

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

dated as of 7 February 2003

among

CAMBIOR INC.

as Borrower

and

**THE FINANCIAL INSTITUTIONS FROM TIME TO TIME
PARTIES TO THIS AGREEMENT**

as Lenders

THE BANK OF NOVA SCOTIA

as Administrative Agent, Technical Agent and Collateral Agent

and

STANDARD BANK LONDON LIMITED

as Syndication Agent

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDED AND RESTATED CREDIT AGREEMENT dated as of 7 February 2003 is made among CAMBIOR INC., a company incorporated under the laws of Quebec (the "Borrower"), the financial institutions named on the signature pages hereof or which may from time to time become a party hereto or any successor or assignee thereof (individually, a "Lender" and, collectively, the "Lenders"), THE BANK OF NOVA SCOTIA, a bank organized under the laws of Canada, as administrative agent and technical agent for the Lenders and as collateral agent for the Creditors (in such capacities, collectively the "Agent" or separately the "Administrative Agent," the "Technical Agent" and the "Collateral Agent" respectively), and STANDARD BANK LONDON LIMITED, a bank organized under the laws of England and Wales (registered number 02130447), as syndication agent for the Lenders (in such capacity, the "Syndication Agent").

WHEREAS:

- A.** The parties to this Agreement are also parties to a Second Amended and Restated Credit Agreement dated as of 14 December 2000, as amended by amending agreements dated as of __ March 2001, 30 April 2001, 29 June 2001, 25 July 2001, 28 September 2001, 25 October 2001 and 11 June 2002 (as so amended, the "Existing Credit Agreement"). The Existing Credit Agreement is an amendment and restatement of a Credit Agreement dated as of 28 July 1998, as previously amended and restated by an Amended and Restated Credit Agreement dated as of 22 December 1999.
- B.** The Borrower and the Hedge Providers (as defined herein) are parties to the Hedge Agreements (as defined herein) and the Borrower and the Prepaid Forward Counterparty (as defined herein) are parties to the Prepaid Forward Arrangements (as defined herein).
- C.** The purpose of this Agreement is to set forth the terms and conditions which, from and after the date hereof, will govern the obligations of the Borrower to the Lenders.

NOW THEREFORE, this Agreement witnesses that, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the Borrower, the Agent, the Syndication Agent and the Lenders hereby agree that the Existing Credit Agreement is hereby amended and restated in its entirety, without novation, as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement, unless the context shall otherwise require, the following terms shall have the following meanings:

“Acquisition” means any transaction, or any series of related transactions, consummated after the Closing Date, by which the Borrower and/or any of the Subsidiaries directly or indirectly, by means of a takeover bid, tender offer, purchase of assets, purchase of securities or otherwise (except by way of amalgamation or merger) (a) acquires any ongoing business or all or substantially all of the assets of any Person, (b) acquires securities of a Person, or (c) acquires an ownership interest in any partnership, joint venture, limited liability company, business trust or other Person.

“Administrative Agent” is defined in the initial paragraph of this Agreement.

“Affiliate” means, as to any Person, any other Person which, directly or indirectly, controls or is controlled by or is under common control with, such Person, and shall include a Subsidiary of such Person. For the purposes of this definition, “control” means the power to exercise effective control and direction of the management and policies of any Person, whether through the ownership of shares or by contract or otherwise and “controlled by” and “under common control with” have corresponding meanings.

“Agent” is defined in the initial paragraph of this Agreement.

“Agreement” means this Agreement, including the Schedules, as amended, supplemented, restated and replaced without novation from time to time.

“Applicable Lending Office” means, as to each Lender, the lending office of such Lender designated below its name on the signature pages hereof or in an Assignment and Assumption Agreement, or such other office of such Lender as such Lender may from time to time specify to the Agent and the Borrower as the office by which its Loans are to be made and maintained.

“Applicable Percentage” means (a) with respect to any Revolving Credit Lender, the percentage of the total Revolving Credit Commitments represented by such Lender’s Revolving Credit Commitment, and (b) with respect to any Term Credit Lender, the percentage of the total Term Credit Commitments represented by such Lender’s Term Credit Commitments.

“Asset Disposition” means any sale or other disposition of any assets (including Unrestricted Assets) by the Borrower or any Subsidiary (including but not limited to any sale and lease back transaction) or any expropriation, condemnation, destruction or other loss of assets (including Unrestricted Assets) of the Borrower or any Subsidiary.

“Assignee” is defined in Section 13.6(c)(ii).

“Assignment” is defined in Section 13.6(c).

“Assignment and Assumption Agreement” is defined in Section 13.6(c)(ii).

“Assignor” is defined in Section 13.6(c)(ii).

“Borrower” is defined in the initial paragraph of this Agreement.

“Borrowing” means any avilment, continuation or conversion of any Revolving Credit Loan or Term Credit Loan.

“Borrowing Notice” means a notice in the form of SCHEDULE A.

“Business Day” means any day, other than Saturday or Sunday, on which banks are open for business in Montreal, Quebec, Toronto, Ontario, New York, New York, and London, England.

“Capital Lease Obligations” means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of, or other agreement conveying the right to use, immovable or real property or movable or personal property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP and, for the purposes hereof, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“Cash” means, at any time, all cash on hand and Cash Equivalents of the Borrower and the Subsidiaries, but does not include (a) cash on hand or Cash Equivalents specifically subject to a Lien, including a Permitted Lien, which, by its terms, prevents or materially constrains the use of such cash or Cash Equivalents by the holder thereof, (b) cash on hand or Cash Equivalents specifically subject to a Lien, including a Permitted Lien, where an event giving rise to the exercise of a realization right in relation to such cash or Cash Equivalents under such Lien has occurred and is continuing and has not been waived, (c) cash on hand or Cash Equivalents not located in the Province of Quebec or in an account in Canada or the United States that has been specifically charged by a Security Document satisfactory to the Agent, or (d) cash on hand or Cash Equivalents held by an Unrestricted Subsidiary.

“Cash Equivalents” means (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, Canada or the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of Canada or the United States of America), in each case maturing within one year from the date of acquisition thereof, or (b) investments in commercial paper, certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof and having, at such date of acquisition, the highest rating available from Dominion Bond Rating Service Limited, CBRS Inc., Moody’s Investor Service, Inc. or Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“CDN Dollars” and “CDN \$” mean lawful money of Canada.

“Change of Control” means, with respect to the Borrower, the occurrence of any of the following events: (a) any Person or Persons shall beneficially acquire ownership or control, directly or indirectly, of such percentage of the Borrower’s issued and outstanding securities as shall enable such Person to exercise effective control and direction of the management and policies of the Borrower, (b) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Borrower’s property and assets, or (c) the Borrower’s shareholders shall approve any plan or proposal for the liquidation or dissolution of the Borrower.

“Closing Date” means 24 February 2003.

“Collateral” means any and all property that is subject to any Lien created by any Security Document, whether or not defined as “Collateral,” and includes the Foreign Investment Insurance Policy.

“Collateral Agent” is defined in the initial paragraph of this Agreement.

“Commercial Completion” has the meaning defined in SCHEDULE D.

“Credit Derivative” is defined in Section 13.6(c).

“Creditors” means, collectively, the Lenders, the Hedge Providers, the Prepaid Forward Counterparty and National, and “Creditor” means any one of the Creditors.

“Debt” means, as to any Person and without duplication (i) indebtedness created, issued or incurred by such Person for borrowed money (whether by way of loan, the issuance and sale of debt securities or under Hedging Contracts and whether current, short term or long term, (ii) obligations of such Person to pay the deferred purchase or acquisition price of property or services, except for trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business (other than for borrowed money) so long as such trade accounts payable (other than trade accounts payable arising from holdbacks under trade contracts) are payable within 90 days of the date the respective goods are delivered or respective services rendered, (iii) indebtedness of others secured by a Lien on the property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person, (iv) obligations of such Person in respect of letters of credit or similar instruments issued or accepted by Lenders and other financial institutions for the account of such Person, other than letters of credit or similar instruments issued or accepted in support of trade accounts payable arising in the ordinary course of business which are payable within 180 days of the date the respective goods are delivered or respective services rendered, (v) Capital Lease Obligations of such Person, (vi) indebtedness or liabilities incurred under any Hedging Contract, and (vii) indebtedness of others Guaranteed by such Person; provided, however, that for the purposes of calculating the financial covenants set forth in ARTICLE 10, the indebtedness and liabilities incurred by the Borrower under any Hedging Contract shall not be included in the calculation of the Debt of the Borrower.

“Default” means an event which with notice or lapse of time or expiry of any cure period would become an Event of Default.

“Default Rate” means, in respect of any principal of any Loan or any other amount payable by the Borrower under this Agreement that is not paid when due (whether at stated maturity, by acceleration or otherwise), a rate per annum, during the period commencing on the due date up to but excluding the date on which such amount is paid in full, equal to 2% above the applicable interest rate under this Agreement (or, in the case of an amount payable on account of anything other than principal or interest, 2% above the interest rate for U.S. Base Rate Loans).

“Dissenting Lender” is defined in Section 13.5(b).

“Doyon Mine” means, collectively, all of the land, servitudes, easements, buildings, improvements and other immovable or real property, all of the equipment, minerals, ores and other movable or personal property, and all of the mining claims, rights (including all mining

rights) and other property from time to time comprising the Doyon Mine located near the town of Cadillac in northwestern Quebec, including all assets now owned or hereafter acquired and constituting part of or used in connection with the development, construction and operation thereof.

“EBITDA” means, for the Borrower and the Subsidiaries on a consolidated basis and for any period, without duplication, the amount equal to net income (excluding extraordinary gains or losses) plus, to the extent deducted in calculating net income, Interest Expense, depreciation, amortization expense and income tax expense, all as calculated in accordance with GAAP; provided, however, that (a) any amortization of deferred hedging gains or other non-cash inclusions in revenue relating to Hedge Agreements entered into by the Borrower, (b) the Borrower’s non-cash gain or loss on derivative instruments resulting from the marked to market evaluation, shall be excluded for all purposes from the calculation of EBITDA, and (c) all amounts attributable to Unrestricted Subsidiaries shall be excluded unless the aggregate EBITDA attributable to all Unrestricted Subsidiaries is less than \$1,000,000 per annum (based on either the 12 months ending at the end of the period in question or the annualization of the EBITDA for the period in question), in which case the Borrower may elect not to make any exclusion relating to Unrestricted Subsidiaries.

“Environment” means all components of the earth, including all layers of the atmosphere, air, land (including all underground spaces and cavities and all land submerged under water), soil, water (including surface and underground water), human beings, all organic and inorganic matter, living organisms, animal life, vegetation and property, and the interacting natural systems that include components referred to in this paragraph.

“Environmental Laws” means any federal, provincial, local or foreign law, statute, ordinance, principle of common law or regulation applicable to the Borrower or the Subsidiaries, as the case may be, as well as any Permit, order, decree, judgment or injunction issued, promulgated, approved or entered thereunder, relating to pollution or the protection, cleanup or restoration of the Environment, or to the public health or safety, or otherwise governing the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling, discharge or disposal of Hazardous Materials.

“Environmental Permits” is defined in Section 7.9.

“Equity Securities” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents of, such Person’s capital (however designated and whether voting or non-voting), whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable or exercisable for or convertible into any of the foregoing.

“Event of Default” is defined in Section 11.1.

“Existing Credit Agreement” is defined in Recital B.

“Federal Funds Rate” means, for any day, the per annum rate 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 Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognised standing selected by it.

"Fee Agreement" means the agency fee agreement dated as of 7 February 2003 between the Borrower and the Agent, as amended, supplemented, restated and replaced from time to time.

"Fiscal Quarter" means any fiscal quarter of the Borrower.

"Fiscal Year" means any fiscal year of the Borrower, which commences on January 1 of a year and ends on December 31 of the same year.

"Five-Year Plan" means, at any time, the consolidated five year forecast of the Borrower, as presented to the Board of Directors of the Borrower, which forecast shall include the forecasts of revenues, expenses, production, operating costs, capital expenditures, exploration expenditures, financial covenant calculations, hedge positions, Proven Reserves, Probable Reserves, and Projected Cash Flow Available for Debt Service on a consolidated basis, the life of mine plan for each producing mine of the Borrower and the Subsidiaries (including the Rosebel Mine) used in support of such Five-Year Plan, details for each material exploration property and such other information as may reasonably be requested by the Agent to provide the Lenders a proper understanding of the forecast operations of the Borrower and the Subsidiaries.

"Foreign Investment Insurance Policy" means, collectively, the political risk insurance policy issued by Export Development Canada and a private sector insurance company as the insurers to the Borrower as insured on 29 January 2003, identified as PRI-40-017843E, DOC 157433, as amended, supplemented, restated and replaced from time to time in accordance with this Agreement, which covers risks associated with the OMAI Mine, the Rosebel Mine and an Unrestricted Asset in Peru.

