSMI140642, SSMI140643, SSMI140644, SSMI140645, SSMI140646, SSMI140647, SSMI140658, SSM1140659 & SSM1140660 BEING PTS 1,2,3,4,5,6, 7 & 8 PL 1R13019 EXCEPT SURFACE RIGHTS BEING PTS 2 TO 8 INCLUSIVE PL IR13019 1- IAMBLETON,ODLUM & STRICKLAND; CITY OF SAULT STE. MARIE | |
| 10. | SSM937770, SSMI043803, SSM1043811, SSMI043812, SSMI069356, SSMI069357, SSMI069358, SSMI069363, SSMI069364, SSMI069365, SSMI069372, SSM1069373, SSM1069374, SSM1078250, | Hambleton and Odium | Leasehold | 31078- 0001 | MINING CLAIMS SSM937770, SSMI043803, SSM I 043811, SSMI043812, SSMI069356, SSMI069357, SSMI069358, SSMI069363, SSMI069364, SSMI069365, SSMI069372, SSM1069373, SSM1069374, SSM1078250, SSM1078251, SSM1078252, SSMI135499, SSM1194337 & | SR/MR- Pts 1,2, 3, 6 &10, Plan 1RI3038 MRO - Pts 4, 5, 7, 8, 9& 1 L Plan IRI3038 |

| No. | Claim No(s). | Township | Land Tenure | PIN | Legal Description | SRO/MRO |
|-----|--|----------|-------------|-----|--|---------|
| | SSM1078251, SSMI078252, SSM1135499, SSM1194337, SMMI194340 | | | | SMM1194340 BEING PTS 1 TO 11 PL I R13038 EXCEPT SURFACE RIGHTS BEING PTS 4,5,7,8,9 & 11 PL IR13038 HAMBLETON ODLUM; CITY OF SAULT STE. MARIE | |