"Free Cash Flow" means, for any Fiscal Year of the Borrower (or for fiscal 2004, the Fiscal Quarters beginning after the date of Commercial Completion) (a) EBITDA for such fiscal period, minus (b) for such Fiscal Year and for the Borrower and the Subsidiaries on a consolidated basis, the sum of (i) scheduled payments of principal made pursuant to Section 2.4(c) for such fiscal period, (ii) the principal portion of scheduled payments made under Capital Lease Obligations for such fiscal period, (iii) Interest Expense for such fiscal period, (iv) cash taxes applicable to such fiscal period, and (v) capital expenditures and exploration expenditures (to the extent not already deducted in computing EBITDA) incurred during such fiscal period to the extent permitted by this Agreement, other than those capital expenditures and exploration expenditures financed by the Borrower or the relevant Subsidiary with the proceeds of flow through share financings or government assistance programs or financed with Debt incurred by Unrestricted Subsidiaries in respect of which there is no recourse, including by way of Guarantee, to the Borrower or another Subsidiary.

"GAAP" means generally accepted accounting principles of the Canadian Institute of Chartered Accountants in effect from time to time in Canada.

“Governmental Authority” means, with respect to any Person, any government or governmental body having authority over such Person, including any regional, municipal, local or other political subdivision thereof and any agency, department, commission, board, bureau or instrumentality thereof and any other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any such Governmental Authority.

“Guarantee” means a guarantee, an endorsement, a contingent agreement directly or indirectly to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Debt, other obligations, net worth, working capital or earnings of any Person, or a guarantee of the payment of dividends or other distributions upon the share capital of any corporation, or an agreement to purchase, sell or lease (as lessee or lessor) property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of his, her or its obligations, or an agreement to assure a creditor against loss, including for the purpose of causing a Lender to issue a letter of credit for the benefit of another Person, but excluding (a) endorsements for collection or deposit in the ordinary course of business, (b) obligations to make cash call payments pursuant to the Sleeping Giant Documents and the Niobec Documents and obligations to make cash call payments pursuant to other joint venture agreements that are funded pursuant to Section 9.11, (c) any indemnity made in the ordinary course of business, and (d) for greater certainty, any trade accounts payable. The terms “Guarantee” and “Guaranteed” used as verbs shall have a corresponding meaning.

“Hazardous Material” means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odour, radiation, energy, vector, plasma, constituent or material which (a) is or becomes listed, regulated or addressed under any Environmental Law, or (b) is, or is deemed to be, alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Law, including, asbestos, petroleum and polychlorinated biphenyls.

“Hedge Agreements” means the Hedging Contracts with the Hedge Providers that are outstanding at the Closing Date and Hedging Contracts entered into by the Borrower with Lenders or Affiliates of Lenders after the Closing Date that comply with Section 8.11, in each case including any related ISDA agreements, confirmations and similar documents and as continued or extended from time to time to the extent permitted by Section 8.11, but does not include the Prepaid Forward Arrangements.

“Hedge Providers” means each of The Bank of Nova Scotia, Standard Bank London Limited, National Bank of Canada, Societe Generale (Canada) and Societe Generale (an Affiliate of a Lender), which are the Borrower's counterparties to Hedge Agreements at the Closing Date, and each Lender or Affiliate of a Lender that enters into a Hedge Agreement after the Closing Date.

“Hedge Provider Obligations” means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time owing by the Borrower to the Hedge Providers or remaining unpaid by the Borrower to the Hedge Providers under or in connection with the Hedge Agreements. For the purposes of the definitions of “Obligations”, “Pro Rata Share” and “Required Creditors”, the amount of the Hedge Provider

Obligations owing to any Hedge Provider, as at the date of determination, (a) in respect of any transactions entered into under any of the Hedge Agreements which have not been terminated, will be the total amount which the Borrower would be obligated to pay to such Hedge Provider under such Hedge Agreements with the Borrower in the event of the early termination by such Hedge Provider as of such date of such transactions as a result of the occurrence of a default or event of default (however specified or designated) with respect to the Borrower thereunder, and (b) in respect of any transactions entered into under any of the Hedge Agreements which have been terminated, will be the total amount which the Borrower is obligated to pay to such Hedge Provider under such Hedge Agreements.

“Hedging Contract” means any transaction of a type commonly considered to be a derivative, any combination of such transactions, any transaction that includes a derivative or any agreement relating to any such transaction or combination of transactions, in each case whether relating to one or more of interest, currencies, commodities, securities or other matters, including but not limited to (a) any cap, collar, floor or option, (b) any forward contract, and (c) any rate swap, basis swap, commodity swap, cross-currency swap or other swap or contract for differences, and includes the Prepaid Forward Arrangements.

“Information” is defined in Section 13.7.

“Inter-Creditor Agreement” means the Second Amended and Restated Inter-Creditor Agreement dated as of 7 February 2003 among the Borrower, the Agent, the Lenders, the Hedge Providers and the Prepaid Forward Counterparty.

“Interest Expense” means, for any period, the total consolidated interest expense of the Borrower and the Subsidiaries, plus, to the extent not included in such total consolidated interest expense, and to the extent incurred by the Borrower or the Subsidiaries, (a) interest expense attributable to Capital Lease Obligations, (b) amortization of debt discount, (c) capitalized interest, (d) non-cash interest expense, (e) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing, (f) net costs associated with Hedging Contracts (including amortization of fees, but excluding, for greater certainty, all costs and/or fees, including amortization of any such costs or fees, associated with the Prepaid Forward Arrangements), (g) dividends in respect of all preferred stock held by Persons other than the Borrower or a Subsidiary, and (h) interest actually paid by the Borrower or any Subsidiary on any Debt of any other Person, provided, however, that all amounts attributable to Unrestricted Subsidiaries shall be excluded unless the Borrower elects not to make any exclusion relating to Unrestricted Subsidiaries in accordance with the definition of EBITDA.

“Issuing Bank” means The Bank of Nova Scotia, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 4.7(h).

“Judgment Currency” is defined in Section 13.10.

“Laws” means (a) laws, including Environmental Laws, statutes, acts, codes, by-laws, ordinances and legally binding treaties of any Governmental Authority having jurisdiction, (b) legally binding rules, regulations, guidelines, policies or the like promulgated under or pursuant to any Law or any agreement with any Governmental Authority, (c) legally binding orders,

decisions, directives, declarations, injunctions, decrees, writs, judgments, rulings, or awards rendered by any Governmental Authority or any arbitrator having jurisdiction, and (d) in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority.

“LC Disbursement” means a payment made by the Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lender” and “Lenders” are defined in the initial paragraph of this Agreement and those terms shall be interpreted to include the Issuing Bank in that capacity.

“Lender Obligations” means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time owing by the Borrower to the Lenders or remaining unpaid by the Borrower to the Lenders under or in connection with this Agreement.

“Letter of Credit” means any standby or documentary letter of credit or letter of guarantee issued pursuant to this Agreement.

“Libor” means, with respect to any Libor Loan, the rate of interest per annum appearing on Page 3750 of the Telerate Service screen as at approximately 11:00 a.m. London time (or as soon thereafter as practicable) on the date two Business Days prior to the first day of the Libor Interest Period for such Libor Loan or, if such rate does not appear on Page 3750 of the Telerate Service screen (or otherwise on such service) the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 of 1%), as determined by the Agent, of the rate per annum quoted by each Reference Lender as at approximately 11:00 a.m. London time (or as soon thereafter as practicable) on the date two Business Days prior to the first day of the Libor Interest Period for such Libor Loan for the offering by such Reference Lender to leading banks in the London interbank market of U.S. Dollar deposits having a term comparable to such Libor Interest Period and in an amount comparable to the principal amount of the Libor Loan to be made by such Reference Lender for such Libor Interest Period. If any Reference Lender is not participating in any Libor Loan, Libor for such Libor Loan shall be so determined by the Agent by reference to the rates so quoted by the Reference Lenders participating in such Loan. If any Reference Lender does not timely furnish such information for the determination of Libor, the Agent shall determine Libor on the basis of information timely furnished by the remaining Reference Lenders.

“Libor Interest Period” means, with respect to any Libor Loan, the period commencing on the date such Libor Loan is made or the last day of the immediately preceding Libor Interest Period, as the case may be, and ending on the numerically corresponding day in the first, second, third, sixth or (subject to availability in the absolute discretion of the Lenders) ninth or twelfth month thereafter, in each case as the Borrower may select pursuant to Section 4.5, except that each

Libor Interest Period which commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate calendar month (or such longer or shorter period as may be requested by the Borrower and agreed to by the Lenders holding Libor Loans). Notwithstanding the foregoing (a) if any Libor Interest Period would otherwise commence before and end after the Maturity Date, such Libor Interest Period shall end on the Maturity Date, and (b) each Libor Interest Period that would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day (or if such next succeeding Business Day falls in the next succeeding calendar month, on the immediately preceding Business Day).

“Libor Loan” means a Loan denominated in U.S. Dollars and bearing interest in accordance with Section 2.5(a).

“Lien” means, with respect to any property, any hypothec, mortgage, prior claim, privilege, lien, pledge, charge, security interest, encumbrance or royalty of any kind in respect of such asset. For purposes of this Agreement, the Borrower shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property.

“Loan” means a Libor Loan or a U.S. Base Rate Loan, as the case may be.

“Loan Documents” means, collectively, all of the following, including all exhibits, schedules and attachments thereto: (a) this Agreement, (b) the Security Documents, (c) the Inter-Creditor Agreement, and any and all amendments, modifications, supplements, renewals, extensions, restatements or replacements thereof.

“Loan Life Protection Ratio” means, at any time, the ratio, expressed as such, of (a) the present value (discounted at a rate of 8% per annum compounded annually) of Projected Cash Flow Available for Debt Service to (b) Total Net Senior Debt.

“London Bullion Market Association” and “LBMA” mean The London Bullion Market Association and its successors which represent the institutions in the United Kingdom active in all aspects of bullion and the services related to it, including the clearing, physical and regulatory aspects. Among its members are those with “market making” status whose activities include the quoting of prices for buying and selling gold for spot and forward delivery throughout each working day.

“Mandatory Hedging Program” is defined in Section 8.11.

“Material Adverse Effect” means any event, fact or circumstance or series of events, facts or circumstances affecting the condition, properties, business or results of operations of the Borrower and the Subsidiaries, taken as a whole, that either individually or in the aggregate materially adversely affects or could, in the reasonable opinion of the Required Lenders, materially adversely affect the ability of the Borrower to perform any of its obligations (other than immaterial obligations) under the Loan Documents, the Hedging Agreements or the Prepaid Forward Arrangements in accordance with the respective terms thereof; provided, however, that if, in the reasonable opinion of the Required Lenders, the only material adverse effect of any

event, fact or circumstance or series of events, facts or circumstances is a loss (including any future loss of EBITDA, but net of any insurance proceeds available without material conditions) to the Borrower or the Subsidiaries of (a) less than U.S. \$10,000,000 in the aggregate (or U.S. \$1,000,000 in the aggregate in the case of Section 9.9), such event, fact or circumstance or series of events, facts or circumstances shall be presumed *prima facie* not to constitute a Material Adverse Effect, or (b) more than or equal to U.S.\$10,000,000 in the aggregate (or U.S. \$1,000,000 in the aggregate in the case of Section 9.9), such event, fact or circumstances or series of events, facts or circumstances shall be presumed *prima facie* to constitute a Material Adverse Effect.

"Maturity Date" means 31 December 2007.

"Model" means the Five-Year Plan identified by the Borrower as "Cambior Corporate Model @ 300 Sept-6-2002" which has previously been delivered to the Lenders.

"Mouska Mine" means collectively, all of the land, servitudes, easements, buildings, improvements and other immovable or real property, all of the equipment, minerals, ores and other movable or personal property, and all of the mining claims, rights (including all mining rights) and other property from time to time comprising the Mouska Mine located in the Township of Bousquet, Province of Quebec, including all assets now owned or hereafter acquired and constituting part of or used in connection with the development, construction and operation thereof.

"National" means National Bank of Canada in its capacity as Creditor in respect of the National Obligations.

"National Letter of Guarantee" means Letter of Guarantee No. L/G 203641 issued by National to the Guyana Geology and Mines Commission in the face amount of U.S.\$500,000.

"National Obligations" means the obligations of the Borrower to reimburse National for any drawing made under the National Letter of Guarantee.

"Net Proceeds" means, with respect to (a) any Asset Disposition, the gross amount received by the Borrower or any Subsidiary from such Asset Disposition, including proceeds of any insurance policies received by the Borrower or any Subsidiary in connection with such Asset Disposition and amounts received by the Borrower or any Subsidiary pursuant to any expropriation proceeding or condemnation proceeding in connection with such Asset Disposition, minus the reasonable out-of-pocket costs and expenses incurred by the Borrower or any Subsidiary in connection with such Asset Disposition (including reasonable brokerage fees paid to a Person other than an Affiliate of the Borrower or any Subsidiary, but excluding any fees or expenses paid to an Affiliate of the Borrower or any Subsidiary), and (b) any sale, issuance or exercise of Equity Securities or Debt by the Borrower or any Subsidiary, the gross amount received by the Borrower or such Subsidiary from such sale, issuance or exercise, minus the sum of the reasonable out-of-pocket costs and expenses incurred by the Borrower or any Subsidiary in connection with such sale, issuance or exercise (including reasonable brokerage fees paid to a Person other than an Affiliate of the Borrower or any Subsidiary, but excluding any fees or expenses paid to an Affiliate of the Borrower or any Subsidiary).