Part III – Unpatented Mining Claims

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area /# of Cells | Due Date |
|--------|-------|----------------------------------|------------|------------------|---------------------------------|------------------|------------|
| 100110 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 102261 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 102955 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 102956 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 102957 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 103256 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 103795 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 104062 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 108657 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 110507 | Claim | Active | 2018-04-10 | 2022-12-03 | (142281) HARTE GOLD CORP. | 1 | 2022-12-03 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 111378 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 111755 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 111802 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 112652 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 113014 | Claim | Active | 2018-04-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 1 | 2022-06-20 |
| 115744 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 115745 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 115746 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 115851 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 117345 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 117527 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 118071 | Claim | Active | 2018-04-10 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 118285 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 118287 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 119804 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 122945 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 125756 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 125769 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 125817 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 125852 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 127131 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 130537 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 131794 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 132528 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 133127 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 133689 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 133770 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 133895 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 134919 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 136581 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 136582 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 137166 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 141005 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 142088 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 142560 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 142645 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 142714 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO | 1 | 2022-12-27 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
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| | | | | | EXPLORATION INC. | | |
| 150290 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 150356 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 150477 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 151061 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 151151 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 151747 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 151748 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 153728 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 154316 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 154634 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 154859 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------------|------------|------------------|---|-----------------|------------|
| 155027 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 155301 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 155471 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 155472 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 156716 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 157827 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 159665 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 159846 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 162381 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 167174 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 167200 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 167201 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 167881 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 168373 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 168606 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 168648 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 168649 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 168650 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 168651 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 169308 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 170250 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 170388 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 170921 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 170953 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 170954 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 171296 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 171544 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 171922 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 173870 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 174320 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 175638 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 180576 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 180577 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 182897 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 183693 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 183874 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------|------------|------------------|--|-----------------|------------|
| 184494 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 185100 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 185118 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 185737 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 186239 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 186240 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 186333 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 187120 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 188477 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 189153 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 189186 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 189211 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 192398 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO | 1 | 2022-12-27 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|---|-----------------|------------|
| | | | | | EXPLORATION INC. | | |
| 193853 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 196508 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 197174 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 199956 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 200170 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 200808 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 200809 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 201257 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 205218 | Claim | Active | 2018-04-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 1 | 2022-06-20 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|--|-----------------|------------|
| 205227 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 205228 | Claim | Active | 2018-04-10 | 2023-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2023-01-31 |
| 205229 | Claim | Active | 2018-04-10 | 2023-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2023-01-31 |
| 206596 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 206598 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 207283 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 208206 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 208207 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO | 1 | 2022-12-27 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------|------------|------------------|---------------------------|-----------------|------------|
| | | | | | EXPLORATION INC. | | |
| 208950 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 208958 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 209282 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 209283 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 209284 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 219128 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 219164 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 220366 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 220373 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 220821 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 220822 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 221060 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 221158 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
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| 225048 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 226382 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 227074 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 227577 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 228206 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 228212 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 229063 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 229139 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 234526 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 236538 | Claim | Active | 2018-04-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 1 | 2022-06-20 |
| 237877 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 238950 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 244350 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|--|-----------------|------------|
| 245152 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 245812 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 246627 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 252539 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 255917 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 255918 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 255919 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 260565 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 265078 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 265657 | Claim | Active | 2018-04-10 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |
| 265862 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 265863 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------------|------------|------------------|---|-----------------|------------|
| 266283 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 266799 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 266805 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 267434 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 267440 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 267591 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 271837 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 273604 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 273605 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 274244 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 274252 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 274857 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 274873 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 276267 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 276303 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 277728 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 281507 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 282751 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 286341 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 286342 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 286343 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 286384 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 286410 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 287517 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO | 1 | 2022-12-27 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------|------------|------------------|--|-----------------|------------|
| | | | | | EXPLORATION INC. | | |
| 287639 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 289563 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 290157 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 290563 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 293144 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 294235 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 294243 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 300518 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 302666 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 302669 | Claim | Active | 2018-04-10 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-12-27 |
| 302908 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|--|-----------------|------------|
| 308490 | Claim | Active | 2018-04-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 1 | 2022-12-23 |
| 311337 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 317714 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 317747 | Claim | Active | 2018-04-10 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-09-12 |
| 319552 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 322925 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 323310 | Claim | Active | 2018-04-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 1 | 2022-06-20 |
| 324599 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 329144 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |
| 330435 | Claim | Active | 2018-04-10 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 331171 | Claim | Active | 2018-04-10 | 2022-01-31 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 1 | 2022-01-31 |
| 332771 | Claim | Active | 2018-04-10 | 2022-08-30 | (142281) HARTE GOLD CORP. | 1 | 2022-08-30 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|-------------------------------|------------|------------------|------------------------------|-----------------|------------|
| 333357 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 334503 | Claim | Active | 2018-04-10 | 2022-02-06 | (142281) HARTE GOLD CORP. | 1 | 2022-02-06 |
| 335993 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-01-08 | (142281) HARTE GOLD CORP. | 1 | 2021-01-08 |
| 336697 | Claim | Active | 2018-04-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 337943 | Claim | Active | 2018-04-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 1 | 2022-02-22 |
| 344511 | Claim | Active Pending Proceedings | 2018-04-10 | 2021-02-16 | (142281) HARTE GOLD CORP. | 1 | 2021-02-16 |
| 344618 | Claim | Active | 2018-04-10 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |
| 514033 | Claim | Active | 2018-04-11 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 514035 | Claim | Active | 2018-04-11 | 2022-04-11 | (142281) HARTE GOLD CORP. | 1 | 2022-04-11 |
| 530313 | Claim | Active | 2018-08-29 | 2022-06-20 | (142281) HARTE GOLD CORP. | 16 | 2022-06-20 |
| 530314 | Claim | Active | 2018-08-29 | 2022-06-20 | (142281) HARTE GOLD CORP. | 16 | 2022-06-20 |
| 530315 | Claim | Active | 2018-08-29 | 2022-06-20 | (142281) HARTE GOLD CORP. | 18 | 2022-06-20 |
| 530316 | Claim | Active | 2018-08-29 | 2022-06-20 | (142281) HARTE GOLD CORP. | 25 | 2022-06-20 |
| 530317 | Claim | Active | 2018-08-29 | 2022-06-20 | (142281) HARTE GOLD CORP. | 18 | 2022-06-20 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 530318 | Claim | Active | 2018-08-29 | 2022-06-20 | (142281) HARTE GOLD CORP. | 18 | 2022-06-20 |
| 531016 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 25 | 2022-06-20 |
| 531017 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 24 | 2022-06-20 |
| 531018 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 25 | 2022-06-20 |
| 531019 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 24 | 2022-06-20 |
| 531020 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 25 | 2022-06-20 |
| 531021 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 25 | 2022-06-20 |
| 531022 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 22 | 2022-06-20 |
| 531023 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 24 | 2022-06-20 |
| 531024 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 25 | 2022-06-20 |
| 531025 | Claim | Active | 2018-09-10 | 2022-06-20 | (142281) HARTE GOLD CORP. | 24 | 2022-06-20 |
| 531026 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531027 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 24 | 2022-12-23 |
| 531031 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 24 | 2022-12-23 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531046 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 22 | 2022-01-09 |
| 531047 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 24 | 2022-01-09 |
| 531048 | Claim | Active | 2018-09-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 23 | 2022-02-22 |
| 531079 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 23 | 2022-01-09 |
| 531080 | Claim | Active | 2018-09-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 24 | 2022-02-22 |
| 531081 | Claim | Active | 2018-09-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 25 | 2022-02-22 |
| 531082 | Claim | Active | 2018-09-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 24 | 2022-02-22 |
| 531083 | Claim | Active | 2018-09-10 | 2022-02-22 | (142281) HARTE GOLD CORP. | 24 | 2022-02-22 |
| 531084 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 24 | 2022-03-10 |
| 531085 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 24 | 2022-03-10 |
| 531086 | Claim | Active | 2018-09-10 | 2023-01-18 | (142281) HARTE GOLD CORP. | 24 | 2023-01-18 |
| 531087 | Claim | Active | 2018-09-10 | 2022-01-18 | (142281) HARTE GOLD CORP. | 24 | 2022-01-18 |
| 531088 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 24 | 2022-03-10 |
| 531089 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 20 | 2022-03-10 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531090 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 24 | 2022-03-10 |
| 531091 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 24 | 2022-03-10 |
| 531092 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 24 | 2022-03-10 |
| 531093 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 25 | 2022-03-10 |
| 531094 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531095 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531096 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531097 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531098 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 24 | 2022-01-09 |
| 531099 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 24 | 2022-01-09 |
| 531100 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 24 | 2022-01-09 |
| 531111 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531112 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531113 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 25 | 2022-03-10 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531114 | Claim | Active | 2018-09-10 | 2022-03-10 | (142281) HARTE GOLD CORP. | 25 | 2022-03-10 |
| 531115 | Claim | Active | 2018-09-10 | 2022-01-10 | (142281) HARTE GOLD CORP. | 23 | 2022-01-10 |
| 531116 | Claim | Active | 2018-09-10 | 2023-01-10 | (142281) HARTE GOLD CORP. | 24 | 2023-01-10 |
| 531117 | Claim | Active | 2018-09-10 | 2023-01-10 | (142281) HARTE GOLD CORP. | 25 | 2023-01-10 |
| 531118 | Claim | Active | 2018-09-10 | 2023-01-10 | (142281) HARTE GOLD CORP. | 25 | 2023-01-10 |
| 531119 | Claim | Active | 2018-09-10 | 2022-01-10 | (142281) HARTE GOLD CORP. | 20 | 2022-01-10 |
| 531120 | Claim | Active | 2018-09-10 | 2023-01-10 | (142281) HARTE GOLD CORP. | 15 | 2023-01-10 |
| 531121 | Claim | Active | 2018-09-10 | 2023-01-10 | (142281) HARTE GOLD CORP. | 16 | 2023-01-10 |
| 531126 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531139 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 23 | 2022-01-09 |
| 531151 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531152 | Claim | Active | 2018-09-10 | 2022-01-09 | (142281) HARTE GOLD CORP. | 17 | 2022-01-09 |
| 531153 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 22 | 2022-12-23 |
| 531154 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531155 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531156 | Claim | Active | 2018-09-10 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531157 | Claim | Active | 2018-09-10 | 2022-04-21 | (142281) HARTE GOLD CORP. | 25 | 2022-04-21 |
| 531160 | Claim | Active | 2018-09-11 | 2022-02-22 | (142281) HARTE GOLD CORP. | 21 | 2022-02-22 |
| 531161 | Claim | Active | 2018-09-11 | 2022-02-22 | (142281) HARTE GOLD CORP. | 21 | 2022-02-22 |
| 531162 | Claim | Active | 2018-09-11 | 2022-11-16 | (142281) HARTE GOLD CORP. | 24 | 2022-11-16 |
| 531163 | Claim | Active | 2018-09-11 | 2022-01-09 | (142281) HARTE GOLD CORP. | 15 | 2022-01-09 |
| 531164 | Claim | Active | 2018-09-11 | 2022-01-10 | (142281) HARTE GOLD CORP. | 18 | 2022-01-10 |
| 531165 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 13 | 2022-04-21 |
| 531166 | Claim | Active | 2018-09-11 | 2022-01-09 | (142281) HARTE GOLD CORP. | 2 | 2022-01-09 |
| 531167 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 21 | 2022-12-03 |
| 531168 | Claim | Active | 2018-09-11 | 2022-11-16 | (142281) HARTE GOLD CORP. | 25 | 2022-11-16 |
| 531169 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 22 | 2022-04-21 |
| 531170 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 23 | 2022-12-03 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531171 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 22 | 2022-04-21 |
| 531172 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531173 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531174 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 24 | 2022-12-23 |
| 531175 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 25 | 2022-04-21 |
| 531176 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531177 | Claim | Active | 2018-09-11 | 2022-11-16 | (142281) HARTE GOLD CORP. | 24 | 2022-11-16 |
| 531178 | Claim | Active | 2018-09-11 | 2022-11-16 | (142281) HARTE GOLD CORP. | 25 | 2022-11-16 |
| 531179 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 21 | 2022-12-03 |
| 531180 | Claim | Active | 2018-09-11 | 2022-11-16 | (142281) HARTE GOLD CORP. | 23 | 2022-11-16 |
| 531181 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 24 | 2022-12-03 |
| 531182 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531183 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 24 | 2022-04-21 |
| 531184 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 24 | 2022-04-21 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531185 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 24 | 2022-12-03 |
| 531195 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531196 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531197 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 24 | 2022-04-21 |
| 531198 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 19 | 2022-04-21 |
| 531199 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 2 | 2022-12-23 |
| 531200 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531201 | Claim | Active | 2018-09-11 | 2022-10-29 | (142281) HARTE GOLD CORP. | 5 | 2022-10-29 |
| 531202 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 23 | 2022-12-23 |
| 531203 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 21 | 2022-12-31 |
| 531204 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 12 | 2022-12-31 |
| 531205 | Claim | Active | 2018-09-11 | 2022-03-27 | (142281) HARTE GOLD CORP. | 12 | 2022-03-27 |
| 531206 | Claim | Active | 2018-09-11 | 2022-04-26 | (142281) HARTE GOLD CORP. | 24 | 2022-04-26 |
| 531207 | Claim | Active | 2018-09-11 | 2022-07-02 | (142281) HARTE GOLD CORP. | 4 | 2022-07-02 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531208 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 13 | 2022-12-31 |
| 531209 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 6 | 2022-12-23 |
| 531210 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 17 | 2022-12-23 |
| 531211 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 8 | 2022-12-23 |
| 531212 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 18 | 2022-12-31 |
| 531214 | Claim | Active | 2018-09-11 | 2022-07-20 | (142281) HARTE GOLD CORP. | 6 | 2022-07-20 |
| 531215 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 9 | 2022-12-31 |
| 531216 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 3 | 2022-12-31 |
| 531217 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 6 | 2022-12-31 |
| 531218 | Claim | Active | 2018-09-11 | 2022-12-31 | (142281) HARTE GOLD CORP. | 5 | 2022-12-31 |
| 531219 | Claim | Active | 2018-09-11 | 2022-11-20 | (142281) HARTE GOLD CORP. | 25 | 2022-11-20 |
| 531220 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 24 | 2022-12-03 |
| 531221 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531222 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 22 | 2022-12-03 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531223 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 22 | 2022-12-03 |
| 531224 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 24 | 2022-12-03 |
| 531225 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 24 | 2022-12-03 |
| 531226 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531227 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 14 | 2022-04-21 |
| 531228 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 15 | 2022-12-03 |
| 531229 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531230 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 22 | 2022-12-03 |
| 531231 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531232 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 24 | 2022-12-22 |
| 531233 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 25 | 2022-12-22 |
| 531234 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 20 | 2022-12-22 |
| 531235 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 20 | 2022-12-22 |
| 531236 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 20 | 2022-12-22 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531237 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 20 | 2022-12-22 |
| 531238 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 23 | 2022-12-22 |
| 531239 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 4 | 2022-12-22 |
| 531240 | Claim | Active | 2018-09-11 | 2022-12-22 | (142281) HARTE GOLD CORP. | 24 | 2022-12-22 |
| 531241 | Claim | Active | 2018-09-11 | 2022-12-17 | (142281) HARTE GOLD CORP. | 24 | 2022-12-17 |
| 531242 | Claim | Active | 2018-09-11 | 2022-12-17 | (142281) HARTE GOLD CORP. | 20 | 2022-12-17 |
| 531243 | Claim | Active | 2018-09-11 | 2022-12-03 | (142281) HARTE GOLD CORP. | 25 | 2022-12-03 |
| 531244 | Claim | Active | 2018-09-11 | 2022-12-17 | (142281) HARTE GOLD CORP. | 25 | 2022-12-17 |
| 531245 | Claim | Active | 2018-09-11 | 2022-12-17 | (142281) HARTE GOLD CORP. | 24 | 2022-12-17 |
| 531246 | Claim | Active | 2018-09-11 | 2022-12-17 | (142281) HARTE GOLD CORP. | 24 | 2022-12-17 |
| 531247 | Claim | Active | 2018-09-11 | 2022-12-17 | (142281) HARTE GOLD CORP. | 24 | 2022-12-17 |
| 531248 | Claim | Active | 2018-09-11 | 2022-04-21 | (142281) HARTE GOLD CORP. | 25 | 2022-04-21 |
| 531249 | Claim | Active | 2018-09-11 | 2022-12-23 | (142281) HARTE GOLD CORP. | 3 | 2022-12-23 |
| 531254 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 24 | 2022-06-13 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531255 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 25 | 2022-06-13 |
| 531256 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 25 | 2022-06-13 |
| 531257 | Claim | Active | 2018-09-12 | 2022-12-23 | (142281) HARTE GOLD CORP. | 25 | 2022-12-23 |
| 531258 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 12 | 2022-06-13 |
| 531259 | Claim | Active | 2018-09-12 | 2022-12-23 | (142281) HARTE GOLD CORP. | 3 | 2022-12-23 |
| 531264 | Claim | Active | 2018-09-12 | 2022-12-17 | (142281) HARTE GOLD CORP. | 24 | 2022-12-17 |
| 531265 | Claim | Active | 2018-09-12 | 2022-04-21 | (142281) HARTE GOLD CORP. | 25 | 2022-04-21 |
| 531266 | Claim | Active | 2018-09-12 | 2022-04-21 | (142281) HARTE GOLD CORP. | 14 | 2022-04-21 |
| 531267 | Claim | Active | 2018-09-12 | 2022-04-21 | (142281) HARTE GOLD CORP. | 14 | 2022-04-21 |
| 531268 | Claim | Active | 2018-09-12 | 2022-12-23 | (142281) HARTE GOLD CORP. | 10 | 2022-12-23 |
| 531269 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 3 | 2022-06-13 |
| 531270 | Claim | Active | 2018-09-12 | 2022-12-03 | (142281) HARTE GOLD CORP. | 16 | 2022-12-03 |
| 531271 | Claim | Active | 2018-09-12 | 2022-11-16 | (142281) HARTE GOLD CORP. | 20 | 2022-11-16 |
| 531272 | Claim | Active | 2018-09-12 | 2022-12-03 | (142281) HARTE GOLD CORP. | 3 | 2022-12-03 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531273 | Claim | Active | 2018-09-12 | 2022-11-16 | (142281) HARTE GOLD CORP. | 25 | 2022-11-16 |
| 531274 | Claim | Active | 2018-09-12 | 2022-11-16 | (142281) HARTE GOLD CORP. | 25 | 2022-11-16 |
| 531275 | Claim | Active | 2018-09-12 | 2022-11-16 | (142281) HARTE GOLD CORP. | 21 | 2022-11-16 |
| 531276 | Claim | Active | 2018-09-12 | 2022-02-22 | (142281) HARTE GOLD CORP. | 25 | 2022-02-22 |
| 531277 | Claim | Active | 2018-09-12 | 2022-02-22 | (142281) HARTE GOLD CORP. | 18 | 2022-02-22 |
| 531278 | Claim | Active | 2018-09-12 | 2022-11-16 | (142281) HARTE GOLD CORP. | 2 | 2022-11-16 |
| 531279 | Claim | Active | 2018-09-12 | 2022-02-22 | (142281) HARTE GOLD CORP. | 10 | 2022-02-22 |
| 531280 | Claim | Active | 2018-09-12 | 2022-04-11 | (142281) HARTE GOLD CORP. | 24 | 2022-04-11 |
| 531281 | Claim | Active | 2018-09-12 | 2022-04-11 | (142281) HARTE GOLD CORP. | 25 | 2022-04-11 |
| 531282 | Claim | Active | 2018-09-12 | 2022-04-11 | (142281) HARTE GOLD CORP. | 24 | 2022-04-11 |
| 531283 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531284 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 23 | 2023-01-09 |
| 531285 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 25 | 2023-01-09 |
| 531286 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 531287 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531288 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 21 | 2023-01-09 |
| 531289 | Claim | Active | 2018-09-12 | 2022-04-11 | (142281) HARTE GOLD CORP. | 14 | 2022-04-11 |
| 531290 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531291 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531292 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531293 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531294 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531295 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531296 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531297 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531298 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |
| 531299 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |
| 531300 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------------|------------|------------------|------------------------------|-----------------|------------|
| 531301 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |
| 531302 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 1 | 2023-01-09 |
| 531304 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531305 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531306 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531309 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531316 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531317 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 1 | 2022-01-09 |
| 531331 | Claim | Active | 2018-09-12 | 2022-04-11 | (142281) HARTE GOLD CORP. | 19 | 2022-04-11 |
| 531332 | Claim | Active | 2018-09-12 | 2022-02-16 | (142281) HARTE GOLD CORP. | 24 | 2022-02-16 |
| 531333 | Claim | Active | 2018-09-12 | 2022-02-16 | (142281) HARTE GOLD CORP. | 12 | 2022-02-16 |
| 531334 | Claim | Active | 2018-09-12 | 2022-02-16 | (142281) HARTE GOLD CORP. | 25 | 2022-02-16 |
| 531335 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 25 | 2022-06-13 |
| 531336 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-02-16 | (142281) HARTE GOLD CORP. | 23 | 2021-02-16 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------|------------|------------------|---------------------------|-----------------|------------|
| 531337 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-02-16 | (142281) HARTE GOLD CORP. | 23 | 2021-02-16 |
| 531338 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-02-16 | (142281) HARTE GOLD CORP. | 24 | 2021-02-16 |
| 531340 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 17 | 2022-06-13 |
| 531341 | Claim | Active | 2018-09-12 | 2022-02-16 | (142281) HARTE GOLD CORP. | 2 | 2022-02-16 |
| 531342 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 20 | 2022-06-13 |
| 531343 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 20 | 2022-06-13 |
| 531344 | Claim | Active | 2018-09-12 | 2022-06-13 | (142281) HARTE GOLD CORP. | 18 | 2022-06-13 |
| 531345 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-02-16 | (142281) HARTE GOLD CORP. | 2 | 2021-02-16 |
| 531346 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-02-16 | (142281) HARTE GOLD CORP. | 4 | 2021-02-16 |
| 531347 | Claim | Active | 2018-09-12 | 2023-01-09 | (142281) HARTE GOLD CORP. | 25 | 2023-01-09 |
| 531348 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 22 | 2022-01-09 |
| 531349 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 16 | 2022-01-09 |
| 531350 | Claim | Active | 2018-09-12 | 2022-01-09 | (142281) HARTE GOLD CORP. | 25 | 2022-01-09 |
| 531351 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-01-09 | (142281) HARTE GOLD CORP. | 24 | 2021-01-09 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|----------------------------------|------------|------------------|---|-----------------|------------|
| 531352 | Claim | Active Pending Proceedings | 2018-09-12 | 2021-01-09 | (142281) HARTE GOLD CORP. | 25 | 2021-01-09 |
| 532869 | Claim | Active | 2018-10-09 | 2022-04-10 | (142281) HARTE GOLD CORP. | 20 | 2022-04-10 |
| 537443 | Claim | Active | 2018-12-19 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 14 | 2022-09-12 |
| 537444 | Claim | Active | 2018-12-19 | 2022-12-27 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 11 | 2022-12-27 |
| 537445 | Claim | Active | 2018-12-19 | 2022-09-12 | (142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC. | 7 | 2022-09-12 |
| 537446 | Claim | Active | 2018-12-19 | 2022-04-11 | (142281) HARTE GOLD CORP. | 11 | 2022-04-11 |
| 537447 | Claim | Active | 2018-12-19 | 2022-04-11 | (142281) HARTE GOLD CORP. | 12 | 2022-04-11 |
| 537448 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 24 | 2022-02-22 |
| 537449 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 18 | 2022-02-22 |
| 537450 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 22 | 2022-02-22 |
| 537451 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 24 | 2022-02-22 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 537476 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 21 | 2022-02-22 |
| 537478 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 6 | 2022-02-22 |
| 537479 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 10 | 2022-02-22 |
| 537500 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 10 | 2022-02-22 |
| 537502 | Claim | Active | 2018-12-19 | 2022-02-22 | (142281) HARTE GOLD CORP. | 15 | 2022-02-22 |
| 549597 | Claim | Active | 2019-05-10 | 2022-05-10 | (142281) HARTE GOLD CORP. | 24 | 2022-05-10 |
| 549623 | Claim | Active | 2019-05-10 | 2022-05-10 | (142281) HARTE GOLD CORP. | 23 | 2022-05-10 |
| 549624 | Claim | Active | 2019-05-10 | 2022-05-10 | (142281) HARTE GOLD CORP. | 24 | 2022-05-10 |
| 549625 | Claim | Active | 2019-05-10 | 2022-05-10 | (142281) HARTE GOLD CORP. | 22 | 2022-05-10 |
| 549626 | Claim | Active | 2019-05-10 | 2022-05-10 | (142281) HARTE GOLD CORP. | 23 | 2022-05-10 |
| 549916 | Claim | Active | 2019-05-15 | 2022-05-10 | (142281) HARTE GOLD CORP. | 25 | 2022-05-10 |
| 564908 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 24 | 2022-11-29 |
| 564909 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 24 | 2022-11-29 |
| 564958 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 11 | 2022-11-29 |

| Claim# | Type | Status | Issue Date | Anniversary Date | Owner Client# | Area # of Cells | Due Date |
|--------|-------|--------|------------|------------------|------------------------------|-----------------|------------|
| 564959 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 25 | 2022-11-29 |
| 564960 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 20 | 2022-11-29 |
| 564961 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 24 | 2022-11-29 |
| 564962 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 19 | 2022-11-29 |
| 564963 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 24 | 2022-11-29 |
| 564964 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 23 | 2022-11-29 |
| 564965 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 22 | 2022-11-29 |
| 564966 | Claim | Active | 2019-11-29 | 2022-11-29 | (142281) HARTE GOLD CORP. | 17 | 2022-11-29 |
| 565900 | Claim | Active | 2019-12-03 | 2022-11-29 | (142281) HARTE GOLD CORP. | 24 | 2022-11-29 |
| 565901 | Claim | Active | 2019-12-03 | 2022-11-29 | (142281) HARTE GOLD CORP. | 24 | 2022-11-29 |

Part IV – Additional Tenure IDs

1. 136581
2. 136582
3. 142560
4. 171296
5. 201257
6. 209282
7. 209283
8. 209284
9. 220821
10. 220822

11. 237877
12. 255917
13. 255918
14. 255919
15. 324599
16. 334503
17. 549597
18. 549623
19. 549624
20. 549625
21. 549626
22. 549916
23. 564908
24. 564909
25. 564958
26. 564959
27. 564960
28. 564961
29. 564962
30. 564963
31. 564964
32. 564965
33. 564966
34. 565900
35. 565901

SCHEDULE "L" MATERIAL PERMITS, LICENSES AND CONTRACTS

1. Insurance policies
 - a) Executive Protection Policy dated October 30, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - b) Executive Protection Policy dated October 30, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - c) Contract of Insurance with policy beginning October 31, 2020, as between Allianz Global Risks US Insurance Company, Chubb Insurance Company of Canada, The Sovereign General Insurance Company, Liberty Mutual Insurance and Harte Gold Corp.
 - d) Chubb Commercial Excess and Umbrella Insurance with policy beginning October 31, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - e) Commercial Automobile Coverage dated October 31, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - f) Commercial Coverage with policy beginning October 31, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - g) Excess Follow Form Insurance Policy dated February 10, 2021 as between AIG Insurance Company of Canada and Harte Gold Corp.
 - h) Excess Liability with policy beginning October 31, 2020, as between Northbridge Insurance and Harte Gold Corp.
 - i) All Risk Precious Metals and Stones Coverage Form Canada with policy beginning October 31, 2020, as between XL Specialty Insurance Company and Harte Gold Corp.
 - j) Excess Liability with policy beginning November 3, 2021, as between Northbridge Insurance and Harte Gold Corp.
 - k) Contract of Insurance with policy beginning October 31, 2021, as between Allianz Global Risks US Insurance Company, Stewart Specialty Risk Underwriting Ltd., The Sovereign General Insurance Company, Economical Mutual Insurance Company, and Harte Gold Corp.
 - l) Chubb Commercial Excess and Umbrella Insurance with policy beginning October 31, 2021, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - m) Commercial Automobile Coverage with policy beginning October 31, 2021, as between Chubb Insurance Company of Canada and Harte Gold Corp.
 - n) All Risk Precious Metals and Stones Coverage Form Canada with policy beginning October 31, 2021, as between XL Specialty Insurance Company and Harte Gold Corp.

- o) Commercial Coverage with policy beginning October 31, 2021, as between Chubb Insurance Company of Canada and Harte Gold Corp.

2. Closure Plan and Permits, Environmental Permits

- a) Any and all permits, approvals, agreements, or licences issued under or pursuant to the following statutes, as amended from time to time or regulations thereunder: the Mining Act, R.S.O. 1990, c. M.14, the Mining Tax Act, R.S.O. 1990, c. M.15, the Ontario Water Resources Act, R.S.O. 1990, c. O.40, the Aggregate Resources Act, R.S.O. 1990, c. A.8, the Environmental Protection Act, R.S.O. 1990, c. E.19, the Endangered Species Act, 2007, S.O. 2007, c. 6, the Public Lands Act, R.S.O. 1990, c. P.43, the Forest Fires Prevention Act, R.S.O. 1990, c. F.24, the Beds of Navigable Waters Act, R.S.O. 1990, c. B.4, the Lakes and Rivers Improvement Act, R.S.O. 1990, c. L.3, the Canadian Environmental Protection Act, 1999, S.C. 1999, c. 33, the Canadian Navigable Waters Act, R.S.C., 1985, c. N-22, including but not limited to those permits, approvals, agreements, or licences listed at Schedule L, items 16 – 32, below.
- b) Sugar Zone Project Closure Plan and all amendments thereto
- c) Amended Environmental Compliance Approval 7924-BBLL6K, issued May 3, 2019 and all amendments thereto and notices thereunder
- d) Amended Environmental Compliance Approval 8479-B3QHJZ, issued September 20, 2018 and all amendments thereto and notices thereunder
- e) Amended Environmental Compliance Approval 2656-B2UG23, issued September 20, 2018 and all amendments thereto and notices thereunder
- f) Amended Environmental Compliance Approval 7268-AHYLJT, issued January 31, 2017 and all amendments thereto and notices thereunder
- g) Amended Environmental Compliance Approval 3215-9ZXM5X, issued September 30, 2015 and all amendments thereto and notices thereunder
- h) Amended Environmental Compliance Approval 7150-9XMLGX, issued July 16, 2015 and all amendments thereto and notices thereunder
- i) Environmental Compliance Approval 5475-98BPSI, issued January 15, 2014 and all amendments thereto and notices thereunder
- j) Environmental Compliance Approval 9197-992HFN, issued January 6, 2014 and all amendments thereto and notices thereunder
- k) Location Approval WAWA-LOC-01-2017, under the Lakes & Rivers Improvement Act, issued March 21, 2017
- l) Location Approval WAWA-LOC-01-2020, under the Lakes & Rivers Improvement Act, issued July 3, 2020

- m) Land Use Permit Application 1524-1001682, under the Public Lands Act, submitted February 8, 2018
- n) Permit to Take Water 8337-B3QJAH, issued September 20, 2018 and all amendments thereto and notices thereunder
- o) Permit to Take Water P-300-6062209462, issued November 2, 2019 and all amendments thereto and notices thereunder
- p) Permit to Take Water 5567-BVBPWM, issued November 19, 2020 and all amendments thereto and notices thereunder
- q) Permit to Take Water 7466-AREGML, issued September 20, 2018 and all amendments thereto and notices thereunder
- r) Permit to Take Water 1518-ASEGRK, issued September 20, 2018 and all amendments thereto and notices thereunder

3. Camp Services

- a) Quotation dated August 4, 2021 and executed August 23, 2021, as between Morris Group (Sudbury) Inc. and Harte Gold Corp.
- b) Contract Agreement dated November 7, 2017, as between Morris Group Sudbury Inc. and Harte Gold Corp.
- c) Amendment to Contract Agreement dated February 2018, as between Morris Group Sudbury Inc. and Harte Gold Corp.

4. Other Agreements

- a) Impact Benefits Agreement dated April 28, 2018 and Band Council Resolution dated April 26, 2018, as between Pic Mobert First Nation and Harte Gold Corp.
- b) Memorandum of Understanding between: Biigtigong Nishnaabeg (formerly Pic River First Nation) and Harte Gold Corp. dated August 1, 2018
- c) Exploration Agreement between Pic Mobert First Nation and Harte Gold Corp.
- d) Aboriginal Procurement Strategy: A Working Document Between Harte Gold Corp. and White Lake Limited Partnership dated June 27, 2019
- e) Longhole Drilling and Blasting Services Agreement dated July 4, 2018, as between Foraco Canada Ltd. and Harte Gold Corp.
- f) Underground Drilling Agreement dated January 21, 2021, as between Orbit Garant Drilling Services Inc. and Harte Gold Corp.

EXHIBIT “X”

EXHIBIT "X"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

**DIP FACILITY LOAN AGREEMENT
DATED AS OF DECEMBER 6, 2021**

WHEREAS the DIP Lender (as defined below) is a lender to the Borrower (as defined below) under certain senior secured financing facilities provided to the Borrower pursuant to the Existing Lender Credit Agreement (as defined below) and the Existing Lender Credit Documents (as defined below);

AND WHEREAS events of default have occurred and are continuing under the Existing Lender Credit Agreement and the DIP Lender has contractually agreed to forbear from exercising its rights and remedies resulting from those events of default until December 6, 2021 pursuant to, and subject to the terms of, the Forbearance Agreement (as defined below);

AND WHEREAS the Borrower has requested that the DIP Lender provide financing to fund certain of the Borrower's cash requirements during the pendency of the proceedings (the "**CCAA Proceedings**") to be commenced by the Borrower under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in accordance with the terms and conditions set out herein;

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (as defined below) in accordance with the terms and subject to the conditions set out herein in connection with the CCAA Proceedings.

NOW THEREFORE in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms:** Capitalized terms that are not defined in the body of this Agreement have the meanings ascribed to them in Schedule A.
2. **Currency:** Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.
3. **Borrower:** Harte Gold Corp. (the "**Borrower**").
4. **DIP Lender:** 1000025833 Ontario Inc. ("**100 Ontario**" or the "**DIP Lender**"), a wholly owned subsidiary of Silver Lake Resources Limited.
5. **DIP Facility and Loan Amount:** Subject to the terms and conditions hereof, the DIP Lender agrees to provide to the Borrower a debtor-in-possession priority non-revolving multiple draw credit facility (the "**DIP Facility**") in an amount up to \$10.8 million (the "**Loan Amount**"), in accordance with the following:
 - (a) during the period after the date of the Initial Order and prior to the date of the issuance of the Amended and Restated Initial Order, and subject to the conditions precedent stated in Section 12 of this Agreement, a first tranche in an amount up to a maximum principal amount of \$400,000 (the "**Initial Advance**"); and

- (b) following the issuance of the Amended and Restated Initial Order, and subject to the condition precedent stated in Section 13 of this Agreement, an incremental commitment of an amount up to a maximum principal amount of \$10,400,000;

The principal amount of any advance made in accordance with the terms and conditions of this Agreement (each an “**Advance**” and, collectively, the “**Advances**”) that is repaid may not be re-borrowed and the available Loan Amount shall be automatically reduced by such repaid amount.