"Niobec Documents" means, collectively, the Joint Venture Agreement, Marketing Operator Agreement and Operators Agreement, each made as of 29 December 1978 between Niobec Inc. (a former name of the Borrower) and The Yukon Consolidated Gold Corporation Limited (a predecessor in interest of Teck Corporation), as amended by the Joint Venture Amending Agreement made as of 15 June 2000 between the Borrower and Teck Corporation and by a letter from the Borrower dated 15 November 2000, accepted by Mazarin Inc. (purchaser of the interest of Teck Corporation) on 15 November 2000.

"Niobec Mine" means collectively, all of the land, servitudes, easements, buildings, improvements and other immovable or real property, all of the equipment, minerals, ores and other movable personal property, and all of the mining claims, rights and other property from time to time comprising the mine that is described in the Niobec Documents.

"Obligations" means, collectively, the Lender Obligations, the Hedge Provider Obligations, the Prepaid Forward Obligations and the National Obligations.

"OMAI" means OMAI Gold Mines Limited, a company incorporated under the laws of the Co-operative Republic of Guyana, and its successors and assigns.

"OMAI Documents" means (a) the Articles of Association of OMAI and related Memorandum of Association between the Borrower, Golden Star Resources Ltd. and the Co-operative Republic of Guyana, both dated August 15, 1991, (b) the Mineral Agreement dated as of August 16, 1991 between the Co-operative Republic of Guyana, The Guyana Geology and Mines Commission, OMAI, the Borrower and Golden Star Resources Ltd., (c) the Mining License relating to the OMAI Mine, (d) the Credit Agreement executed on January 18, 1995 between the Borrower and OMAI, as amended by amending agreement dated as of September 10, 1996, together with the Omai Operating Account Assignment Agreement dated as of January 18, 1995 between the Borrower and OMAI, the debenture dated June 23, 1997 by OMAI in favour of the Borrower, and the agreement dated as of January 12, 2001 between OMAI and the Borrower by which OMAI's indebtedness was reduced in consideration of OMAI's agreement to deliver gold under the Prepaid Forward Arrangements, (e) the Instrument of Transfer executed on May 16, 2002 by Golden Star Resources Ltd. ("Golden Star") and (f) the Supplementary Agreement entered into as of May 16, 2002 among the Borrower, OMAI, Golden Star, the Co-Operative Republic of Guyana and the Guyana Geology and Mines Commission, as such documents may be amended, supplemented or restated from time to time pursuant to Section 9.9.

"OMAI Mine" means, collectively, all of the land, servitudes, easements, buildings, improvements and other immovable or real property, all of the equipment, minerals, ores and other movable personal property, and all of the mining claims, rights (including all Mineral Rights, as such term is defined in the Mineral Agreement referred to in clause (b) of the definition of "OMAI Documents") and other property from time to time comprising the OMAI mine located in the Co-operative Republic of Guyana.

"Participant" is defined in Section 13.6(c).

"Participation" is defined in Section 13.6(c)

“Permits” means authorisations, approvals, permits, licenses, certificates, certificates of authorisation, consents, registrations, registration numbers, filings or any other authorisations issued by any Governmental Authority.

“Portfolio Investments” means the Borrower's portfolio of investments in publicly traded securities held at the Closing Date as listed in accordance with Section 6.1(n).

“Permitted Liens” means (a) Liens in favour of the Lenders for the obligations of the Borrower under or pursuant to the Loan Documents, (b) Liens granted by a Subsidiary of the Borrower in favour of the Borrower in order to secure any of its indebtedness to the Borrower, provided that the Liens are assigned to secure the Obligations (c) Purchase Money Liens in an aggregate principal amount outstanding at any time for the Borrower and all Subsidiaries not exceeding U.S.\$3,000,000, (d) Liens imposed by any Governmental Authority for Taxes not yet due and delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrower in accordance with GAAP, and, during such period during which such Liens are being so contested, such Liens shall not be executed on any of the assets of the Borrower, (e) Liens arising by operation of law, such as prior claims, legal hypothecs securing the claims of Persons having taken part in the construction or renovation of an immovable and other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings, and, during such period during which such Liens are being so contested, such Liens shall not be executed on any of the assets of the Borrower or of any such Subsidiary, provided that the Borrower or any of such Subsidiaries shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors, (f) statutory Liens incurred or pledges or deposits made under worker's compensation, unemployment insurance and other social security legislation, (g) Liens or deposits to secure the performance of bids, tenders, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature (other than for borrowed money) incurred in the ordinary course of business, (h) servitudes, easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning or building restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of such Subsidiaries, (i) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the Borrower or the Subsidiaries shall at any time in good faith be prosecuting an appeal or proceeding for review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured, (j) the reservations, limitations and conditions contained in or implied by statute in any original grants from the Crown of any land or interest therein, statutory exceptions to title to and reservations in respect of a valid discovery with respect to unpatented mining claims, and Liens in favour of the Crown with respect to water rights and patented and unpatented mining claims, (k) 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 in accordance with applicable law or which although filed or registered, relate to obligations not due or delinquent, (l) the rights reserved to or vested in Governmental Authorities by statutory

provisions or by the terms of leases, licenses, franchises, grants or permits, which affect any land, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof, (m) securities to public utilities or to any municipalities or governmental or other public authorities when required by the utility, municipality, governmental or other public authority in connection with the supply of services or utilities to the Borrower or the Subsidiaries, (n) Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; provided, however, that, in the case of a Subsidiary such Liens or covenants do not materially and adversely affect the use of the lands by the Borrower or the Subsidiaries, (o) Liens consisting of royalties payable in accordance with the terms of the agreements listed on SCHEDULE F, (p) Liens affecting only the assets of Unrestricted Subsidiaries, (q) statutory Liens incurred or pledges or deposits made in favour of a Governmental Authority to secure the performance of obligations of the Borrower or any of the Subsidiaries under Environmental Laws to which any assets of the Borrower or such Subsidiary is subject, provided that no Default or Event of Default shall have occurred and be continuing, (r) a pledge by the Borrower for the benefit of Golden Star Resources Ltd. of the Equity Securities of Rosebel sold by Golden Star to the Borrower in May 2002 (being 50% of the then-outstanding Equity Securities of Rosebel) to secure the balance of the sale price of those Equity Securities and certain royalty payments to Golden Star (which pledge ranks *pari passu* with the Security Documents to the extent they cover the same Equity Securities) and (s) any extension, renewal or replacement of any of the foregoing; provided, however, that the Liens permitted hereunder shall not be extended to cover any additional Debt of the Borrower or additional property (other than a substitution of like property).

“Person” means any individual, corporation, company, voluntary association, partnership, joint venture, trust, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof), governor-in-council, lieutenant governor-in-council or deputy minister.

“Prepaid Forward Arrangements” means the agreements evidenced by the prepaid forward agreement between the Borrower and the Prepaid Forward Counterparty substantially in the form attached to the Inter-Creditor Agreement.

“Prepaid Forward Counterparty” means The Bank of Nova Scotia and its successors and assigns as counterparty to the Prepaid Forward Arrangements.

“Prepaid Forward Obligations” means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time owing by the Borrower to the Prepaid Forward Counterparty or remaining unpaid by the Borrower to the Prepaid Forward Counterparty under or in connection with the Prepaid Forward Arrangements. For the purposes of the definitions of “Obligations”, “Pro Rata Share” and “Required Creditors”, the amount of the Prepaid Forward Obligations as at any date of determination, (a) in respect of any Prepaid Forward Arrangements which have not been terminated, is the total amount which the Borrower would be obligated to pay to the Prepaid Forward Counterparty under such Prepaid Forward Arrangements in the event of the early termination thereof by the Prepaid Forward Counterparty as of such date as a result of the occurrence of a default or event of default (however specified or designated) with respect to the Borrower thereunder, and (b) in respect of

any transactions entered into under any of the Prepaid Forward Arrangements which have been terminated, is the total amount which the Borrower is obligated to pay to the Prepaid Forward Counterparty under such Prepaid Forward Arrangements.

"Principal Office" means the principal office of the Agent designated below its signature on the signature pages hereof or such other office of the Agent in Canada as the Agent may from time to time specify to the Borrower and the Lenders.

"Principal Mines" means the OMAI Mine, the Rosebel Mine, the Doyon Mine, the Mouska Mine, the Sleeping Giant Mine and the Niobec Mine.

"Pro Rata Share" means (a) in the case of a Lender, the proportion which the aggregate Lender Obligations of such Lender bears to the aggregate Obligations, (b) in the case of any Hedge Provider, the proportion which the aggregate Hedge Provider Obligations of such Hedge Provider bears to the aggregate Obligations, (c) in the case of the Prepaid Forward Counterparty, the proportion which the Prepaid Forward Obligations bears to the aggregate Obligations, and (d) in the case of National, the proportion which the aggregate National Obligations bears to the aggregate Obligations.

"Probable Reserves" means a natural aggregate of one or more minerals which, under specified conditions, may be economically extracted (a) for which tonnage and grade are computed partly from specific measurements, sample or production data and partly from projection for a reasonable distance on geological evidence and for which the sites available for inspection, measurement and sampling are too widely or otherwise inappropriately spaced to outline the material completely or to establish its grade throughout, and (b) which is technically and economically mineable under then current economic and operating conditions (after giving effect to the Borrower's then current hedge position) all in accordance with the National Instrument 43-101 adopted by the Canadian Securities Administrators, as amended, supplemented, restated and replaced from time to time.

"Proceeds of Realization" means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Collateral upon the enforcement of the Security Documents and any payment or other consideration (including any delivery of gold pursuant to the Prepaid Forward Arrangements or any Hedge Agreement and any proceeds of exercise of any right of compensation or setoff, counterclaim, prior claim or legal hypothec by a Creditor) received by any Creditor on account of any of the Obligations after the commencement of enforcement of the Security Documents.

"Projected Cash Flow Available for Debt Service" means, on any date, the projected amount for the period commencing on such date and ending on the Maturity Date, calculated in accordance with the following requirements:

(a) Projected Cash Flow Available for Debt Service shall be calculated as the projected consolidated operating cash flow of the Borrower (before Interest Expense) minus projected capital expenditures, projected capitalized exploration costs, and projected lease payments, and plus or minus projected working capital adjustments, in each case, for such period;

(b) Projected Cash Flow Available for Debt Service must be based on the most recent Five-Year Plan delivered by the Borrower to the Agent and the Lenders and accepted by the Lenders;

(c) Projected Cash Flow Available for Debt Service must be calculated on the basis that the price of any ounce of gold is, in respect of all gold the delivery of which is to be made pursuant to an existing Hedging Contract, the price specified in such Hedging Contract and, in respect of any other gold, the price that is the lesser of (i) U.S.\$300 per ounce and (ii) the 90-day trailing average price per ounce of gold on the "London gold p.m. fix";

(d) Projected Cash Flow Available for Debt Service must be calculated on the basis that the price of any kilogram of niobium is, in respect of all niobium the delivery of which is to be made pursuant to an existing sale contract, the price specified in such sale contract and, in respect of any other niobium, the 180-day trailing average of the Borrower's realized price per kilogram of niobium;

(e) Projected Cash Flow Available for Debt Service must be calculated on the basis that the price of any currency is, in respect of all currency the delivery of which is to be made pursuant to an existing Hedging Contract, the price specified in such Hedging Contract and, in respect of any other currency, the 180-day trailing average price for such currency based upon the Bank of Canada noon spot rate for such currency;

(f) Projected Cash Flow Available for Debt Service must not include the cash flow of any Subsidiary that, due to contractual limitations on the Subsidiary or otherwise, cannot be made available for use by the Borrower and must not include the cash flow attributable to any Unrestricted Subsidiary unless the Borrower elects not to make any exclusion relating to Unrestricted Subsidiaries in accordance with the definition of EBITDA;

(g) Projected Cash Flow Available for Debt Service must be calculated after allowing for deduction of any royalties payable, calculated at a price that is the lesser of (i) U.S.\$300 per ounce and (ii) the 90-day trailing average price per ounce of gold on the "London gold p.m. fix."

"Proven Reserves" means a natural aggregate of one or more minerals which, under specified conditions, may be economically extracted (a) for which tonnage is computed from dimensions revealed in outcrops or trenches or underground workings or drill holes and for which the grade is computed from the results of adequate sampling and for which the sites for inspection, sampling and measurement are so spaced and the geological character so well defined that the size, shape and mineral content are established and for which the computed tonnage and grade are judged to be accurate within the stated limits, and (b) which is technically and economically mineable under current economic and operating conditions (after giving effect to the Borrower's current hedge position) all in accordance with the National Instrument 43-101 adopted by the Canadian Securities Administrators, as amended, supplemented, restated and replaced from time to time.

"Purchase Money Liens" means Liens upon immovable or real property or movable or personal property acquired by purchase, construction or otherwise, by the Borrower or the Subsidiaries, which Liens either (a) existed on such property before the time of its acquisition and were not created in anticipation thereof, or (b) were created solely for the purpose of securing Debt of the

Borrower or any such Subsidiary representing, or incurred to finance, refinance or refund, the cost (including the cost of construction) of their respective property; provided, however, that no such Lien shall extend to or cover any property of the Borrower or any such Subsidiary other than the respective property so acquired and improvements thereon and provided further that the principal amount of any Debt secured by any such Lien shall at no time exceed 90% of the fair market value (as determined in good faith by a Responsible Officer of the Borrower or any such Subsidiary) of the respective property at the time it was acquired (by purchase, construction or otherwise).

“Receiver” means a receiver, receiver and manager or other person having similar powers or authority appointed under any of the Security Documents or by a court in respect of any of the Collateral.

“Reference Lenders” means, subject to Section 12.21, the Applicable Lending Offices of The Bank of Nova Scotia, Societe Generale (Canada) and National Bank of Canada.

“Regulatory Change” means, with respect to any Lender, the enactment, promulgation, execution or ratification of, or any change in or amendment to, any Law, or in the application or interpretation of any Law, or the adoption or making of any official directive, guideline, request, rule or the like (whether or not having the force of law but, if not, compliance with which is reasonable and accepted practice of financial institutions generally) applying to a class of Lenders (including such Lender) by any Governmental Authority charged with the interpretation or administration thereof, in each case that occurs on or after the Closing Date, and includes any change or amendment in the application or interpretation by any Governmental Authority having jurisdiction over a Lender or its Applicable Lending Office or an Affiliate of such Lender of the matters set out in the statement of the Basle Committee on Banking Regulations and Supervisory Practices dated July 1988 and entitled “International Convergence of Capital Measurement and Capital Standards”.

“Reimbursement Obligations” means, at any date, the obligations of the Borrower then outstanding in respect of the Letters of Credit, to reimburse the Agent for the account of the Issuing Bank for amounts actually paid by the Issuing Bank in respect of drawings under the Letters of Credit.

“Release” means, as to any Person, any release, spill, emission, leaking, pumping, injection, deposit, discharge, disposal, leaching or migration of Hazardous Materials into the Environment or into or out of property owned by such Person, including the movement of Hazardous Materials through or in the air, soil, surface water or ground water.

“Replaceable Lender” means any Lender which is deemed to be a Replaceable Lender for purposes of, and pursuant to, Section 5.5.

“Replacement Lender” means any financial institution, which may be a Lender, proposed by the Borrower to replace a Replaceable Lender pursuant to Section 5.5.

“Required Creditors” means, at any time, Creditors to whom are owed not less than 66-2/3% of the aggregate amount of all outstanding Revolving Credit Commitments and Term Credit

Commitments, Hedge Provider Obligations, Prepaid Forward Obligations and National Obligations at such time.

“Required Lenders” means Lenders having at least 66-2/3% of the aggregate amount of all outstanding Revolving Credit Commitments and Term Credit Commitments.

“Reserve Tail” means, as at any date of determination, the aggregate of (a) the Proven Reserves and Probable Reserves of gold (in each case *in situ*) on the date of determination of the Borrower's mines that are producing as at the Closing Date (excluding any joint venture interests of third parties) and the Rosebel Mine (unless it does not reach Commercial Completion on or before the Rosebel Completion Deadline), less (b) 105% of the scheduled production of gold for those mines for the period commencing on the first day of the Fiscal Year of the Borrower during which such date of determination falls and ending on the Maturity Date, in each case as such scheduled production is set out from time to time in the then current Five-Year Plan of the Borrower.

“Responsible Officer” means, with respect to any corporation, the Chairman, the President, any Vice-President, the Chief Executive Officer or the Chief Operating Officer; unless otherwise specified, all references herein to a “Responsible Officer” mean a Responsible Officer of the Borrower.

“Restricted Payment” means a payment of dividends (in cash, property or obligations) on, or other payments or distribution on account of, or the setting apart of money for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of, any shares of any class of the share capital of the Borrower, but excluding dividends payable solely in shares of the share capital of the Borrower.

“Revolving Credit” means the U.S.\$10,000,000 revolving credit facility established pursuant to the Revolving Credit Commitments of the Revolving Credit Lenders.

“Revolving Credit Commitment” is defined in Section 2.1(a).

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Credit Loans and its LC Exposure at such time.

“Revolving Credit Lender” means any Lender having a Revolving Credit Commitment hereunder and/or a Revolving Credit Loan outstanding hereunder.

“Revolving Credit Loan” is defined in Section 2.1(a).

“Rosebel” means Rosebel Gold Mines N.V., a corporation established under the laws of Suriname.

“Rosebel Account” means an account maintained by the Borrower with any Lender into which the Borrower shall deposit the proceeds of all Term Credit Loans obtained in accordance with Section 6.2 and the additional funds required to be deposited in accordance with Section 6.2(c).

"Rosebel Completion Deadline" means 31 December 2004 plus the length of any delay caused by any of the following events which has a material adverse effect upon or could reasonably be anticipated to have a material adverse effect upon the Rosebel Completion Deadline or the ability of the Borrower to achieve same: acts of God, earthquakes, tidal waves, hurricanes, landslides, wind storms, severe and unusual weather conditions, lightning, floods, explosions, fires, vandalism, wars (whether declared or not), armed conflicts (whether internal or international), riots, insurrections, rebellions, civil commotions, acts of an enemy power, sabotage, blockades, embargoes, epidemics, partial or entire failures of utilities, strikes or other labour disruptions or any other event or cause, whether similar or dissimilar to the foregoing, beyond the reasonable control of the Borrower, but in any event not later than 31 March 2005.

"Rosebel Documents" means the Suriname Gold Mining Project Mineral Agreement Gross Rosebel dated as of 7 April 1994 among The Republic of Suriname represented by the Minister of Natural Resources and the Minister of Finance, Grasshopper Aluminum Company N.V. and Golden Star Resources Ltd.; letter dated 10 January 2002 from the Ministry of Natural Resources of The Republic of Suriname to the Borrower, setting out business conditions for the Rosebel Mine; letter dated 6 May 2002 from the Ministry of Natural Resources of The Republic of Suriname to the Borrower, consenting to the transfer by Golden Star Resources Ltd. to the Borrower and related transactions; supplementary agreement effective as of 16 May 2002 among The Republic of Suriname represented by the Minister of Natural Resources and the Minister of Finance, Grasshopper Aluminum Company N.V., the Borrower and Golden Star Resources Ltd.; letter dated 17 May 2002 from Grasshopper Aluminum Company N.V. to the Borrower and Golden Star Resources Ltd. waiving its right of first refusal in connection with the transfer by Golden Star Resources Ltd. to the Borrower; and any documents entered into after the Closing Date in connection with advances made by the Borrower to Rosebel or security for those advances.

"Rosebel Mine" means collectively, all of the land, servitudes, easements, buildings, improvements and other immovable or real property, all of the equipment, minerals, ores and other movable personal property, and all of the mining claims, rights (including the Right of Exploitation as that term is defined in the Mineral Agreement described in the definition of "Rosebel Documents") and other property from time to time comprising the Rosebel mine located in the Republic of Suriname.

"Security Documents" means any and all agreements or instruments now or hereafter executed and delivered by the Borrower, any Subsidiary or any other Person as security for the payment and performance of the obligations of the Borrower hereunder, as any of the foregoing may have been, or may hereafter be, amended, restated, modified or supplemented, including those listed on SCHEDULE G.

"Sleeping Giant Documents" means the agreement executed on 29 January 1991 with effect as of 1 July 1990 between the Borrower and Aurizon Mines Ltd. as supplemented by a letter from the Borrower dated 25 September 1991, accepted by Aurizon Mines Ltd. on 2 October 1991 and as amended by the joint venture amending agreement dated as of 18 December 2000 between the Borrower and Aurizon Mines Ltd.

"Sleeping Giant Mine" means collectively, all of the land, servitudes, easements, buildings, improvements and other immovable or real property, all of the equipment, minerals, ores and other movable personal property, and all of the mining claims, rights and other property from time to time comprising the mine and the surrounding and additional claims that are the subject of the Sleeping Giant Documents.

"Study" means the "Rosebel Project Suriname Feasibility Study" by the Borrower dated August 2002.

"Subordinated Debt" means any Debt of the Borrower or any Subsidiary which is fully subordinated and postponed to all of the Obligations on terms satisfactory to the Required Lenders, including provision for repayment to occur only after the Maturity Date.

"Subsidiary" means (a) any company or corporation of which the Borrower or any of its Affiliates holds, directly or indirectly, securities to which are attached more than 50% of the votes that may be cast to elect directors of such company or corporation, (b) any limited partnership of which the Borrower or any of its Affiliates owns, directly or indirectly, more than 50% of the partnership shares or interests that carry the power to direct or cause the direction of the management and policies of such limited partnership, and (c) generally any company, corporation or limited partnership whose financial statements or accounts are or should be, in accordance with GAAP, wholly or proportionately consolidated with the financial statements or accounts of the Borrower.

"Syndication Agent" is defined in the initial paragraph of this Agreement.

"Taxes" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties with respect thereto, imposed by any Governmental Authority (including federal, state, provincial, municipal and foreign Governmental Authorities), and whether disputed or not.

"Technical Agent" is defined in the initial paragraph of this Agreement.

"Term Credit" means the U.S.\$55,000,000 term credit established pursuant to the Term Credit Commitments of the Term Credit Lenders.

"Term Credit Commitment" is defined in Section 2.1(b).

"Term Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Term Credit Loans.

"Term Credit Lender" means any Lender having a Term Credit Loan outstanding hereunder.

"Term Credit Loan" is defined in Section 2.1(b).

“Total Net Senior Debt”, means, as at any date of determination, the aggregate amount of the Debt of the Borrower and the Subsidiaries less (a) Cash, (b) any Subordinated Debt and (c) any Debt incurred by Unrestricted Subsidiaries in respect of which there is no recourse, including by way of Guarantee, to the Borrower or another Subsidiary. For the purpose of calculating the Loan Life Protection Ratio, until Commercial Completion has occurred, Total Net Senior Debt shall be calculated as if the Term Credit and the Revolving Credit have been fully drawn.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to Libor or the U.S. Base Rate.

“Unrestricted Assets” means collectively, any property of the Borrower and the Subsidiaries that is (i) a producing mine or exploration property other than the Principal Mines, (ii) property used solely in connection with or arising solely from a producing mine or exploration property other than the Principal Mines, (iii) an Equity Security of an Unrestricted Subsidiary, or (iv) a publicly traded Equity Security acquired pursuant to Section 9.11.

“Unrestricted Subsidiary” means any Subsidiary the only assets of which are Unrestricted Assets.

“U.S. Base Rate” means, at any time, the rate of interest per annum determined by the Agent to be the greater of (a) the rate of interest per annum then most recently established by the Agent as its commercial reference rate then in effect for determining interest rates on commercial loans in U.S. Dollars made in Canada by the Agent and (b) the rate of interest per annum equal to the Federal Funds Rate plus 0.50%. Each change in any interest rate provided for herein based upon the U.S. Base Rate resulting from a change in the U.S. Base Rate shall take effect without notice to the Borrower at the time of such change in the U.S. Base Rate.

“U.S. Base Rate Loan” means a Loan denominated in U.S. Dollars and bearing interest in accordance with Section 2.5(a).

“U.S. Dollars” and “U.S. \$” mean lawful money of the United States of America.

Section 1.2 Rules of Interpretation

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “or” is disjunctive; the word “and” is conjunctive. The word “shall” is mandatory; the word “may” is permissive. The words “to the knowledge of” means, when modifying a representation, warranty or other statement of any Person, that the fact or situation described therein is known by the Person (or, in the case of a Person other than a natural Person, known by a Responsible Officer of that Person) making the representation, warranty or other statement, or with the exercise of reasonable due diligence under the circumstances (in accordance with the standard of what a reasonable Person in similar circumstances would have done) would have been known by the Person (or, in the case of a Person other than a natural Person, would have been known by a Responsible Officer of that Person). Unless the context requires otherwise (a) any definition of or reference to any

agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections and Schedules shall be construed to refer to Articles and Sections of, and Schedules to, this Agreement, and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. "In writing" or "written" as used in this Agreement shall include printing, typewriting, and any electronic means of communication capable of being visibly reproduced at the point of reception, including telecopier or telegraph. Unless otherwise specified, any currency reference herein is to U.S. Dollars.