- 6. **DIP Advances:** Except for the Initial Advance which shall be directly advanced to the Borrower upon satisfaction by the Borrower or waiver by the DIP Lender of the conditions precedent stated in Section 12 of this Agreement, the balance of the Loan Amount (the “**Balance**”) shall be funded into the Monitor’s Account within two (2) Banking Days following the satisfaction by the Borrower or waiver by the DIP Lender of the conditions precedent stated in Section 13 of this Agreement. The Balance shall be released by the Monitor to the Borrower in the form of subsequent advances (each, a “**Subsequent Advance**” and collectively, the “**Subsequent Advances**”) from the Monitor’s Account on a weekly basis on the first Banking Day of each week (the “**Weekly Release Date**”) in an amount equal to the amount specified for such week in the DIP Budget, pursuant to a written notice substantially in the form attached hereto as Schedule B (each, a “**Subsequent Advance Notice**”), to be executed by a senior officer of the Borrower and delivered by the Borrower to the DIP Lender and the Monitor by no later than the Wednesday of the week preceding the relevant Weekly Release Date. Each Subsequent Advance Notice shall set out: (a) a confirmation of the proposed amount of the requested Subsequent Advance; (b) a confirmation of the date the Subsequent Advance is required; (c) together with a certification that the proceeds of the Subsequent Advance shall be used in accordance with Section 7 of this Agreement, the DIP Budget and the Court Orders; (d) certification that the representations and warranties contained herein are true and correct as of such date and that all covenants have been fully complied with in all respects; and (e) certification that no Event of Default that has not been waived or cured has occurred or is expected to occur after giving effect to the Subsequent Advance. Each Subsequent Advance Notice shall be deemed accepted by the DIP Lender unless the DIP Lender objects thereto in writing by no later than 4:00 p.m. Eastern Time on the second Banking Day following the delivery of such Subsequent Advance Notice. If the DIP Lender objects to any Subsequent Advance Notice, it shall provide to the Borrower and to the Monitor a written notice (the “**Objection Notice**”) detailing the reasons for such objection, following which the Borrower and the DIP Lender shall reasonably cooperate with one another to resolve such objection. Should such objection not be resolved to the satisfaction of either the Borrower or the DIP Lender, such parties shall be entitled to bring a motion before the Court to have such dispute adjudicated upon. For the avoidance of doubt, no Subsequent Advance shall be made until such objection is either resolved to the satisfaction of the Borrower and the DIP Lender, or resolved by way of a Court Order adjudicating same. If no Objection Notice is received by the Monitor within the aforementioned delay, the Monitor shall be entitled to release to the Borrower the Balance in accordance with the DIP Budget and each Subsequent Advance Notice received from the Borrower pursuant to this Section 6 of this Agreement, without the need or obligation to make any further inquiry. The Monitor shall not incur any liability whatsoever in connection with the matters contemplated by this

Section 6 of this Agreement, except for any gross negligence or wilful misconduct on its part.

7. **Use of Proceeds:** The proceeds of the DIP Facility shall be used by the Borrower solely in accordance with, and subject to, the DIP Budget and the Court Orders, (a) to fund the ordinary course working capital and other general corporate purposes of the Borrower, (b) to fund the CCAA Proceedings, including, without limitation to pay the reasonable and documented fees and expenses of the Monitor, counsel to the Monitor, counsel to the Borrower and independent counsel to the Board of Directors of the Borrower, (c) to pay Permitted Fees and Expenses, (d) to pay the reasonable legal and professional costs of the Lender, the Administrative Agent and the Qualified Risk Management Lender (as such terms are defined in the Existing Lender Credit Agreement) pursuant to the Existing Lender Credit Agreement (collectively the “**Existing Credit Expenses**”), and (e) to pay amounts owing by the Borrower under the KERP. No proceeds may be used for any other purpose, except with the prior written approval of the DIP Lender (in its sole and absolute discretion). For greater certainty, the Borrower may not use proceeds of the DIP Facility to pay any pre-filing obligations without the prior written consent of the DIP Lender, unless the payment of such obligations is included in the DIP Budget or are authorized under the Court Orders.
8. **Evidence of Indebtedness:** The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender’s register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrower to the DIP Lender pursuant to the DIP Facility.
9. **Interest:** Amounts owing hereunder on account of principal, and overdue interest, fees and expenses, shall bear interest at the rate of: (a) in the case of the Balance in the Monitor’s Account from time to time, 2% per annum; (b) in the case of any portion of the Loan Amount that has been advanced to and received by the Borrower as part of the Initial Advance or any Subsequent Advance, 5% per annum from the date in which such portion of the Loan Amount has been advanced to and received by the Borrower. For the avoidance of doubt, no portion of the Loan Amount shall bear interest under the foregoing (a) and (b) at the same time.

All interest hereunder shall be computed on the basis of a year of 365 days and shall accrue and be calculated monthly and payable in cash on the Maturity Date.

For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a 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 period that is less than a calendar year.

10. **DIP Lender’s Fees and Expenses:** The Borrower shall be responsible for all reasonable costs and expenses of 100 Ontario, in its capacities as DIP Lender (including all reasonable

fees, expenses and disbursements of outside counsel) in connection with the DIP Facility, including the preparation of this Agreement, the administration of the DIP Facility, the enforcement of any of its rights and remedies available hereunder, under the Existing Lender Credit Agreement and in connection with the CCAA Proceedings (collectively, “**Permitted Fees and Expenses**”). The Permitted Fees and Expenses, together with the Existing Credit Expenses shall be paid by the Borrower within five (5) Banking Days of being invoiced therefor.

11. **DIP Budget:** Attached hereto as Schedule C is a detailed cash flow forecast (the “**DIP Budget**”), which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender and is in form and substance satisfactory to the DIP Lender. On Friday of each week, commencing on Friday, December 17, 2021, the Borrower, with the assistance of the Monitor, shall provide the DIP Lender with a variance report (collectively, the “**Cash Flow Variance Report**”), certified by a senior officer of the Borrower (which certification shall acknowledge and agree that the DIP Lender is relying on such certification in determining whether to accept an Updated Cash Flow), showing on a line-by-line basis (a) the cumulative actual receipts and disbursements and (b) the cumulative variances from the amounts in the DIP Budget for the period from the start of the DIP Budget to the prior Friday and noting therein all variances on a line by line basis from the amounts in the DIP Budget, with reasonably detailed explanations for all material variances. In addition, concurrently with the Cash Flow Variance Report, the Borrower may, but is not obligated to, provide to the DIP Lender an updated cash flow forecast, which if provided shall be substantially in the form of the DIP Budget (the “**Updated Cash Flow**”). Within three (3) Banking Days of delivery of an Updated Cash Flow, the DIP Lender shall provide to the Borrower a written notice (the “**Cash Flow Notice**”) confirming to the Borrower whether or not the Updated Cash Flow has been accepted as satisfactory to the DIP Lender, acting reasonably. If the DIP Lender delivers a Cash Flow Notice in which it states that the Updated Cash Flow is not acceptable to it, it shall provide reasonably detailed reasons for such determination and the existing DIP Budget shall remain in effect until the Borrower has delivered a revised Updated Cash Flow acceptable to the DIP Lender, acting reasonably. If the DIP Lender does not deliver a Cash Flow Notice within three (3) Banking Days of delivery of an Updated Cash Flow, the Updated Cash-Flow shall be deemed to be accepted as satisfactory to the DIP Lender and the DIP Budget shall be substituted by the Updated Cash Flow, in which case the Updated Cash Flow shall thereafter be deemed to be the effective DIP Budget for the purposes hereof.

12. **Conditions Precedent to Initial Advance:** The DIP Lender’s agreement to make the Initial Advance is subject to the satisfaction of the following conditions precedent:
 - (a) The Borrower shall have provided to the DIP Lender a draft copy of all material documents to be served and/or filed in connection with its application for the Initial Order at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrower shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which

materials (including the proposed Initial Order and all other proposed Court Orders) shall be in form and substance acceptable to the DIP Lender, acting reasonably;

- (b) The Court shall have issued the Initial Order by no later than 5:00 pm Toronto time on December 7, 2021;
- (c) Unless consented to by the DIP Lender in writing, the Initial Order shall not have been amended, restated, modified or varied in a manner adverse to the DIP Lender or vacated, stayed, set aside, or be subject to an appeal or a motion seeking leave to appeal;
- (d) All representations and warranties contained in this Agreement shall be true and correct on the date of such requested Initial Advance with the same effect as if made on and as of such date;
- (e) No Event of Default that has not been waived by the DIP Lender shall have occurred or be expected to occur as a result of the requested Initial Advance; and
- (f) There shall be no Encumbrance upon the Collateral ranking *pari passu* with or in priority to the DIP Charge, other than the Permitted Priority Liens.

13. **Conditions Precedent to Payment of the Balance Into the Monitor's Account:** The DIP Lender's agreement to pay the Balance into the Monitor's Account and have such Balance be released by the Monitor to the Borrower in accordance with Section 6 of this Agreement is subject to the satisfaction of the following conditions precedent:

- (a) The Borrower shall have provided to the DIP Lender a draft copy of all material documents to be served and/or filed in connection its application or motion for the Amended and Restated Initial Order at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrower shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which materials (including the proposed Amended and Restated Initial Order and all other proposed Court Orders) shall be in form and substance acceptable to the DIP Lender, acting reasonably;
- (b) The Court shall have issued the Amended and Restated Initial Order in form and substance satisfactory to the DIP Lender, acting reasonably, by no later than 5:00 pm Toronto time on December 17, 2021;
- (c) Unless consented to by the DIP Lender in writing, the Amended and Restated Initial Order shall not have been amended, restated, modified or varied in a manner adverse to the DIP Lender, or vacated, stayed, set aside, or be subject to an appeal or a motion seeking leave to appeal; and
- (d) Each condition precedent set forth in Section 12 shall have been satisfied and shall apply with respect to each Subsequent Advance (and, for greater certainty, where

the context so requires references to Initial Advance in the applicable condition precedent set forth in Section 12 shall be read to apply to each Subsequent Advance for the purposes of this Section 13).

14. **DIP Charge:** All obligations of the Borrower under or in connection with the DIP Facility and this Agreement, including without limitation, all principal and interest and the Permitted Fees and Expenses (collectively, the “**DIP Obligations**”) shall be secured by a Court-ordered priority charge as described in Section 15 below on the Collateral in favour of the DIP Lender (the “**DIP Charge**”).
15. **Priority of DIP Charge:** The DIP Charge shall have priority on the Collateral over any and all other Encumbrances, other than the Permitted Priority Liens (which, for greater certainty, includes the Administration Charge).
16. **Repayment and Maturity Date:** The DIP Facility shall terminate and all DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:
 - (a) six (6) months after the date of issuance of the Initial Order or such later date as agreed to in writing by the DIP Lender;
 - (b) the completion of a sale or sales of all or substantially all of the Borrower’s assets, property and undertaking, or of all or substantially all of the shares of the Borrower or of all or substantially all of the Borrower’s business;
 - (c) the implementation of a plan of compromise or arrangement pursuant to the CCAA Proceedings;
 - (d) the date on which the stay in the Initial Order or the Amended and Restated Initial Order expires without being extended or on which the CCAA Proceedings is terminated or dismissed; and
 - (e) an Event of Default which has not been waived by the DIP Lender and in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations.

(such earliest date, the “**Maturity Date**”).

The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower, the DIP Lender and, in the case of any material amendments to the terms hereof, to which the Monitor agrees and the Court approves.

The DIP Lender’s commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all then outstanding DIP Obligations shall be repayable as at the Maturity Date.

17. **Mandatory Prepayments:** Subject to the terms and conditions herein, and unless otherwise agreed upon with the DIP Lender, the Borrower, within three (3) Banking Days

after the receipt of the proceeds described in Sections 17(a),(b) or (c) below, shall prepay the DIP Obligations with the following amounts received after the date hereof, subject to the prior payment in respect of any amount secured by the Permitted Priority Liens and the establishment of appropriate reserves (in each case as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court) in respect of any future amount that may become owing by the Borrower that would be secured by a Permitted Priority Lien or otherwise considered necessary for the completion of the CCAA Proceedings (as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court):

- (a) insurance proceeds (net of deductibles) or expropriation awards received by the Borrower or any Person on the Borrower's behalf, except any insurance proceeds relating to the directors and officers' insurance policy subscribed by the Borrower on behalf of its directors and officers which expired on November 3, 2021;
- (b) the net cash proceeds from: (i) the sale of any equity interests in the Borrower, (ii) the receipt of capital contributions by the Borrower, or (iii) the sale of assets of the Borrower outside of the normal course of business; and
- (c) the net cash proceeds received from the incurrence by the Borrower of any Indebtedness (except as permitted hereunder), unless provided in the DIP Budget.

Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any mandatory prepayment made hereunder shall permanently reduce the Loan Amount and the commitment of the DIP Lender in respect thereof, and may not be re-borrowed.