Section 1.3 Accounting Terms and Determinations

Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall be prepared, in accordance with GAAP as applied by the Borrower on a consistent basis. All calculations made for the purposes of determining compliance with the terms of this Agreement shall, except as otherwise expressly provided herein, be made by application of GAAP and on a consolidated basis.

Section 1.4 Inter-Creditor Agreement

For as long as the Inter-Creditor Agreement is in effect, it shall prevail over this Agreement to the extent of any inconsistency in the terms of the Inter-Creditor Agreement and the terms of this Agreement.

ARTICLE 2 CREDIT FACILITIES

Section 2.1 Commitments

- (a) Revolving Credit. Subject to the terms and conditions set forth herein, each Revolving Credit Lender commits to make revolving loans ("Revolving Credit Loans") to the Borrower from time to time during the period commencing on the Closing Date and ending on the Maturity Date in an aggregate principal amount that will not result in (i) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment, or (ii) the sum of the total Revolving Credit Exposures exceeding the total Revolving Credit Commitments. In addition, subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit as an availment of the Revolving Credit Commitment, in a form reasonably acceptable to the Issuing Bank, at any time and from time to time up to the date that is five Business Days prior to the Maturity Date, but the LC Exposure shall not at any time exceed U.S. \$1,000,000. Upon the effectiveness of this Agreement as contemplated in Section 6.1, the outstanding

"Revolving Credit Loans" owing by the Borrower pursuant to the Existing Credit Agreement as of the date hereof, if any, shall become, and shall be deemed to be, Revolving Credit Loans outstanding under, and governed by, this Agreement. The amount of each Lender's pro rata share of the Revolving Credit Loans and LC Exposure is set forth under the heading "Revolving Credit Commitment" below the Lender's name on the signature pages hereof and is referred to as such Lender's "Revolving Credit Commitment".

- (b) Term Credit. Subject to the terms and conditions set forth herein, each Term Credit Lender commits to make non-revolving loans ("Term Credit Loans") to the Borrower from time to time during the period commencing on the Closing Date and ending on the date established under Section 6.2(g) in an aggregate principal amount that will not result in (i) such Lender's Term Credit Exposure exceeding such Lender's Term Credit Commitment, or (ii) the sum of the total Term Credit Exposures exceeding the total Term Credit Commitments. Upon the effectiveness of this Agreement as contemplated in Section 6.1, the outstanding "Term Credit Loans" owing by the Borrower pursuant to the Existing Credit Agreement as of the date hereof (being U.S.\$22,438,690) shall become, and shall be deemed to be, Term Credit Loans outstanding under, and governed by, this Agreement. The amount of each Lender's pro rata share of the Term Credit Loans is set forth under the heading "Term Credit Commitment" below the Lender's name on the signature pages hereof and is referred to as such Lender's "Term Credit Commitment".
- (c) Types of Loans. All Revolving Credit Loans and Term Credit Loans made pursuant hereto shall be either LIBOR Loans or U.S. Base Rate Loans. The Type of each Loan to be made pursuant hereto shall be selected by the Borrower, subject to the provisions of this Agreement. All Revolving Credit Loans and all Term Credit Loans shall be denominated in U.S. Dollars.

Section 2.2 Purpose and Use of Proceeds

The Borrower shall use the proceeds of the Term Credit Loans made after the Closing Date to assist in financing construction of the Rosebel Mine. The Borrower shall use the proceeds of the Revolving Credit Loans for general corporate purposes, including working capital management and development of the Rosebel Mine.

Section 2.3 Further Borrowings

- (a) Any amount repaid or prepaid by the Borrower in respect of Term Credit Loans may not be reborrowed.
- (b) Within the limits of the Revolving Credit Commitments and subject to the conditions set out in ARTICLE 6, the Borrower may obtain Borrowings of Revolving Credit Loans and may obtain, renew and extend Letters of Credit, repay or prepay such Revolving Credit Loans, return Letters of Credit for cancellation and reborrow such Revolving Credit Loans or obtain further Letters of Credit.

Section 2.4 Termination and Reduction of Commitments; Maturity Date; Mandatory Prepayments

- (a) Unless previously terminated, the Revolving Credit Commitments and the Term Credit Commitments shall terminate on the Maturity Date.
- (b) Subject to earlier repayment as may be required pursuant to ARTICLE 11, and subject to the mandatory prepayments required by the balance of this Section 2.4, the Borrower will repay all of the Loans on or before the Maturity Date.
- (c) Beginning on 30 June 2004, the aggregate outstanding principal amount of the Term Credit Loans shall be permanently repaid in quarterly payments on the last Business Day of each of March, June, September and December in the principal amounts set forth below:

Date of Payment	Amount of Payment
Each quarter in 2004 (beginning on 30 June 2004)	U.S. \$5,000,000
Each quarter in 2005	U.S. \$4,000,000
Each quarter in 2006	U.S. \$4,000,000
Each quarter in 2007	U.S. \$2,000,000

All payments required by this Section 2.4(c) shall be paid in U.S. Dollars and shall be shared pro rata among the Term Credit Lenders. The payments required by this Section 2.4(c) shall be reduced pro rata by the payments required under Section 2.4(d), Section 2.4(e) and Section 2.4(f).

- (d) In the event of an Asset Disposition (other than inventory sold in the ordinary course of business, Asset Dispositions that affect only Unrestricted Assets and liquidation of the Portfolio Investments), the Borrower shall pay or cause to be paid to the Agent, for the account of the Term Credit Lenders as a permanent repayment and reduction of the Term Credit, promptly after receipt by the Borrower of the relevant Net Proceeds, an amount equal to the product of the Net Proceeds multiplied by the percentage specified in Section 2.4(g) provided, however, that the Borrower shall not be required to make a prepayment pursuant to this Section 2.4(d) in respect of any Asset Disposition for Net Proceeds of less than U.S.\$1,000,000 unless Asset Dispositions that would otherwise require a prepayment have already been made for aggregate Net Proceeds of U.S.\$5,000,000, in which case, for greater certainty, the Borrower shall be required to make a payment pursuant to this Section 2.4(d) for each subsequent such Asset Disposition.
- (e) In the event of any sale or issuance (including upon the exercise of warrants) by the Borrower or any Subsidiary (except by an Unrestricted Subsidiary or to the Borrower) of any Debt or Equity Securities, the Borrower shall pay or cause to be paid to the Agent,

for the account of the Term Credit Lenders as a permanent repayment and reduction of the Term Credit, promptly after receipt by the Borrower or Subsidiary of the relevant Net Proceeds, an amount equal to the product of the Net Proceeds multiplied by the percentage specified in Section 2.4(g). The repayment and reduction of the Term Credit required under this Section 2.4(e) in respect of the first U.S.\$40,000,000 of Net Proceeds received during 2003 from Equity Securities is limited to U.S.\$5,000,000

- (f) Within 120 days after the end of each Fiscal Year of the Borrower (beginning with fiscal 2004), the Borrower shall pay to the Agent, for the account of the Term Credit Lenders as a permanent repayment and reduction of the Term Credit, an amount equal to the product of the Borrower's Free Cash Flow for such Fiscal Year (or for fiscal 2004, the Fiscal Quarters beginning after the date of Commercial Completion) multiplied by a percentage that will vary according to the Loan Life Protection Ratio calculated as at the end of the Fiscal Year based on the table in Section 2.4(g).
- (g) The percentage of Net Proceeds to be paid will be 50% before Commercial Completion and, after Commercial Completion, will vary according to the Loan Life Protection Ratio calculated at the end of the Fiscal Quarter immediately preceding the event giving rise to the required prepayment, as follows:

Loan Life Protection Ratio	Prepayment Percentage
Less than 1.75 to1	75%
Greater than or equal to 1.75 to1 but less than 2.00 to 1	50%
Greater than or equal to 2.00 to1	0%

- (h) Notwithstanding the prepayment requirements set forth in Section 2.4(e) the Borrower shall not be required to make a mandatory prepayment in respect of funds received by way of any flow through share financings or government assistance programs.
- (i) No Lender shall be entitled to any prepayment penalties in connection with mandatory prepayments other than amounts payable under Section 4.8.

Section 2.5 Interest and Letter of Credit Fees

- (a) Until and including the date of delivery to the Agent of a satisfactory compliance certificate for the Fiscal Quarter in which Commercial Completion occurs, interest shall accrue on the unpaid principal amount of each outstanding Loan for the period from and including the date of such Loan to but excluding the date such Loan is paid in full (i) during the period such Loan is a Libor Loan, for each Libor Interest Period relating thereto, at Libor for such Libor Interest Period, plus 2.50% and (ii) during the period such Loan is a U.S. Base Rate Loan, at the U.S. Base Rate plus 1.50%. Thereafter, the applicable interest rates shall be adjusted as of the date of delivery to the Agent of a satisfactory compliance certificate for each Fiscal Quarter and shall be the interest rates,

expressed as a percentage, set out in the table immediately below across from the Loan Life Protection Ratio calculated as at the end of the Fiscal Quarter that is the subject of the compliance certificate:

Loan Life Protection Ratio	Interest Rate for all Libor Loans and all U.S. Base Rate Loans
Less than 1.75 to 1	Libor plus 2.25% or U.S. Base Rate plus 1.25%
Greater than or equal to 1.75 to 1 but less than 2.00 to 1	Libor plus 2.00% or U.S. Base Rate plus 1.00%
Greater than or equal to 2.00 to 1 but less than 2.25 to 1	Libor plus 1.75% or U.S. Base Rate plus 0.75%
Greater than or equal to 2.25 to 1	Libor plus 1.50% or U.S. Base Rate plus 0.50%

If, at any time, the Borrower fails to deliver financial statements as required by Section 8.1(a) or Section 8.1(b)(i) on or before the date required pursuant to Section 8.1(without regard to any grace periods), the applicable interest rates for each outstanding Loan will be Libor plus 2.25% or U.S. Base Rate plus 1.25%, as applicable, from the date such financial statements are due pursuant to Section 8.1 (without regard to any grace periods) through the date the Administrative Agent receives all financial statements that are then due pursuant to Section 8.1(a) or Section 8.1(b)(i).

- (b) Notwithstanding the foregoing, the Borrower shall pay to the Agent on demand, for the account of each Lender, interest at the applicable Default Rate (to the fullest extent permitted by Law) on any principal of any Loan made by such Lender and on any other amount payable by the Borrower under the Loan Documents to or for the account of such Lender or the Agent, as the case may be, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to but excluding the date the same is paid in full.
- (c) Accrued interest on each outstanding Loan shall be payable (i) in the case of a Libor Loan, on the last day of each Libor Interest Period therefor and, if such Libor Interest Period is longer than 90 days, at 90-day intervals following the first day of such Libor Interest Period, and (ii) in the case of U.S. Base Rate Loans, on the last day of each month. Interest payable at the Default Rate shall be payable from time to time on demand.
- (d) Together with any prepayment of principal of any outstanding Loan under Section 4.4, the Borrower shall pay any accrued interest to the date of such payment, together with any amounts required to be paid pursuant to ARTICLE 5 in connection therewith.
- (e) The Borrower agrees to pay (i) to the Agent for the account of each Revolving Credit Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same rate as the applicable margin above Libor on Libor Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee,

which shall accrue at the rate of 0.15% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's customary administrative, issuance, amendment, renewal, extension, payment and negotiation charges with respect to any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees shall be payable on the last day of each month; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this Section 2.5(e) shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 365 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.6 Commitment Fees

The Borrower hereby unconditionally promises to pay to the Agent for the account of and distribution to each Lender in accordance with its Applicable Percentage a commitment fee on the average daily excess amount of its Revolving Credit Commitment over its Revolving Credit Exposure and of its Term Credit Commitment over its Term Credit Exposure for the period commencing on the date hereof to and including the Maturity Date, or such earlier date as that Lender's Revolving Credit Commitment or Term Credit Commitment, as applicable, has been terminated entirely. The commitment fee shall be computed at a rate of 0.75% per annum until and including the date of delivery to the Agent of a satisfactory compliance certificate for the Fiscal Quarter in which Commercial Completion occurs. Thereafter, the commitment fee rate shall be adjusted as of the date of delivery to the Agent of a satisfactory compliance certificate for each Fiscal Quarter and shall be the rate, expressed as a percentage per annum, set out in the table immediately below across from the Loan Life Protection Ratio calculated as at the end of the Fiscal Quarter that is the subject of the compliance certificate:

Loan Life Protection Ratio	Commitment Fee
Less than 1.75 to 1	0.75%
Greater than or equal to 1.75 to 1 but less than 2.00 to 1	0.50%
Greater than or equal to 2.00 to 1 but less than 2.25 to 1	0.40%
Greater than or equal to 2.25 to 1	0.30%

All commitment fees shall be payable in arrears on the last Business Day of each Fiscal Quarter, commencing on 31 March 2003, and on the date on which the Revolving Credit Commitments or Term Credit Commitments, as applicable, terminate. All commitment fees shall be computed on the basis of a year of 365 days and shall be payable for the actual number days elapsed (including the first day but excluding the last day).

Section 2.7 Closing Fees and Other Fees

The Borrower shall pay to the Administrative Agent, for the account of the Lenders, on the Closing Date, a closing fee in an amount equal to 2% of the aggregate Revolving Credit Commitment and Term Credit Commitment of such Lender (calculated as of the Closing Date). The Borrower shall also pay to the Agent the fees separately agreed to from time to time by the Borrower and the Agent. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Agent for distribution in accordance with the amount of fees due and payable to the respective Lenders. Fees paid shall not be refundable under any circumstances.

ARTICLE 3 SECURITY

Section 3.1 Security

As security for the Obligations, the Borrower has delivered or shall deliver or cause the delivery of the following, all in form and substance satisfactory to the Lenders and subject only to Permitted Liens:

- (a) one or more hypothecs, mortgages, security agreements, pledge agreements and other security-related documents covering all of the present and future property of the Borrower and each Subsidiary, including (i) specific charges of real and immovable property, (ii) specific pledges of all Equity Securities of Subsidiaries, certificates or other instruments representing all such Equity Securities, together with stock powers or other instruments of transfer with respect thereto endorsed in blank, (iii) specific pledges of promissory notes evidencing any Debt of the Borrower or any Subsidiary that is owing to the Borrower or any Subsidiary together with all such promissory notes and instruments of transfer with respect thereto endorsed in blank and (iv) specific assignments of any security held by the Borrower or any Subsidiary for any Debt referred to in item (iii);
- (b) an unlimited, unconditional guarantee by each Subsidiary of the present and future debts, liabilities and obligations of the Borrower under or in connection with this Agreement;
- (c) agreements regarding insurance policies (including the Foreign Investment Insurance Policy) maintained by the Borrower and the Subsidiaries that are required to ensure payment under those policies as required by this Agreement.

In connection with the Security Documents, all documents and instruments, including financing statements or other appropriate filings, required by law or reasonably requested by the Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect such Liens to the extent, and with the priority, required by the Security Documents, shall be filed, registered or recorded as required by the Agent. In addition, the Borrower and each Subsidiary shall obtain all material consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder.

Each guarantee, hypothec, mortgage, security agreement, pledge agreement and other document delivered pursuant to ARTICLE 3 shall be deemed to be a Security Document from and after the date of execution thereof. The Security Documents held in connection with the Existing Credit Agreement and those currently required to be delivered in connection with this Agreement (including amendments, supplements and confirmations to pre-existing Security Documents and all filings, registrations and recordings) are listed in SCHEDULE G.

Notwithstanding the foregoing:

- (d) the requirements specified above need not be satisfied to the extent expressly stated in SCHEDULE G;
- (e) the requirements specified above need not be satisfied with respect to Unrestricted Assets (although Unrestricted Assets may be or become subject to the Lien created by any Security Document in accordance with the terms thereof) and Unrestricted Subsidiaries;
- (f) with respect to any Person that becomes a Subsidiary after the date hereof, such Person shall have until the 90th day after such Person becomes a Subsidiary to obtain any approvals that are required by the foregoing requirements and that cannot reasonably be obtained at or before the time such Person becomes a Subsidiary.

Section 3.2 Additional Subsidiaries; Additional Liens

If, at any time on or after the Closing Date, the Borrower or any Subsidiary creates or acquires an additional Subsidiary or in some other fashion becomes the holder of any Equity Securities of a new Subsidiary, the Borrower will, and will cause any relevant Subsidiary, to immediately execute and deliver to the Agent Security Documents sufficient to comply with Section 3.1, together with such corporate resolutions, certificates, legal opinions and such other related documents as shall be reasonably requested by the Agent and consistent with the relevant forms and types thereof delivered on the Effective Date or as shall be otherwise reasonably acceptable to the Agent.

Section 3.3 Continuing Perfection; Further Assurances

The Borrower will and will cause each Subsidiary (including any Subsidiary that is acquired or formed after the Closing Date) to comply at all times with the requirements of Section 3.1. The Borrower will and will cause each Subsidiary to cure promptly any defects in the execution and delivery of the Loan Documents, including this Agreement. Upon request, the Borrower will, at its expense, as promptly as practical, execute and deliver to the Administrative Agent, all such other and further documents, agreements and instruments (and cause each Subsidiary to take such action) in compliance with or performance of the covenants and agreements of the Borrower or any Subsidiary in any of the Loan Documents or to further evidence and more fully describe the Collateral, or to correct any omissions in any of the Loan Documents, or more fully to state the security obligations set out herein or in any of the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or obtain any consents, all as may be necessary or appropriate in connection therewith. If any material assets (including any real or immovable property or improvements thereto or any interest therein, and Equity Securities or any promissory notes

evidencing any Debt of the Borrower or any Subsidiary that is owing to the Borrower or any Subsidiary) are acquired by the Borrower or any Subsidiary after the Closing Date (other than assets constituting Collateral under the Security Documents that become subject to the Lien of the Security Documents upon acquisition thereof), the Borrower will notify the Agent and the Lenders thereof, and, if requested by the Agent or the Required Lenders, the Borrower will cause such assets to be subjected to a Lien securing its obligations hereunder and to the Hedge Providers and will take, and cause any Subsidiary to take, such actions as shall be necessary or reasonably requested by the Agent to grant and perfect such Liens, all at the expense of the Borrower.

Section 3.4 Acknowledgement Regarding Gold Deliveries

The Lenders, the Hedge Providers and National acknowledge that any gold delivered at any time prior to commencement of enforcement of the Security Documents by the Borrower to the Prepaid Hedge Counterparty in accordance with the Prepaid Forward Arrangements shall be received by the Prepaid Hedge Counterparty free of any Lien arising under the Security Documents.

Section 3.5 Acknowledgement Regarding Asset Dispositions

The Lenders, the Hedge Providers, National and the Prepaid Forward Counterparty acknowledge that, prior to commencement of enforcement of the Security Documents, and notwithstanding any provision of this Agreement or the Security Documents to the contrary:

- (a) the Collateral Agent shall be entitled to release (including, for greater certainty, to cause any trustee acting for or on behalf of the Collateral Agent to release) from the hypothecs, security interests and other liens constituted by the Security Documents any Unrestricted Asset or any asset which is the subject of an Asset Disposition provided that such Asset Disposition has been approved in writing by the Required Lenders or is otherwise permitted by this Agreement;
- (b) the Collateral Agent shall distribute the Net Proceeds of any Asset Disposition described in Section 3.5(a) in accordance with Section 2.4(d).

ARTICLE 4

BORROWINGS, PAYMENTS AND EVIDENCE OF INDEBTEDNESS

Section 4.1 Amounts of Borrowings

The aggregate principal amount of each Borrowing under the Revolving Credit shall be not less than U.S.\$500,000 and shall be an integral multiple of U.S.\$100,000. The aggregate principal amount of each Borrowing under the Term Credit shall be not less than U.S.\$5,000,000 and shall be an integral multiple of U.S.\$500,000. Each continuation of a Libor Loan, and each conversion of a Libor Loan into a U.S. Base Rate Loan (or vice-versa) shall be in a principal amount of at least U.S. \$5,000,000 or an integral multiple of U.S. \$250,000 in excess thereof (or such lesser amount as may represent the balance of the Loans). Notwithstanding the preceding provisions of this Section 4.1, a Borrowing may be in an aggregate amount that is equal to the entire unused balance of the applicable Commitments or, in the case of the Revolving Credit,

that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 4.7(d).

Section 4.2 Conversions and Continuations

(a) Subject to Section 4.1 and Section 4.2(b), the Borrower will have the right (i) to convert any outstanding Libor Loan into a U.S. Base Rate Loan or any outstanding U.S. Base Rate Loan into a Libor Loan, and (ii) to continue any outstanding Libor Loan from one Libor Interest Period to the next, in each case without novation, upon giving to the Agent a Borrowing Notice with respect to each continuation or conversion of a Loan as provided in Section 4.5; provided, however, that a Libor Loan may only be continued or converted on the last day of the Libor Interest Period applicable thereto.

(b) No more than five Libor Loans having different Libor Interest Periods shall be outstanding from all Lenders at any one time. For such purposes, all outstanding Libor Loans of all Lenders having Libor Interest Periods ending on the same date shall be deemed to be one Libor Loan.

Section 4.3 Availability

(a) No later than 1:00 p.m. Toronto time on the date specified for each Borrowing of any Loan hereunder, each Lender will make available to the Agent the amount of the Loan to be made by it on such date, at The Bank of Nova Scotia, New York Agency, ABA No. 02600253-2, SWIFT NOSCCATT, for credit to BNS Wholesale Banking Operations, Toronto, Ontario, Account No. 6027-36 (Attn: John Hall - Loan Operations, Re: Cambior), or at such other ABA or account number as the Agent may designate to such Lender from time to time, in immediately available funds, for account of the Borrower. The amount so received by the Agent will, subject to the terms and conditions of this Agreement be made available to the Borrower by depositing the same, in immediately available funds, in an account of the Borrower specified in the relevant Borrowing Notice, except that Loans made to finance the reimbursement of an LC Disbursement as provided in Section 4.7(d) shall be remitted by the Agent to the Issuing Bank.

(b) All Loans to be made by each Lender shall be made and maintained at the Applicable Lending Office of each such Lender.

(c) Unless the Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 4.3(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, and if a Lender has not in fact made its share of the Applicable Borrowing available to the Agent, then the relevant Lender and the Borrower severally agree to pay the Agent forthwith on demand (it being agreed that such demand shall first be made of the relevant Lender and then of the Borrower in the absence of immediate payment by the Lender) such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment

to the Agent, at such rate, as determined by the Agent, acting reasonably, as will compensate the Agent on an after-tax basis for all costs incurred by the Agent in connection with the extension by the Agent to the Borrower of such Lender's share of such Borrowing. If such Lender pays such amount to the Agent, then the principal portion of such amount shall constitute such Lender's Loan included in such Borrowing.

Section 4.4 Voluntary Prepayment or Cancellation

Subject to Section 4.8, the Borrower may prepay all or part of the Term Credit Loans on five Business Days' notice without penalty. Any Term Credit Loans that are voluntarily prepaid may not be reborrowed and voluntary prepayments will be applied against payments required under Section 2.4(c) as specified by the Borrower or, failing that, in order of maturity. Subject to Section 4.8, the Borrower may prepay all or part of the Revolving Credit Loans without notice or penalty. The Borrower may cancel all or part of the undrawn Term Credit Commitments or Revolving Credit Commitments on five Business Days' notice

Section 4.5 Notices

- (a) Whenever the Borrower desires to draw (or continue or convert) a Revolving Credit Loan or a Term Credit Loan, it shall provide a Borrowing Notice.
- (b) Borrowing Notices shall be irrevocable and shall be effective only if received by the Agent not later than 10:00 a.m. Toronto time one Business Day, in the case of U.S. Base Rate Loans, and three Business Days, in the case of Libor Loans, prior to the date of the Borrowing.
- (c) The Agent shall promptly give each applicable Lender facsimile or telephonic notice (and, in the case of telephonic notices, confirmed by facsimile or otherwise in writing) of the proposed Borrowing, of such Lender's Applicable Percentage thereof and of the other matters covered by each Borrowing Notice. The Borrower and the Lenders hereby waive the right to dispute the Agent's record of the terms of any telephonic notice, absent manifest error.
- (d) In connection with each Libor Loan requested pursuant to a Borrowing Notice, the Borrower shall select a Libor Interest Period to be applicable to such Libor Loan, which Libor Interest Period shall begin on and include, as the case may be, the date selected by the Borrower pursuant to Section 4.5(a), the conversion date or the date of expiration of the then current Libor Interest Period applicable thereto, and end on but exclude the last day of such Libor Interest Period.
- (e) In the event that the Borrower fails to submit a Borrowing Notice for the conversion or continuation of a LIBOR Loan or fails to select the Type of Loan, or the duration of any Libor Interest Period for any Libor Loan within the time period and otherwise as provided in this Section 4.5, such Loan will remain as a Libor Loan with a Libor Interest Period of 30 days immediately following the last day of the then current Libor Interest Period for such Libor Loan.

Section 4.6 Borrowings

Each Revolving Credit Loan shall be made as part of a Borrowing consisting of Revolving Credit Loans made by the Revolving Credit Lenders ratably in accordance with their respective Revolving Credit Commitments. Each Term Credit Loan shall be made as part of a Borrowing consisting of Term Credit Loans made by the Term Credit Lenders ratably in accordance with their respective Term Credit Commitments.