18. **Optional Prepayment:** The Borrower may, without premium or penalty, voluntarily prepay any principal amount of the DIP Obligations, subject to the establishment of appropriate reserves for, *inter alia*, payment of any amount secured by the Permitted Priority Liens, as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court. The Borrower shall give written notice to the DIP Lender of each voluntary prepayment not less than three (3) Banking Days prior to such voluntary prepayment. Such notice shall be irrevocable and shall specify:

- (a) the date on which the prepayment is to take place; and
- (b) the principal amount of the prepayment.

Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any voluntary prepayment made hereunder shall permanently reduce the Loan Amount and the commitment of the DIP Lender in respect thereof, and may not be re-borrowed.

19. **Payments:** All payments of principal, interest, Permitted Fees and Expenses by the Borrower hereunder shall be made for value in the full amount due at or before 4:00 pm (Toronto time) on the day such amount is due by deposit or transfer thereof to an account designated by the DIP Lender. Payments received after such time shall be deemed to have

been made on the next following Banking Day. If any payment is due on a day which is not a Banking Day, such payment shall be due on the next following Banking Day and interest shall accrue until but excluding the actual date of payment.

Each payment to be made by the Borrower shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. All payments required hereunder shall be made in lawful currency of Canada.

All amounts received in repayment of DIP Obligations shall be applied as follows: (i) first, to outstanding interest payable hereunder; (ii) second, to outstanding Permitted Fees and Expenses and Existing Credit Expenses; and (iii) third, towards outstanding principal hereunder.

20. **Representations and Warranties:** The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement, that, subject to the granting of the Initial Order and the Amended and Restated Initial Order:

- (a) The Borrower is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is qualified to carry on business in each jurisdiction in which it owns property or assets or carries on business;
- (b) The transactions contemplated by this Agreement have been duly authorized, executed and delivered by or on behalf of the Borrower, and:
 - (i) are within the powers of the Borrower;
 - (ii) constitute legal, valid, binding and enforceable obligations of the Borrower;
 - (iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, other than breaches that are stayed by the Initial Order;
 - (iv) there is no requirement for the Borrower to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement;
- (c) The Business has been and will continue to be conducted in material compliance with applicable Law of each jurisdiction in which the Business has been or is being carried on, subject to the provisions of each Court Order made after the Filing Date;
- (d) The Borrower has obtained all Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain,

in full force and effect, and no proceedings have been commenced to revoke or amend any such Authorizations;

- (e) No expropriation or casualty event has occurred with respect to any of the Collateral;
- (f) No material pending litigation or proceeding exists against the Borrower or the Collateral, or seeking to enjoin or otherwise prevent or declare invalid or unlawful the occupancy, use, maintenance or operation of the Project or the conduct of the Business that has not been disclosed to the DIP Lender or that will not be stayed by the Initial Order;
- (g) The DIP Budget, any Updated Cash Flow and any forward-looking statements, estimates, and pro forma financial information contained in this Agreement or any DIP Credit Document, certificate, document or statement furnished to the DIP Lender pursuant to this Agreement or any DIP Credit Document are based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, as certified by a senior officer of the Borrower;
- (h) The Borrower has in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and risks as are customarily carried by companies engaged in similar businesses;
- (i) No Event of Default has occurred and is continuing and has not been waived by the DIP Lender; and
- (j) The Borrower has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred) and paid all required taxes and remittances, including all employee source deductions (including income taxes, employment insurance and Canada pension plans), sales taxes (both federal and provincial), payroll taxes and workers compensation payments, and any taxes that are not yet due and payable or which are in dispute in which case appropriate reserves have been made.

21. **Affirmative Covenants:** The Borrower agrees and covenants to perform and do each of the following until the DIP Obligations are permanently and indefensibly repaid in full and the DIP Facility is cancelled, except as otherwise agreed in writing by the DIP Lender:

- (a) Provide to the DIP Lender a draft copy of all material documents to be served and/or filed in connection any application or motion brought by the Borrower for a Court Order at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal and financial advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrower shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which material documents (including the proposed Court Order) shall be in form and substance acceptable to the DIP Lender, acting reasonably;

- (b) Except to the extent served on the service list established in the CCAA Proceedings, provide to the DIP Lender, promptly upon receipt, a copy of any materials filed by third parties in connection with any application or motion to the Court or another court in respect of the CCAA Proceedings;
- (c) Comply in all material respect with the provisions of applicable Law, subject to the provisions of the Court Orders, including, without limitation, the Initial Order and, from and after issuance thereof, the Amended and Restated Initial Order;
- (d) Comply at all times with the DIP Budget, provided the Borrower shall be permitted the Permitted Variance;
- (e) Deliver to the DIP Lender Cash Flow Variance Reports in accordance with Section 11 and such other information from time to time as is reasonably requested by the DIP Lender, unless such information is deemed privileged or confidential by the Borrower with the concurrence of the Monitor;
- (f) Subject to disclosure restrictions set forth in a Court Order or pursuant to applicable Law, keep the DIP Lender apprised on a timely basis and as reasonably requested by the DIP Lender of all material developments with respect to the CCAA Proceedings, the Collateral and the Business and affairs of the Borrower;
- (g) Notify the DIP Lender forthwith of the occurrence of any Event of Default or any event or circumstance that would constitute an Event of Default or material adverse change from the DIP Budget or any Updated Cash Flow;
- (h) Preserve, renew, maintain and keep in full force and effect its corporate existence and its Authorizations required in respect of the Business or any of the Collateral;
- (i) To the extent reasonably commercially possible, maintain in full force all policies and contracts of insurance that are now in effect (or renewals thereof) under which the Borrower, the Business or any of the Collateral is insured;
- (j) Pay when due all applicable Taxes and other amounts that are Priority Payables, permitting and licences fees and other amounts necessary to preserve the Collateral to avoid any Encumbrance thereon;
- (k) Pay when due all principal, interest, Permitted Fees and Expenses and Existing Credit Expenses payable by the Borrower under this Agreement;
- (l) Use commercially reasonable efforts to maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear excepted) all properties used or useful in the Business and make or cause to be made all appropriate repairs, renewals and replacements thereof;
- (m) Preserve, renew and keep in full force its corporate existence, and its contracts and permits that are material to the ongoing Business of the Borrower;

- (n) Promptly, upon becoming aware thereof, provide details of the following to the DIP Lender:
 - (i) any pending (or threatened in writing) litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against the Borrower, by or before any court, tribunal, Governmental Authority or regulatory body, which may have a material adverse effect on the Borrower's Business, and
 - (ii) any material existing (or threatened in writing) default or dispute with respect to any contract or permit that is material to the ongoing Business of the Borrower.
22. **Negative Covenants:** Except as may be reasonably necessary or required under the CCAA Proceedings, by Order or by Law, the Borrower covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender:
- (a) Seek any Court Order that may adversely impact the DIP Lender;
 - (b) Use any Advance other than in accordance with the permitted uses hereunder (including, without limitation, under the DIP Budget) and the Court Orders;
 - (c) Except as contemplated by this Agreement or any Court Order, and except as otherwise required by Law, make any payment of any Indebtedness or obligations existing as at the Filing Date (the "**Pre-Existing Debt**"), other than in accordance with the DIP Budget;
 - (d) Create, incur or permit to exist any Indebtedness, other than: (i) in accordance with the DIP Budget; (ii) Pre-Existing Debt, and (iii) accounts payable in the ordinary course of Business;
 - (e) Except for Permitted Encumbrances, create or permit to exist any Encumbrance or provide or seek or support a motion by another Person to provide any Encumbrance, upon any of the Collateral;
 - (f) Present for acceptance by any creditors or approval by the Court any plan of compromise or arrangement or take any other action which contemplates or may result in a compromise or other impairment of the obligations to the DIP Lender under the Existing Lender Credit Documents or the DIP Obligations, or the rights of the DIP Lender under or in respect thereof;
 - (g) Enter into or present for approval by the court any sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower, which does not provide for the payment in full in cash upon closing of the DIP Obligations;
 - (h) Change its jurisdiction of incorporation, chief executive office or registered office;

- (i) Enter into, or amend, any transaction or series of related transactions with any Affiliate, unless in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower, which does not provide for the payment in full in cash upon closing of the DIP Obligations;
 - (j) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other Person or permit a change of control of the Borrower, unless required in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower;
 - (k) Enter any restrictive covenants or agreements which might affect the value or liquidity of any Collateral;
 - (l) Except in the ordinary course of business, move any of the Collateral outside of the Province of Ontario, or, sell, assign, lease, convey or otherwise dispose of any of the Collateral;
 - (m) Create or acquire any new subsidiary, unless in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower;
 - (n) Purchase or redeem its shares or units or otherwise reduce its capital;
 - (o) Terminate or amend any contract or permit that is material to the ongoing Business of the Borrower;
 - (p) Transfer, sell, lease, assign or otherwise dispose of any of the property, assets or undertaking of the Borrower except for: (i) the sale of assets in the ordinary course of business, or (ii) in accordance with the DIP Budget;
 - (q) Cease (or threaten in writing to cease) to carry on the Business of the Borrower as currently being conducted or modify or alter in any material manner the nature and type of its operations, Business or the manner in which such business is conducted, except as contemplated in the DIP Budget; and
 - (r) Declare or pay any dividends, or distributions to shareholders, or repay any shareholders' loans, interest thereon or share capital of the Borrower.
23. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default under this Agreement, unless such event can be and is remedied within three (3) Banking Days from the receipt by the Borrower of a written notice of default from the DIP Lender (a “**Default Notice**”) (each such event that is not remedied within the three (3) Banking Day period following receipt of a Default Notice, an “**Event of Default**”):

- (a) Failure of the Borrower to pay any amounts to the DIP Lender when such amounts become due and owing hereunder;
- (b) Failure of the Borrower to perform or comply with any term or covenant of this Agreement;
- (c) Failure of the Borrower to pay or remit any amounts that constitute Priority Payables as they become due from time to time;
- (d) The Initial Order or the Amended and Restated Initial Order is amended, restated or otherwise varied in a manner adverse to the DIP Lender without the consent of the DIP Lender or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacation, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interests of the DIP Lender under this Agreement, as determined by the DIP Lender, acting reasonably, including any Court Order:
 - (i) terminating, lifting or amending the stay imposed by the Court Orders or otherwise in the CCAA Proceedings;
 - (ii) issuing a bankruptcy order against the Borrower;
 - (iii) granting an appeal of the Initial Order or the Amended and Restated Initial Order;
 - (iv) granting or declaring that any other claim or Encumbrance ranks equal or in priority status to the DIP Charge, except as permitted hereunder; or
 - (v) staying, reversing, vacating or otherwise modifying this Agreement, the DIP Charge or materially prejudicially affecting the DIP Lender or the Collateral;
- (e) The appointment of a receiver and manager, receiver, interim receiver or similar official or any process of any court becomes enforceable against the Borrower or any of its property, any of its property or seized or levied upon, or a creditor takes possession of any property of the Borrower, other than if consented to by the DIP Lender in advance in writing;
- (f) Any violation or breach of any Court Order by the Borrower;
- (g) Subject to the Amended and Restated Initial Order and any other Court Order, or the prior written consent of the DIP Lender, the Borrower ceases to carry on or maintain its Business or its assets in the ordinary course of the Business;
- (h) Any representation or warranty made or given hereunder by the Borrower is incorrect or misleading in any material respect;

- (i) Any proceeding, motion or application is commenced or filed by the Borrower, or if commenced by another Person, supported or otherwise consented to by the Borrower, seeking the invalidation, subordination or other challenge of the terms of the DIP Facility, the DIP Charge or this Agreement;
 - (j) The Borrower ceases (or threatens in writing to cease) to carry on business in the ordinary course;
 - (k) If any Court Order contravenes or is inconsistent with this Agreement or the DIP Credit Documents which materially and adversely affects the interests of the DIP Lender, or which is not in form and substance acceptable to the DIP Lender, as determined by the DIP Lender, acting reasonably; and
 - (l) Except as stayed by the Initial Order, a default under, termination, or revocation or cancellation of, any material contract or permit that, in the opinion of the DIP Lender, acting reasonably, is material to the Business.
24. **Remedies:** Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, upon prior written notice to the Borrower and the Monitor, elect to terminate the DIP Lender's commitment to make further Advances to the Borrower and set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and declare such amounts to be immediately due and payable without any applicable periods of grace, at which point the Monitor shall immediately cease to advance any further funds from the Monitor's Account to the Borrower and shall promptly return the then remaining Balance held in the Monitor's Account to the DIP Lender. Upon the occurrence of an Event of Default, the DIP Lender may, subject to the Initial Order or, once issued, the Amended and Restated Initial Order, upon five (5) days' prior written notice to the Borrower and the Monitor:
- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral;
 - (b) apply for a Court Order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrower, to take all necessary steps in the CCAA Proceedings to realize on the Collateral;
 - (c) apply to the Court to exercise any other powers and rights of a secured creditor; and/or
 - (d) exercise all such other rights and remedies available to the DIP Lender under this Agreement, the Court Orders and applicable Law.
25. **Participating in Sale or Restructuring Process:** Notwithstanding any other term of this Agreement, the Existing Lender Credit Agreement or the Existing Lender Credit Documents, the Borrower and the Monitor shall not be required to disclose any information to the DIP Lender that the Borrower or the Monitor believes, acting reasonably, could impact the Borrower's sale or restructuring efforts, unless and until such time as the DIP

Lender confirms in writing to the Borrower and the Monitor that it will not bid in excess of the aggregate amount of the debt owing by the Borrower under this Agreement and the Existing Lender Credit Agreement.

26. **Further Assurances:** The Borrower shall, at its own expense, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits and reports) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.
27. **Withholdings and Tax Indemnity:**
- (a) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other DIP Credit Document shall be made free and clear of and without deduction or withholding for any Taxes, except where required by applicable Law. If the Borrower is required by applicable Law to deduct or withhold any Taxes from such payments, then:
 - (i) if such tax is an Indemnified Tax, the amount payable by the Borrower shall be increased so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section), the DIP Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made; and
 - (ii) the Borrower shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.
 - (b) In addition, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.
 - (c) Promptly after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority (but in any event within thirty (30) days after the date of such payment), the Borrower shall deliver to the DIP Lender the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the DIP Lender.
 - (d) The Borrower shall indemnify the DIP Lender and reimburse, within ten days after demand therefor, the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable hereunder) levied, imposed or assessed (and whether or not paid directly by) against the DIP Lender together with any penalties, interest and expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from the DIP Lender as to the

amount of such payment or liability delivered to the Borrower shall be conclusive absent manifest error.

- (e) If the Borrower fails to pay to the relevant Governmental Authority when due any Taxes that it was required to deduct, withhold or pay under Section 27 in respect of any payment to or for the benefit of the DIP Lender under this Agreement or any other DIP Credit Document, or fails to promptly furnish the DIP Lender with the documentation referred to in Section 27(c) , the Borrower shall forthwith on demand indemnify the DIP Lender on a full indemnity after-Taxes basis from and against the full amount of any Taxes, losses and expenses which the DIP Lender may suffer or incur as a result of such failure.
 - (f) If the DIP Lender determines, in its absolute discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower have paid additional amounts pursuant to this Section, it shall, following repayment in full of the DIP Obligations, pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the DIP Lender, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the DIP Lender, agree to repay the amount paid over to the Borrower (plus any interest, penalties or other charges imposed by the relevant Governmental Authority) to the DIP Lender in the event the DIP Lender is required to repay such refund to such Governmental Authority. Notwithstanding the foregoing, the DIP Lender shall not under any obligation to arrange its tax affairs in any particular manner or be required to make available its tax returns or any other information relating to its taxes that it deems confidential to the Borrower or any other Person.
 - (g) The Borrower's obligations under this Section 27 shall survive, without limitation, the termination of this Agreement and the permanent repayment of the outstanding credit and all other amounts payable hereunder.
28. **Indemnity:** The Borrower agrees to indemnify and hold harmless the DIP Lender and each of its Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its Affiliates (each, an "**Indemnified Party**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the reasonable fees, disbursements and other charges of counsel of any Indemnified Party, incurred in connection with the financing contemplated hereby or the use of proceeds of the DIP Facility and, upon demand, to pay and reimburse for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim, except to the extent they result from an Indemnified Party's bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction. The Indemnities granted under this Agreement shall survive any termination of the DIP Facility.

29. **Entire Agreement:** This Agreement and the DIP Credit Documents constitute the entire agreement between the parties related to the subject matter hereof and, as the definitive documents, supersede all prior correspondence, agreements, negotiations, discussions and understandings with respect to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and the DIP Credit Documents, this Agreement shall prevail.
30. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Document shall operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. A waiver, amendment, release or modification of this Agreement or any other DIP Credit Document shall not be established by conduct, custom or course of dealing and shall occur, if applicable, solely by an instrument in writing duly executed by the DIP Lender, in the case of a waiver or release, and the parties hereto, in the case of an amendment or other modification.
31. **Severability:** Any provision in this Agreement or any other DIP Credit Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or effecting the validity of enforceability of such provision in any other jurisdiction.
32. **No Third Party Beneficiary:** No Person, other than the Borrower and the DIP Lender, are entitled to rely upon this Agreement, and the parties expressly agree that this Agreement does not confer any rights upon any Person not a signatory hereto.
33. **Press Releases:** The Borrower shall not issue any press release naming the DIP Lender without its prior approval, unless the Borrower is required to do so by applicable Law, in which case the Borrower shall consult with the DIP Lender prior to making such disclosure; provided, however, that the consent of the DIP Lender will not be required prior to making such disclosure. If such advance consultation is not reasonably practicable or legally permitted, to the extent permitted by applicable Law, the Borrower shall provide the DIP Lender with a copy of any written disclosure made by the Borrower as soon as practicable thereafter.
34. **Counterparts:** This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
35. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person set forth below:

In the case of the DIP Lender:

100 Ontario., a wholly owned subsidiary of Silver Lake Resources Limited

Attention: Len Eldridge
E-mail: leldridge@slrltd.com.au

With a copy to:

Osler, Hoskin & Harcourt LLP

Attention: Marc Wasserman/Kathryn Esaw/Dave Rosenblat
Email: mwasserman@osler.com/kesaw@osler.com/drosenblat@osler.com

In the case of the Borrower:

Harte Gold Corp.

Attention: Frazer Bouchier / Graham du Preez
Email: fbouchier@hartegold.com / gdupreez@hartegold.com

With a copy to:

Stikeman Elliott LLP

Attention: Justin Parappally/Guy Martel/Danny Vu
Email: jparappally@stikeman.com/
gmartel@stikeman.com/ddvu@stikeman.com

In either case, with a copy to the Monitor:

FTI Consulting Canada Inc.

Attention: Nigel Meakin/Jeffrey Rosenberg
Email: Nigel.Meakin@fticonsulting.com/
Jeffrey.Rosenberg@fticonsulting.com

With a copy to:

Goodmans LLP

Attention: Joseph Pasquariello/Christopher Armstrong
Email: jpasquariello@goodmans.ca/carmstrong@goodmans.ca

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 pm local time or on a day other than a Banking Day, in which case the notice shall be deemed to be received the next Banking Day.

36. **English Language:** The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*
37. **Assignments:** The Borrower shall not be permitted to assign any rights or obligations hereunder or under the DIP Credit Documents without the prior written consent of the DIP Lender. Following the issuance of the Initial Order and the funding of the Initial Advance to the Borrower, the DIP Lender may assign or otherwise grant participations in the DIP Facility and its rights and obligations under this Agreement and the DIP Credit Documents, in whole or in part, provided that any assignment of the entire obligation of the DIP Lender under this Agreement without recourse to the DIP Lender shall be subject to the DIP Lender providing the Monitor with evidence in form and substance satisfactory to the Monitor, acting reasonably, that the assignee has the financial capacity to fulfil its obligations hereunder. Upon the issuance the SISP Order, the DIP Lender may only assign its rights and obligations under this Agreement and the DIP Credit Documents, in whole or in part, or otherwise grant participation rights in this Agreement and in the DIP Credit Documents to a party or parties approved by the Monitor in writing, acting reasonably, or otherwise approved by the Court.
38. **Interpretation:** In this Agreement, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a Person includes that Person’s successors and permitted assigns.
39. **Rule of Construction:** This Agreement has been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are

to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.

40. **Time of Essence:** Time is of the essence in all respects of this Agreement.
41. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

[remainder of page left intentionally blank; signature page follows]

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

100025833 ONTARIO INC.

Per: _____

Name:

Title:

HARTE GOLD CORP.

Per: *Frazer Bouchier*

Name: Frazer Bouchier

Title: President and Chief Executive
Officer

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

1000025833 ONTARIO INC.

Per: 

Name: **Luke Tonkin**

Title: **PRESIDENT**

HARTE GOLD CORP.

Per: _____

Name: **Frazer Bouchier**

Title: **President and Chief Executive Officer**

SCHEDULE A DEFINITIONS

“**Administration Charge**” means the super-priority charge to be granted by the Court in an amount not exceeding \$1,500,000 securing the fees and expenses of: (i) the Borrower’s CCAA counsel (ii) the independent counsel to the Board of Directors of the Borrower, and (iii) the Monitor and its counsel;

“**Advance**” has the meaning given to that term in Section 5;

“**Affiliate**” of any Person means, at the time such determination is made, any other Person controlling, controlled by or under common control with such first Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

“**Agreement**” means this DIP Facility Loan Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

“**Amended and Restated Initial Order**” means an order of the Court to be issued in the CCAA Proceedings substantially in the form attached hereto as Schedule E or otherwise in form and substance acceptable to the DIP Lender, acting reasonably;

“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence (including, without limitation, any of the foregoing relating to the Business) or similar authorization of any Governmental Authority related to the Borrower, the Collateral or the Business;

“**Balance**” has the meaning given to that term in Section 6;

“**Banking Day**” means any day, other than Saturday and Sunday, on which banks generally are open for business in Toronto, Ontario and Perth, Australia;

“**Borrower**” has the meaning given to that term in Section 3;

“**Business**” means the business, operations, properties, assets, prospects or condition (financial or otherwise) of the Borrower and the Project, taken as a whole;

“**Cash Flow Variance Report**” has the meaning given to that term in Section 11;

“**CCAA**” has the meaning given to that term in the recitals;

“**CCAA Proceedings**” has the meaning given to that term in the recitals;

“**Collateral**” means all present and after-acquired assets, property and undertakings of the Borrower, including, without limitation, the real property located at the Project, all personal, tangible and intangible property and all proceeds therefrom;

“**Court**” has the meaning given to that term in the recitals;

“**Court Order**” means an order of the Court granted in the context of the CCAA Proceedings, including the Initial Order as amended and restated by the Amended and Restated Initial Order;

“**Default Notice**” has the meaning given to that term in Section 23;

“**DIP Budget**” has the meaning given to that term in Section 11;

“**DIP Credit Documents**” means this Agreement and any other documents executed or entered into by the DIP Lender and the Borrower in connection with the DIP Facility;

“**DIP Charge**” has the meaning given to that term in Section 14;

“**DIP Facility**” has the meaning given to that term in Section 5;

“**DIP Lender**” has the meaning given to that term in Section 4;

“**DIP Obligations**” has the meaning given to that term in Section 14;

“**Directors’ Charge**” means a Court-ordered priority charge securing an indemnity in favour of the directors and officers of the Borrower, which (i) shall be in an amount not to exceed \$2,400,000 pursuant to the Initial Order and the Amended and Restated Initial Order and (ii) shall rank behind the Administration Charge and the DIP Charge, and in priority to the Encumbrances in favour of the administrative agent in respect of the Existing Lender Credit Agreement as in effect on the date hereof;

“**Encumbrance**” means any encumbrance, lien, trust (including any deemed, statutory or constructive trust), charge, hypothec, pledge, mortgage, title retention agreement, or security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege, statutory preference of every kind and nature whatsoever (including any construction trust or lien arising pursuant to the *Construction Act*, R.S.O 1990 c. C. 30 or similar legislation of any provision or territory) or otherwise, in each case whether contractual, statutory or otherwise, and including any contract to create any of the foregoing;

“**Event of Default**” has the meaning given to that term in Section 23;

“**Excluded Taxes**” means with respect to the DIP Lender or any other recipient of any payment to be made by or on account of any DIP Obligations, (a) Taxes imposed on income, net profits, and franchise taxes imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or conducts business, in which its principal office is located or in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits taxes or any similar tax imposed by a jurisdiction described in (a), (c) Taxes imposed on amounts paid or credited to the DIP Lender as a result of the DIP Lender (i) not dealing at arm’s length (within the meaning of the Income Tax Act (Canada)) with the Borrower, or (ii) being a

“specified shareholder” (as defined in subsection 18(5) of the Income Tax Act (Canada) of the Borrower or not dealing at arm’s length with such a specified shareholder for purposes of the Income Tax Act (Canada), except, in the case of clause (i) or (ii) above, where the non-arm’s length relationship arose, or the DIP Lender was a specified shareholder or was not dealing at arm’s length with a specified shareholder, solely as a result of the DIP Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under or enforced this Agreement or any DIP Credit Document;