Section 4.7 Letters of Credit

- (a) To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Agent (at least five Business Days in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with Section 4.7(b)), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the total LC Exposure shall not exceed U.S.\$1,000,000 and (ii) the aggregate Revolving Credit Exposures shall not exceed the total Revolving Credit Commitments.
- (b) Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date which is 364 days after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, the earlier of (X) the date which is 364 days after such renewal or extension, and (Y) the date that is five Business Days prior to the Maturity Date), and (ii) the date that is five Business Days prior to the Maturity Date.
- (c) By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Revolving Credit Lender, and each Revolving Credit Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Revolving Credit Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Revolving Credit Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrowers on the date due as provided in Section 4.7(d), or of any reimbursement payment required to be refunded to the Borrowers for any reason. Each Revolving Credit Lender acknowledges and agrees

that its obligation to acquire participations pursuant to this Section 4.7(c) in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

- (d) If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrowers shall reimburse such LC Disbursement by paying to the Agent an amount equal to such LC Disbursement not later than 12:00 noon, Toronto time, on the date that such LC Disbursement is made, if the Borrowers shall have received notice of such LC Disbursement prior to 10:00 a.m., Toronto time, on such date, or, if such notice has not been received by the Borrowers prior to such time on such date, then not later than 12:00 noon, Toronto time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., Toronto time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower may, subject to the conditions to borrowing set forth herein, request that such payment be financed with U.S. Base Rate Loans in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting U.S. Base Rate Loans. If the Borrower fails to make such payment when due, the Agent shall notify each Revolving Credit Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Revolving Credit Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Credit Lender shall pay to the Agent its Applicable Percentage of the payment then due from the Borrower, and the Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Credit Lenders. Promptly following receipt by the Agent of any payment from the Borrower pursuant to this Section 4.7(d), the Agent shall distribute such payment to the Issuing Bank or, to the extent that Revolving Credit Lenders have made payments pursuant to this Section 4.7(d) to reimburse the Issuing Bank, then to such Revolving Credit Lenders and the Issuing Bank as their interests may appear. Any payment made by a Revolving Credit Lender pursuant to this Section 4.7(d) to reimburse the Issuing Bank for any LC Disbursement (other than the funding of U.S. Base Rate Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.
- (e) The Borrower's obligation to reimburse LC Disbursements as provided in Section 4.7(d) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that

might, but for the provisions of this Section 4.7, constitute a legal or equitable discharge of, or provide a right of set-off against, the Borrower's obligations hereunder. Neither the Agent, the Revolving Credit Lenders nor the Issuing Bank shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that nothing in this Section 4.7(e) shall be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in compliance in all material respects with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

- (f) The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Credit Lenders with respect to any such LC Disbursement.
- (g) If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate applicable to U.S. Base Rate Loans. Interest accrued pursuant to this Section 4.7(g) shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Credit Lender pursuant to Section 4.7(d) to reimburse the Issuing Bank shall be for the account of such Revolving Credit Lender to the extent of such payment.
- (h) The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Agent, the replaced Issuing Bank and the successor Issuing Bank (which

shall be a Lender). The Agent shall notify the Revolving Credit Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank. From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter, and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

- (i) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this Section 4.7(i) the Borrower shall deposit in an account with the Agent, in the name of the Agent and for the benefit of the Revolving Credit Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 11.1(g), Section 11.1(h) and Section 11.1(i). Such deposit shall be held by the Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Investment of such deposits shall be made at the option and sole discretion of the Agent and at the Borrower's risk and expense. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing more than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower under this Agreement.

Section 4.8 Indemnification

The Borrower shall pay to the Agent, for the account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to indemnify it for any loss, cost or expense (but not for loss of profit) which such Lender determines is attributable to (a) any payment on account of a Loan made by such Lender for any reason (including the acceleration of the Loans pursuant to ARTICLE 11) on a date other than the last day of the Libor Interest Period for such Loan, or (b) any failure by the Borrower for any reason (including the failure of any of the conditions precedent specified in

ARTICLE 6 to be satisfied) to continue or convert a Loan from such Lender on the date for such conversion or continuation specified in the relevant Borrowing Notice.

Section 4.9 Several Obligations; Remedies

The commitments of the Lenders to make, continue and convert Loans hereunder are several (and not joint, solidary or joint and several) and no Lender shall be responsible for any other Lender's failure to make, continue or convert Loans as required. The failure of any Lender to make, continue or convert a Loan on the date specified therefor shall not relieve any other Lender of its obligation to make, continue or convert a Loan on such date, but no Lender nor the Agent shall be responsible for the failure of any other Lender to make, continue or convert a Loan.

Section 4.10 Computations

- (a) Interest on Libor Loans shall be computed on the basis of a year of 360 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which they are payable. Interest on U.S. Base Rate Loans shall be computed on the basis of a year of 365 or 366 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which they are payable.
- (b) For purposes of the Interest Act (Canada), the yearly rate of interest to which the rates determined in accordance with the foregoing provisions are equivalent, are the rates so determined multiplied by the actual number of days in the year and divided by 360 in the case of Libor Loans and 365 in the case of U.S. Base Rate Loans. No provision of this Agreement shall have the effect of imposing on the Borrower any obligation to pay interest (as such term is defined in the Criminal Code (Canada)) at a rate in excess of the rate permitted pursuant to Section 347 of the Criminal Code (Canada), taking into account all other amounts which must be taken into account for such purpose and, to such extent, the Borrower's obligation to pay fees or interest hereunder shall be so limited.

Section 4.11 Payments

- (a) All payments to be made by the Borrower under this Agreement shall be made without compensation, setoff or counterclaim.
- (b) All payments of principal, interest and fees hereunder shall be made in immediately available funds to the Agent at The Bank of Nova Scotia, New York Agency, ABA No. 02600253-2, SWIFT NOSCCATT, for credit to BNS Wholesale Banking Operations, Toronto, Ontario, Account No. 6027-36 (Attn: John Hall - Loan Operations, Re: Cambior), or at such other ABA or account number as may be agreed from time to time between the Borrower and the Agent, not later than 11:00 a.m. Toronto time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day).
- (c) Subject to this Agreement, the Borrower shall, at the time of making each payment under this Agreement, specify to the Agent the Loans or other amounts payable by the Borrower hereunder to which such payment is to be applied (and in the event that it fails

to so specify, or if an Event of Default has occurred and is continuing, the Agent may distribute such payment to the Lenders in such manner as it or the Required Lenders may determine to be appropriate, subject to Section 4.12).

- (d) Each payment received by the Agent under this Agreement for the account of any Lender shall be deemed to constitute payment for such Lender by the Borrower and shall be paid by the Agent promptly (and in any event within two Business Days) to such Lender in immediately available funds for the account of such Lender's Applicable Lending Office for the Loans in respect of which such payment is made.
- (e) Except as provided in the definition "Libor Interest Period", if the due date of any payment under this Agreement would otherwise fall on a day which is not a Business Day, such date shall be extended to the next Business Day, and interest shall be payable on any principal so extended for the period of such extension.

Section 4.12 Pro Rata Treatment

Except as otherwise provided herein or as may be required from time to time for purposes of rounding (a) each continuation and conversion of Loans shall be made from the Lenders and each repayment shall be applied to the Loans, pro rata according to the amounts of the respective Loans of the Lenders, (b) each payment of principal of the Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by the Lenders, and (c) each payment of interest and fees, as the case may be, by the Borrower shall be made for the account of the Lenders pro rata in accordance with the amount of interest or fees, as the case may be, due and payable to the respective Lenders.

Section 4.13 Compensation; Sharing of Payments

- (a) The Borrower agrees that, in addition to (and without limitation of) any right of compensation or setoff, counterclaim, prior claim or legal hypothec a Lender may otherwise have, each Lender shall be entitled, at its option, to compensate or offset balances held by it for the account of, or other amounts owing by it to, the Borrower at any of its offices, in gold, in U.S. Dollars or in any other currency, against any Obligation payable to such Lender which is not paid when due (regardless of whether such balances are then due to the Borrower), in which case it shall promptly notify the Borrower and the Agent thereof, provided that such Lender's failure to give such notice shall not affect the validity thereof. Notwithstanding the foregoing, (i) no Lender shall exercise any such right of compensation or setoff, counterclaim, prior claim or legal hypothec without the consent of the Required Lenders and (ii) the exercise of any such right shall be subject to Section 4.13(b).
- (b) Subject to Section 3.4, Section 3.5 and Section 11.3 and to the Inter-Creditor Agreement, and subject to the right of each Hedge Provider to offset amounts owing by it under its Hedge Agreements against amounts owing to it under its Hedge Agreements, if any Lender shall obtain payment of any Obligation payable to such Lender through the exercise of any right of compensation or setoff, counterclaim, prior claim or legal

hypothec or similar right or otherwise, and, as a result of such payment, such Lender shall have received a greater percentage of the Obligations then due to such Lender than the percentage received by any other Lenders, it shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by such other Lenders (or in interest due thereon or such other amount) in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such excess payment (net of any expenses which may be incurred by such Lender in obtaining or preserving such excess payment) pro rata in accordance with the unpaid Obligations held by each of the Lenders. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored.

- (c) The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans made by other Lenders (or in interest or such other amount due thereon) pursuant to Section 4.13(b) may exercise all rights of compensation or setoff, counterclaim, prior claim or hypothec or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation.
- (d) Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other Debt or obligation of the Borrower. If, under any applicable bankruptcy, insolvency or other similar Law, any Lender receives a prior or secured claim in lieu of a compensation or setoff to which this Section 4.13 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such prior or secured claim in a manner consistent with the rights of the Lenders entitled under this Section 4.13 to share in the benefits of any recovery on such secured claim.

Section 4.14 Evidence of Indebtedness

The Agent shall open and maintain on its books, accounts and records evidencing the Loans and Letters of Credit made available by the Lenders (including the Issuing Bank) through the Agent under this Agreement. The Agent shall record therein the amount of each Loan and Letter of Credit made available by each Lender through the Agent and shall record therein each payment of principal on account thereof, and all other amounts becoming due to each Lender and the Agent under this Agreement, including interest, commitment fees and agency fees and all payments on account thereof. Such accounts and records maintained by the Agent will constitute, in the absence of manifest error, conclusive evidence of the Lender Obligations, the date of each Loan and Letter of Credit made available by the Agent on behalf of the Lenders and the amount thereof and the amounts which and the dates on which the Borrower has made payments to the Agent on behalf of the Lenders and the Agent from time to time on account of the principal thereof, interest, commitment fees and agency fees.

ARTICLE 5

TAXES, ADDITIONAL COSTS AND ILLEGALITY

Section 5.1 Taxes

- (a) The Borrower shall make all payments to the Lenders pursuant to this Agreement free and clear of, and without deduction or withholding for or on account of, any Taxes imposed or levied by the Government of Canada or any province or political subdivision thereof or by any jurisdiction through or from which such payment is made, but excluding any Taxes on the overall net income of a Lender. If any Taxes are deducted or withheld from or in respect of any sum payable hereunder then (i) the sum payable shall be increased as may be necessary so that, after all such required deductions or withholdings, each Lender receives and is entitled to retain, free from any liability, an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall pay the full amount deducted or withheld to the relevant authority in accordance with Law. The obligations of the Borrower under this Section 5.1 to effect payment for any Taxes shall survive the repayment of the principal or interest, as the case may be, on the Loans and the payment of all other amounts due hereunder if such Taxes have not been paid.
- (b) Notwithstanding the provisions of this Section 5.1, the definition of "Taxes" or any other provision of this Agreement, the Borrower shall not be responsible for payment of any "gross-up" or other amount in respect of withholding tax on payments to Lenders that are non-residents of Canada. Non-resident Lenders in respect of whom the Borrower is not responsible for payment of a "gross-up" are referred to in this Section as "Withheld Lenders." The Borrower, the Agent or any other Lender may make deductions from payments of interest, fees and other amounts owing under this Agreement to or for the account of Withheld Lenders as required by section 212 of the *Income Tax Act* (Canada) and reduced by applicable treaties, each as in effect at the date of this Agreement or as amended to reduce the amount required to be deducted. If the amount deducted is promptly remitted to the proper taxing authority and the relevant receipt is promptly delivered to the Agent for forwarding to the relevant Withheld Lender, no additional amount shall be payable to the Withheld Lender and the amount paid to the taxing authority shall be considered to have been paid to the Withheld Lender for the purposes of the provisions of this Agreement requiring payments by the Borrower, the Agent or any other Lender to the Withheld Lender. The Borrower shall also prepare and issue to each Withheld Lender with a copy to the Agent, annual reporting forms required under the *Income Tax Act* (Canada) in connection with the amount deducted.
- (c) If following the imposition of any Taxes on any payment by the Borrower to any Lender in respect of which the Borrower is required to make an additional payment pursuant to this Section 5.1, any Lender receives or is granted a credit against or remission for or deduction from or in respect of any Taxes payable by it or shall obtain any other relief which in such Lender's opinion is both reasonably identifiable and quantifiable by it without involving it in an unacceptable administrative burden (any of the foregoing being a "saving"), such Lender will reimburse the Borrower with such amount as such Lender

shall in its absolute discretion but in good faith have concluded to be the amount or value of the relevant saving. Nothing herein contained shall interfere with the right of any Lender to arrange its affairs in whatever manner it thinks fit and, in particular, no Lender shall be under any obligation to claim relief for tax purposes on its corporate profits or otherwise, or to claim such relief in priority to any other claims, reliefs, credits or deductions available to it or to disclose details of its affairs. Each Lender will notify the Borrower promptly of the receipt by such Lender of any such saving and of such Lender's opinion as to the amount or value thereof, and any reimbursement to be made by such Lender will be made promptly on the date of receipt of such saving by such Lender or if later on the last date on which the applicable taxation authority would be able in accordance with applicable Law to reclaim or reduce such saving.