“**Existing Credit Expenses**” has the meaning given to that term in Section 7;

“**Existing Lender Credit Agreement**” means the Amended and Restated Credit Agreement dated as of August 28, 2020 among the Borrower (as borrower), BNP Paribas (as Sole Lead Arranger, Administrative Agent, Documentation Agent, Technical Agent), and the DIP Lender (as lender) and the other lenders from time to time party thereto, as amended to the date hereof in accordance with the terms thereof;

“**Existing Lender Credit Documents**” means the Finance Documents (as defined in the Existing Lender Credit Agreement);

“**Filing Date**” means the date the Initial Order is issued by the Court;

“**Forbearance Agreement**” means the Forbearance Agreement dated as of July 30, 2021 among the Borrower (as borrower), BNP Paribas (as Sole Lead Arranger, Administrative Agent, Documentation Agent, Technical Agent), and the DIP Lender (as lender) and the other lenders from time to time party to the Existing Lender Credit Agreement, as amended from time to time, including up to the date hereof in accordance with the terms thereof;

“**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“**Indebtedness**” of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all bankers’ acceptances, letters of credit, letters of guarantee and similar instruments, notes, letters of credit or other similar instruments, including obligations under any arrangement providing for the leasing of any property, which property has been or is to be sold or transferred in contemplation of such leasing, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or other applicable accounting standards) consistently applied in Canada and/or the United States, (e) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, which, for greater

certainty will not include rent paid or payable by such Person in the ordinary course, (f) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (g) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, (h) all obligations of such Person to otherwise assure a creditor against loss, (i) all hedging obligations and (j) all obligations of such Person for trade accounts and contracts;

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under this Agreement or any DIP Credit Document and (b) to the extent not otherwise described in (a), Other Taxes;

“Initial Advance” has the meaning given to that term in Section 5;

“Initial Order” means an order of the Court to be issued in the CCAA Proceedings substantially in the form attached hereto as Schedule D, or otherwise in form and substance acceptable to the DIP Lender, acting reasonably.

“Interest Rate” has the meaning given to that term in Section 9;

“KERP” means the Key Employee Retention Plan to be established by the Borrower and approved by the DIP Lender and the Court in the context of the CCAA Proceedings, for which the Borrower intends to make payments to those key employees designated under the KERP, in an aggregate amount not to exceed \$1,500,000;

“Law” means any federal, provincial, county, territorial, district, municipal, local, foreign, supranational or international, law, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

“Loan Amount” has the meaning given to that term in Section 5;

“Maturity Date” has the meaning given to that term in Section 16;

“Monitor” means FTI Consulting Canada Inc., as the Court-appointed Monitor of the Borrower in the CCAA Proceedings, if and when so appointed;

“Monitor’s Account” means a bank account in the name of the Monitor with Scotiabank and into which the Balance shall be deposited in accordance with Section 6 of this Agreement;

“Objection Notice” has the meaning given to that term in Section 6;

“Other Connection Taxes” means, with respect to the DIP Lender and any other recipient of any payment to be made by or on account of any DIP Obligations, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, enforcement of, or performance under, receipt of payments under, or perfected a security interest under this Agreement;

“Other Taxes” means any and all present or future stamp, recording, filing, documentary or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other DIP Credit Document or from the execution, delivery or enforcement of, or performance under or otherwise with respect to this Agreement (other than Excluded Taxes and Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 36));

“Permitted Encumbrance” means (i) Permitted Priority Liens, (ii) the DIP Charge, (iii) the Directors’ Charge, (iv) the Encumbrances in favour of the administrative agent in respect of the Existing Lender Credit Agreement in effect as of the date hereof, (v) validly perfected Encumbrances existing prior to the date hereof as in effect on the date hereof; and (vi) inchoate statutory Encumbrances arising before or after the date of the Initial Order, subject to the obligation to pay all such amounts as and when due;

“Permitted Fees and Expenses” has the meaning given to that term in Section 10;

“Permitted Priority Liens” means (i) the Administration Charge, (ii) if applicable, Encumbrances in favour of secured parties that did not receive notice of the application for the Initial Order, provided that if, upon application by the Borrower, the Court enters a further order providing that the DIP Charge shall rank in priority to such secured parties’ Encumbrances, such Encumbrances shall no longer constitute Permitted Priority Liens, (iii) any amounts payable by the Borrower for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the Excise Tax Act (Canada) (net of input credits), income tax and workers compensation claims, in the case of this item, and (iv) solely to the extent such amounts are given priority by Law and only to the extent that the priority of such amounts have not been subordinated to the DIP Charge granted by the Court;

“Permitted Variance” means: a cumulative aggregate negative variance from the DIP Budget of up to fifteen percent (15%) in respect of cumulative net cashflow (excluding the fees and expenses of the DIP Lender and the Existing Credit Expenses). For certainty, such variance shall be calculated as the difference, expressed as a percentage, between (A) the actual cumulative net cashflow of the Borrower (excluding the fees and expenses of the DIP Lender and the Existing Credit Expenses) and (B) the budgeted cumulative net cashflow (excluding the fees and expenses of the DIP Lender and the Existing Credit Expenses) during the period from the start of the DIP Budget;

“Person” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“Pre-Existing Debt” has the meaning given to that term in Section 22(c);

“Priority Payables” means harmonized sales tax, sales Tax and any amount payable or accrued by the Borrower which is secured by an Encumbrance (other than the Administration Charge) which ranks or is capable of ranking prior to or *pari passu* with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable),

employee deductions, Taxes, or employer pension contributions, and other statutory or other claims that, in each case, have or may have priority over, or rank *pari passu* with, the DIP Charge;

“**Project**” means, collectively, all properties, assets and other rights (including, without limitation, with respect to electricity, water, access and land), whether real or personal, tangible or intangible, now owned or leased or hereafter acquired by or for the benefit of the Borrower which assets are used or intended for use in or forming part of the project for the development of the Sugar Zone property located in Ontario, Canada, approximately 80 km east of the Hemlo gold camp and 24 km north of White River off the Trans-Canada Highway (#17), including for such purposes all real estate and plant, property and equipment associated therewith and all concessions, mining claims, mining leases and Authorizations related thereto, taken as a whole;

“**SISP Order**” means an Order of the Court approving the execution by the Borrower of a “stalking horse” purchase agreement with the DIP Lender or any of its affiliates or designee, as well as the conduct by the Borrower of a sale and investment solicitation process within the CCAA Proceedings.

“**Subsequent Advance**” has the meaning given to that term in Section 6;

“**Subsequent Advance Notice**” has the meaning given to that term in Section 6;

“**Tax**” and “**Taxes**” means any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, imposed, levied, collected, withheld, or assessed by any Governmental Authority, and whether disputed or not; and

“**Updated Cash Flow**” has the meaning given to that term in Section 11.

SCHEDULE B
FORM OF ADVANCE NOTICE

SUBSEQUENT ADVANCE NOTICE

TO: 1000025833 ONTARIO INC., (the “DIP Lender”)

AND TO: FTI CONSULTING CANADA INC., (the “Monitor”)

FROM: HARTE GOLD CORP. (the “Borrower”)

This Subsequent Advance Notice is delivered to you in accordance with Section 6 of the DIP Facility Loan Agreement made as of December 6, 2021 (the “**DIP Loan Agreement**”) between the DIP Lender and Borrower. Capitalized terms that are not defined herein shall have the meanings ascribed to them in the DIP Loan Agreement.

The Borrower hereby requests the Subsequent Advance as follows:

- a) date of Subsequent Advance _____
- b) amount of Subsequent Advance _____

The Borrower hereby certifies that as of the date of this Subsequent Advance Notice:

- 1) the representations and warranties contained in the DIP Loan Agreement are true and correct and that all covenants have been fully complied with in all respects;
- 2) no Event of Default that has not been waived or cured has occurred or is expected to occur after giving effect to the Subsequent Advance

The Borrower hereby certifies that the Subsequent Advance shall be used in accordance with Section 7 of the DIP Loan Agreement, the DIP Budget and the Court Orders.

DATED the _____ day of _____, 2021.

HARTE GOLD CORP., as Borrower

By: _____

Name:

Title:

I have authority to bind the Corporation.

**SCHEDULE C
DIP BUDGET**

Harte Gold Corporation
CCAA CFF

In thousands \$CAD

| Cash Flows [1] | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|------------|----------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|----------------|-----------------|
| Periodicity | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | Total | |
| Forecast Week Ending | 12/10/2021 | 12/17/2021 | 12/24/2021 | 12/31/2021 | 1/7/2022 | 1/14/2022 | 1/21/2022 | 1/28/2022 | 2/4/2022 | 2/11/2022 | 2/18/2022 | 2/25/2022 | 3/4/2022 | 3/11/2022 | 3/18/2022 | 3/25/2022 | 4/1/2022 | 4/1/2022 | |
| Total Receipts | [2] | 1,878 | 1,761 | 2,391 | 1,622 | 1,334 | 2,921 | 1,524 | 1,403 | 2,280 | 2,968 | 1,199 | 1,392 | 2,791 | 2,942 | 1,578 | 1,375 | 2,190 | 33,548 |
| Operating Costs | [3] | | | | | | | | | | | | | | | | | | |
| Mine, Mill and Site Costs | | (4,242) | (1,129) | (1,129) | (2,742) | (1,151) | (2,767) | (1,154) | (2,767) | (1,207) | (3,006) | (1,278) | (2,775) | (1,238) | (2,799) | (1,186) | (1,926) | (2,799) | (35,295) |
| Corporate G&A | | (165) | (63) | (63) | (192) | (28) | (150) | (22) | (150) | (23) | (162) | (24) | (143) | (30) | (166) | (38) | (38) | (166) | (1,623) |
| Leases | | (4) | (4) | (153) | (899) | (680) | (4) | (108) | (45) | (100) | (4) | - | (253) | (100) | (4) | - | (153) | (680) | (3,192) |
| Total Operating Cash Flows | | (2,533) | 564 | 1,046 | (2,211) | (524) | (1) | 240 | (1,559) | 950 | (203) | (103) | (1,780) | 1,423 | (27) | 354 | (743) | (1,455) | (6,562) |
| Capital Development | [4] | (220) | (20) | (20) | (20) | (77) | (86) | (86) | (66) | (39) | (39) | (39) | (59) | (86) | (86) | (86) | (86) | (86) | (1,198) |
| Regional Exploration | [5] | (136) | (238) | (238) | (238) | (78) | (51) | (51) | (29) | - | - | - | - | - | - | - | - | - | (1,110) |
| Restructuring Disbursements | [6] | (571) | (571) | (249) | (249) | (435) | (435) | (418) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (5,401) |
| Net Cash Inflows / (Outflows) | | (3,459) | (265) | 539 | (2,717) | (1,113) | (573) | (332) | (2,114) | 628 | (469) | (369) | (2,045) | 1,137 | (340) | 41 | (1,055) | (1,767) | (14,272) |
| Cash | | | | | | | | | | | | | | | | | | | |
| Beginning Balance | | 4,501 | 1,442 | 1,177 | 3,817 | 2,199 | 1,586 | 1,413 | 3,181 | 1,067 | 1,695 | 1,226 | 3,058 | 1,012 | 2,149 | 1,810 | 1,851 | 2,796 | 4,501 |
| Net Cash Inflows / (Outflows) | | (3,459) | (265) | 539 | (2,717) | (1,113) | (573) | (332) | (2,114) | 628 | (469) | (369) | (2,045) | 1,137 | (340) | 41 | (1,055) | (1,767) | (14,272) |
| DIP Advances | [7] | 400 | - | 2,100 | 1,100 | 500 | 400 | 2,100 | - | - | - | 2,200 | - | - | - | - | 2,000 | - | 10,800 |
| Ending Balance | | 1,442 | 1,177 | 3,817 | 2,199 | 1,586 | 1,413 | 3,181 | 1,067 | 1,695 | 1,226 | 3,058 | 1,012 | 2,149 | 1,810 | 1,851 | 2,796 | 1,029 | 1,029 |

Notes

[1] The purpose of the CFF is to estimate the liquidity requirements of Harte Gold Corp. ("Harte Gold" or the "Company") during the forecast period.

[2] Forecast Total Receipts are based on management's expectations of periodic shipments of Doré, concentrates and slag and are net of certain offsetting payments, including treatment/refining costs, silver credit, royalties, transport costs and hedge payments. Gold price is estimated at \$1,750/oz and exchange rate is forecast at a rate of CAD \$0.83- USD \$1.00.

[3] Forecast Operating Costs primarily include site costs based on forecast activity levels and known commitments and corporate G&A based on forecast head office operation costs.

[4] Forecast Capital Developments costs include costs to upgrade and expand mine production.

[5] Forecast Regional Exploration costs includes drilling and other costs for exploration purposes.

[6] Forecast Restructuring Disbursements include legal and financial advisors associated with CCAA proceedings and are based on estimates provided by the advisors.

[7] Forecast DIP Advances are based on funding requirements and maintaining a minimum \$1 million cash balance throughout the period.

**SCHEDULE D
FORM OF INITIAL ORDER**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 7th
)
MR. JUSTICE PATTILLO) DAY OF DECEMBER, 2021

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

INITIAL ORDER

THIS APPLICATION, made by Harte Gold Corp. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form included in the Applicant's Application Record was heard this day via video-conference due to the ongoing COVID-19 pandemic.

ON READING the affidavit of Frazer Bouchier sworn December 6, 2021 (the "**Bouchier Affidavit**") and the Exhibits thereto, the consent FTI Consulting Canada Inc. ("**FTI**") to act as Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), and the Pre-Filing Report of FTI as the proposed Monitor;

ON HEARING the submissions of counsel for the Applicant, counsel for the proposed Monitor, counsel for BNP Paribas, counsel for 1000025833 Ontario Inc. (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Bouchier Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services and lease payments for mining equipment used in the operation of the Business; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected

prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order. The Applicant may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

10. **THIS COURT ORDERS** that until and including December 17, 2021, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

12. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

14. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

15. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

16. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

17. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,400,000 million, as security for the indemnity provided in paragraph 16 of this Order. The Directors' Charge shall have the priority set out in paragraphs 34 and 36 herein.

18. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 16 herein.

APPOINTMENT OF MONITOR

19. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

20. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;

- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

21. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

22. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

23. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it

pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

24. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

25. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant and counsel to the Applicant's directors and officers on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

26. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel and counsel to the Applicant's directors and officers shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 34 and 36 herein.

DIP FINANCING

28. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Credit Agreement**") dated December 6, 2021 between, the Applicant, as borrower, and 1000025833 Ontario Inc.,

as lender (the “**DIP Lender**”), and to borrow, in accordance with the terms and conditions of the DIP Credit Agreement, interim financing of up to \$400,000 (the “**DIP Facility**”) to, among other things, fund the Applicant’s working capital requirements and other general corporate purposes of the Applicant.

29. **THIS COURT ORDERS** that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Credit Agreement, the “**Definitive Documents**”), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

30. **THIS COURT ORDERS** that, as security for the Applicant’s obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 34 and 36 herein.

31. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender’s Charge, upon five (5) days notice to the Applicant and the Monitor, may exercise any rights and remedies against the Applicant or the Property under or pursuant to the DIP Credit Agreement, the other Definitive Documents and the DIP Lender’s Charge, including, without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Applicant to the DIP Lender under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender’s Charge, to make demand, accelerate payment and give other notices,

or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

32. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any advances made under the DIP Credit Agreement and the other Definitive Documents.

33. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Credit Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of \$500,000);

Second – the DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of \$2,400,000).

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the Applicant who did not receive notice of the application for this Order. The Applicant shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

40. **THIS COURT ORDERS** that the Monitor shall (i) without delay publish, in the Globe and Mail (National Edition) and any other publication that the Monitor may determine to be appropriate in the circumstances, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://cfcanada.fticonsulting.com/harte>.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING PROVISION

43. **THIS COURT ORDERS** that Confidential Exhibit "AA" of the Bouchier Affidavit is hereby sealed pending further order of the Court and shall not form part of the public record.

GENERAL

44. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that a hearing for the balance of the relief sought by the Applicant in the Notice of Application is hereby scheduled before this Court for December 16, 2021 at 10 a.m. or such other date as determined by this Court.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HARTE
GOLD CORP.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant

SCHEDULE E
FORM OF AMENDED AND RESTATED INITIAL ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY, THE 16th
)
MR. JUSTICE PATTILLO) DAY OF DECEMBER, 2021

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION made by Harte Gold Corp. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form included in the Applicant's Application Record was heard this day via video-conference due to the ongoing COVID-19 pandemic.

ON READING the affidavit of Frazer Bouchier sworn December 6, 2021 (the "**Bouchier Affidavit**"), the Exhibits thereto and the First Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Applicant ("**FTI**" or the "**Monitor**"), filed, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice;

ON HEARING the submissions of counsel for the Applicant, counsel for the Monitor, counsel for BNP Paribas, counsel for Cue Minerals Pty Ltd (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present, no one else appearing for any party although duly served as appears from the affidavit of service of [●] dated [●], 2021, and on reading the consent of FTI to act as the Monitor;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, if deemed appropriate and subject to further order of this Court, file with this Court a plan of compromise and arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Bouchier Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash

Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services and lease payments for mining equipment used in the operation of the Business; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of

- (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order. The Applicant may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined hereinafter), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,500,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

all the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours’ prior written notice,

and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including January 31, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,400,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 herein.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan, if applicable;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan, if applicable;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant and counsel to the Applicant's directors and officers on a weekly basis and, in addition, the Applicant is hereby

authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and counsel to the Applicant's directors and officers reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel, and counsel to the Applicant's directors and officers shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for their professional fees and disbursements incurred at their respective standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 herein.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Credit Agreement**") dated December 6, 2021 between, the Applicant, as borrower, and 1000025833 Ontario Inc., as lender (the "**DIP Lender**"), and to borrow, in accordance with the terms and conditions of the DIP Credit Agreement, interim financing of up to \$10,800,000 (the "**DIP Facility**") to, among other things, fund the Applicant's working capital requirements and other general corporate purposes of the Applicant.

33. **THIS COURT ORDERS** that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Credit Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. **THIS COURT ORDERS** that, as security for the Applicant's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 herein.

35. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Applicant and the Monitor, the DIP Lender may exercise any rights and remedies against the Applicant or the Property under or pursuant to the DIP Credit Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Applicant to the DIP Lender under the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

36. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any advances made under the DIP Credit Agreement and the other Definitive Documents.

37. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be

stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”) whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender’s Charge) for all advances so made and other obligations set out in the DIP Credit Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of \$1,500,000);

Second – the DIP Lender’s Charge;

Third – the Directors’ Charge (to the maximum amount of \$2,400,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the “**Chargees**”) or further Order of this Court.

42. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the and any other publication that the Monitor may determine to be appropriate in the circumstances, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA,

(B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://cfcanada.fticonsulting.com/harte>.

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING PROVISION

47. **THIS COURT ORDERS** that Confidential Exhibit “AA” of the Bouchier Affidavit is hereby sealed pending further order of the Court, and shall not form part of the public record.

GENERAL

48. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

50. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

51. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C 36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

STIKEMAN ELLIOTT LLP

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Lawyers for the Applicant

EXHIBIT “Y”

EXHIBIT "Y"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

Harte Gold Corporation
CCAA CFF

In thousands \$CAD

| Cash Flows [1] | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|------------|----------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|----------------|-----------------|
| Periodicity | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | Total | |
| Forecast Week Ending | 12/10/2021 | 12/17/2021 | 12/24/2021 | 12/31/2021 | 1/7/2022 | 1/14/2022 | 1/21/2022 | 1/28/2022 | 2/4/2022 | 2/11/2022 | 2/18/2022 | 2/25/2022 | 3/4/2022 | 3/11/2022 | 3/18/2022 | 3/25/2022 | 4/1/2022 | 4/1/2022 | |
| Total Receipts | [2] | 1,878 | 1,761 | 2,391 | 1,622 | 1,334 | 2,921 | 1,524 | 1,403 | 2,280 | 2,968 | 1,199 | 1,392 | 2,791 | 2,942 | 1,578 | 1,375 | 2,190 | 33,548 |
| Operating Costs | [3] | | | | | | | | | | | | | | | | | | |
| Mine, Mill and Site Costs | | (4,242) | (1,129) | (1,129) | (2,742) | (1,151) | (2,767) | (1,154) | (2,767) | (1,207) | (3,006) | (1,278) | (2,775) | (1,238) | (2,799) | (1,186) | (1,926) | (2,799) | (35,295) |
| Corporate G&A | | (165) | (63) | (63) | (192) | (28) | (150) | (22) | (150) | (23) | (162) | (24) | (143) | (30) | (166) | (38) | (38) | (166) | (1,623) |
| Leases | | (4) | (4) | (153) | (899) | (680) | (4) | (108) | (45) | (100) | (4) | - | (253) | (100) | (4) | - | (153) | (680) | (3,192) |
| Total Operating Cash Flows | | (2,533) | 564 | 1,046 | (2,211) | (524) | (1) | 240 | (1,559) | 950 | (203) | (103) | (1,780) | 1,423 | (27) | 354 | (743) | (1,455) | (6,562) |
| Capital Development | [4] | (220) | (20) | (20) | (20) | (77) | (86) | (86) | (66) | (39) | (39) | (39) | (59) | (86) | (86) | (86) | (86) | (86) | (1,198) |
| Regional Exploration | [5] | (136) | (238) | (238) | (238) | (78) | (51) | (51) | (29) | - | - | - | - | - | - | - | - | - | (1,110) |
| Restructuring Disbursements | [6] | (571) | (571) | (249) | (249) | (435) | (435) | (418) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (5,401) |
| Net Cash Inflows / (Outflows) | | (3,459) | (265) | 539 | (2,717) | (1,113) | (573) | (332) | (2,114) | 628 | (469) | (369) | (2,045) | 1,137 | (340) | 41 | (1,055) | (1,767) | (14,272) |
| Cash | | | | | | | | | | | | | | | | | | | |
| Beginning Balance | | 4,501 | 1,442 | 1,177 | 3,817 | 2,199 | 1,586 | 1,413 | 3,181 | 1,067 | 1,695 | 1,226 | 3,058 | 1,012 | 2,149 | 1,810 | 1,851 | 2,796 | 4,501 |
| Net Cash Inflows / (Outflows) | | (3,459) | (265) | 539 | (2,717) | (1,113) | (573) | (332) | (2,114) | 628 | (469) | (369) | (2,045) | 1,137 | (340) | 41 | (1,055) | (1,767) | (14,272) |
| DIP Advances | [7] | 400 | - | 2,100 | 1,100 | 500 | 400 | 2,100 | - | - | - | 2,200 | - | - | - | - | 2,000 | - | 10,800 |
| Ending Balance | | 1,442 | 1,177 | 3,817 | 2,199 | 1,586 | 1,413 | 3,181 | 1,067 | 1,695 | 1,226 | 3,058 | 1,012 | 2,149 | 1,810 | 1,851 | 2,796 | 1,029 | 1,029 |

Notes

[1] The purpose of the CFF is to estimate the liquidity requirements of Harte Gold Corp. ("Harte Gold" or the "Company") during the forecast period.

[2] Forecast Total Receipts are based on management's expectations of periodic shipments of Doré, concentrates and slag and are net of certain offsetting payments, including treatment/refining costs, silver credit, royalties, transport costs and hedge payments. Gold price is estimated at \$1,750/oz and exchange rate is forecast at a rate of CAD \$0.83- USD \$1.00.

[3] Forecast Operating Costs primarily include site costs based on forecast activity levels and known commitments and corporate G&A based on forecast head office operation costs.

[4] Forecast Capital Developments costs include costs to upgrade and expand mine production.

[5] Forecast Regional Exploration costs includes drilling and other costs for exploration purposes.

[6] Forecast Restructuring Disbursements include legal and financial advisors associated with CCAA proceedings and are based on estimates provided by the advisors.

[7] Forecast DIP Advances are based on funding requirements and maintaining a minimum \$1 million cash balance throughout the period.

EXHIBIT “Z”

EXHIBIT "Z"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP. (the "**Applicant**")

CONSENT

FTI CONSULTING CANADA INC. is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*.

FTI CONSULTING CANADA INC. is not subject to any of the restrictions on who may be appointed monitor as set out in section 11.7(2) of the *Companies' Creditors Arrangement Act*.

FTI CONSULTING CANADA INC. HEREBY CONSENTS to act as Monitor in the above-captioned proceedings.

Dated at Toronto this 6th day of December, 2021

FTI CONSULTING CANADA INC.

Per: _____



**Nigel D. Meakin
Senior Managing Director**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

Court File No.: _____

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HARTE GOLD CORP.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPLICATION RECORD OF THE APPLICANT
(Returnable December 7, 2021)**

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Lawyers for the Applicant

CONFIDENTIAL
EXHIBIT “AA”

EXHIBIT "AA"

referred to in the Affidavit of

FRAZER BOURCHIER

sworn on December 6, 2021

Julie Galloway

A Commissioner for Taking Affidavits

Exhibit “AA” is Confidential
and has been omitted and
subject to a request for a
sealing order