Section 5.2 Additional Costs

- (a) If the result of any Regulatory Change or compliance (without adopting materially less prudent policies or standards than those previously adopted by it) by any Lender or the Agent with any Regulatory Change (including, in each case without limitation, Regulatory Changes relating to Taxes, reserves, special deposits, deposit insurance, cash ratios, liquidity or capital adequacy requirements or other forms of banking, fiscal, monetary or regulatory controls) is that (i) any Lender incurs an increased cost as a result of its having entered into, or performing or maintaining or funding its obligations under this Agreement, (ii) any Lender incurs an increased cost in making, funding or maintaining all or any Loans comprised in a class of advances formed by or including some or all of the Loans made hereunder, (iii) any amount receivable by any Lender hereunder is reduced or the effective rate of return to any Lender hereunder or on its capital employed for the purposes hereof is reduced, or (iv) any Lender makes any payment or foregoes any interest or other return on or calculated by reference to any amount received or receivable by it from the Borrower or the Agent hereunder, then within five Business Days after receipt by the Borrower of a notice from such Lender through the Agent accompanied by a certificate of such Lender specifying the amount of compensation claimed and setting out the calculation thereof in reasonable detail, the Borrower shall pay to the Agent for the account of such Lender such amount as shall compensate such Lender for such increased cost (or, in the case of clause (ii) of this Section 5.2(a), the portion of such increased cost as is, in the reasonable opinion of such Lender, attributable to its making, funding or maintaining Loans hereunder), reduction, payment or foregone interest or other return (determinations and allocations by such Lender of the amount of such compensation shall be conclusive provided they are made on a reasonable basis).
- (b) The Borrower, upon giving not less than five Business Days notice to any Lender (through the Agent) may (i) suspend the obligation of such Lender to convert or continue the Loans with respect to which compensation is requested until the Regulatory Change giving rise to such compensation ceases to be in effect, or (ii) prepay all, but not part only, of the participation of such Lender in the Loans, together with all interest accrued thereon and all other amounts payable by it hereunder to such Lender.

- (c) If any Lender becomes entitled to make a claim pursuant to this Section 5.2, such Lender will use such action as is reasonable, based on any Law, official directive, guideline, request or rule (including designation of a different Applicable Lending Office for the Loans affected by such Regulatory Change), to reduce in whole or in part the Borrower's liability to pay additional amounts pursuant to this Section 5.2, but nothing in this Section 5.2(c) shall oblige any Lender to incur any costs or expenses or to take or refrain from taking any action where, in the reasonable opinion of such Lender, to take or to refrain from taking any such action would be materially prejudicial to its interests.
- (d) The preceding provisions of this Section 5.2 shall not apply so as to oblige the Borrower to compensate any Lender for any cost, reduction, payment or foregone interest or other return (i) resulting from the imposition of any Taxes in respect of which the Borrower is required to pay an additional amount pursuant to Section 5.1, (ii) resulting from any Regulatory Change relating to, or any change in the rate of, any Taxes on the overall net income of such Lender imposed in the jurisdiction in which such Lender's principal office for the time being is situate or on the overall net income of such Lender's Applicable Lending Office imposed in the jurisdiction in which that office is situate, or (iii) resulting from any violation or breach by any Lender of any limits imposed by any provision of the relevant Law, official directive, guideline, request or rule arising as a consequence of any action (other than at the request of the Borrower and other than in order to honour any commitment which such Lender had assumed prior to such date) after the introduction of such Regulatory Change.
- (e) The preceding provisions of this Section 5.2 shall apply *mutatis mutandis* to Letters of Credit and LC Exposures.

Section 5.3 Limitations on Libor Loans

If at any time any Lender and the Agent determine in good faith (which determination shall be conclusive) that (i) adequate and fair means do not exist for ascertaining the rate of interest with respect to a Libor Loan, (ii) the cost of such Lender of making, funding or maintaining its Libor Loans does not accurately reflect the effective cost thereof, (iii) the making, converting or continuing of Libor Loans by any Lender has been made impracticable by the occurrence of any event which materially and adversely affects the London interbank market, or (iv) deposits in U.S. Dollars are not available to a Lender in the London interbank market in sufficient amounts in the ordinary course of business for the applicable Libor Interest Period to make, fund or maintain a Libor Loan during such Libor Interest Period, then such Lender may, by notice thereof to the Borrower through the Agent, declare that such Lender's obligations to make such Libor Loan, or any part thereof, to the Borrower hereunder shall be terminated forthwith. Any Lender giving notice as aforesaid shall furnish to the Borrower a written explanation as to the grounds for giving such notice.

Section 5.4 Illegality

- (a) If any Regulatory Change or compliance by any Lender therewith shall make it contrary to any Law or any official directive, guideline, request or rule (whether or not having the force of law but, if not, compliance with which is reasonable and accepted practice of

financial institutions generally) for any Lender to make available or fund or maintain any Loan or Letter of Credit or to give effect to its obligations as contemplated hereby, such Lender may, by notice thereof to the Borrower through the Agent, declare that, to the extent that it is contrary to such Law or official directive, guideline, request or rule, such Lender's obligations to the Borrower hereunder shall be so terminated forthwith or, if later, on the latest date on which such Lender's obligations may remain outstanding without causing such Lender to be in breach of such Law, official directive, guideline, request or rule, whereupon (to that extent) such obligations shall be so terminated and, to the extent (if any) that the continued lending thereof by such Lender would be unlawful by reason of such Law, official directive, guideline, request or rule, the Borrower will either prepay the participation of such Lender in the Loan (or adequately provide for the participation of such Lender in the Letter of Credit), together with all interest accrued thereon and all other amounts payable by it hereunder to such Lender or convert the participation of such Lender in such Loan into another type of Loan in accordance with Section 2.3, forthwith or, if later, on the latest date on which the participation of such Lender may remain outstanding without causing such Lender to be in breach as aforesaid. Any Lender giving notice as aforesaid shall furnish to the Borrower a written explanation as to the grounds for giving such notice.

- (b) If any Lender becomes entitled to give notice pursuant to Section 5.4(a), such Lender will (for a period not exceeding 15 days) use such endeavours as are reasonable (based on any relevant Law, official directive, guideline, request or rule (whether or not having the force of law)) properly to avoid the circumstances therein referred to, but nothing in this Section 5.4(b) shall oblige any Lender to incur any costs or expenses or to take or refrain from taking any action where, in the reasonable opinion of such Lender, to take or to refrain from taking any such action would be materially prejudicial to its interests. Any costs and expenses reasonably incurred by such Lender in this regard shall be paid by the Borrower within five Business Days after receipt of a demand specifying the same in reasonable detail.

Section 5.5 Replacement of Lenders

If any Lender requests compensation under Section 5.2 or terminates its obligations to continue or convert Loans under Section 5.3 or Section 5.4, such Lender shall be deemed to be a "Replaceable Lender" for purposes of this Section 5.5, and the Borrower may, with the consent of the Agent and the Issuing Bank and, if such Lender is also the Agent, with the consent of the Required Lenders, which consent shall not be unreasonably withheld, propose that a Replacement Lender be substituted for and replace the Replaceable Lender for purposes of this Agreement. If a Replacement Lender is so substituted for the Replaceable Lender, the Replaceable Lender shall execute an Assignment and Assumption Agreement with the Replacement Lender, the Borrower and the Agent (or the other Lenders, if the Replaceable Lender is also the Agent) to assign and transfer to the Replacement Lender the Loans of the Replaceable Lender hereunder pursuant to and in accordance with the provisions and requirements of Section 13.5(b); provided, however, that, as a condition to the execution of such Assignment and Assumption Agreement, the Replaceable Lender shall concurrently receive the full amount of its Loans and participations in LC Disbursements together with interest thereon and all accrued fees and other amounts to which the Replaceable Lender is entitled hereunder.

ARTICLE 6

CONDITIONS PRECEDENT

Section 6.1 Effectiveness

The agreement of the Administrative Agent, the Syndication Agent, and the Lenders to amend and restate the Existing Credit Agreement as set forth herein, the Lenders to make Loans hereunder and the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 13.1):

- (a) Corporate Action: The Agent and the Lenders shall have received a certified copy of the constating documents and general by-laws of the Borrower and the Subsidiaries (other than any Unrestricted Subsidiaries) and a certified copy of the resolutions of the Boards of Directors of the Borrower and the Subsidiaries (other than any Unrestricted Subsidiaries) adopted in respect of the transactions contemplated by the Loan Documents, including any required consents in connection with pledging of Equity Securities issued by the Subsidiaries (other than any Unrestricted Subsidiaries).
- (b) Incumbency: The Agent and the Lenders shall have received a certificate of each of the Borrower and its Subsidiaries (other than any Unrestricted Subsidiaries) in respect of each of its officers (i) who is authorized to sign on its behalf the Loan Documents, and (ii) who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with the Loan Documents and the transactions contemplated thereby (and the Agent and each Lender may conclusively rely on such certificate until it receives notice in writing from the Borrower or a Subsidiary, as the case may be, to the contrary).
- (c) Loan Documents: The Agent and the Lenders shall have received an executed copy of each of the Loan Documents and the Borrower shall have satisfied all closing conditions thereunder (or the relevant closing conditions shall have been waived in accordance with the terms of the relevant Loan Document).
- (d) Opinions of Counsel: The Agent and the Lenders shall have received favourable opinions of McCarthy Tétrault, counsel for the Borrower, and Borden Ladner Gervais LLP, counsel for the Agent and the Lenders, in form and substance satisfactory to the Lenders, with respect to the Borrower and the Loan Documents as the Agent may require, together with favourable opinions, as the Agent may require, of special counsel to the Borrower in the jurisdictions of incorporation of the Subsidiaries and the jurisdictions in which the property of the Borrower and the Subsidiaries is located, in all such cases in form and substance satisfactory to the Agent.
- (e) Representations and Warranties; No Default: The representations and warranties of the Borrower in ARTICLE 7 shall be true and correct, and upon the effectiveness of this Agreement, no Default or Event of Default shall have occurred and be continuing, and

the Borrower shall deliver to the Agent and the Lenders a certificate of a Responsible Officer of the Borrower to that effect.

- (f) Security: Except as set forth in SCHEDULE G, the requirements of Section 3.1 shall have been satisfied and the Agent shall have received (i) the results of a search of the movable or personal property security registry (or equivalent) filings made with respect to the Borrower and the Subsidiaries in the jurisdictions contemplated by SCHEDULE G, (ii) copies of the financing statements (or similar documents) disclosed by such search, and (iii) evidence reasonably satisfactory to the Agent that the Liens indicated by such filings or financing statements are Permitted Liens or have been released. All financing statements, instruments and other documents required by Law or reasonably requested by the Agent to be filed, registered or recorded, and all approvals and consents of Governmental Authorities required to be obtained, in each case in order to create and perfect the Liens intended to be created by the Security Documents with respect to the Collateral of the Borrower and each Subsidiary shall have been filed, registered, recorded or obtained, as the case may be.
- (g) Insurance: The Agent or any trustee holding Security Documents on behalf of the Agent will be named as a loss payee under the Foreign Investment Insurance Policy. The Borrower shall have delivered and the insurers shall have acknowledged directions for payment of any loss under the Foreign Investment Insurance Policy. The Agent shall have received evidence satisfactory to it that the Borrower and the Subsidiaries are in compliance with all covenants in the Loan Documents concerning insurance.
- (h) Fees and Expenses: The fees contemplated by Section 2.7 shall have been paid by the Borrower. The Agent shall have received an executed copy of the Fee Agreement and shall have been paid all fees then due to it under the Fee Agreement. In addition, all reasonable expenses incurred by the Agent and the Lenders, including legal fees and disbursements, in respect of the negotiation and preparation of any loan and security documentation, including each of the Loan Documents (whether or not such documentation is entered into), shall have been reimbursed by the Borrower.
- (i) Budgets: The Agent and the Lenders shall have received a Five-Year Plan in form and substance satisfactory to the Agent and the Lenders.
- (j) Mandatory Hedging Program: The Borrower shall be in compliance with the requirements of the Mandatory Hedging Program.
- (k) Prepaid Forward Arrangements: The Borrower shall have entered into any amendment documentation required by the Prepaid Forward Counterparty in connection with the Prepaid Forward Arrangements as a result of this Agreement being entered into.
- (l) Consents: The Agent shall have received consents of any third parties required in connection with the Borrower and its Subsidiaries entering into the Loan Documents.
- (m) Certified Copies: The Agent shall have received certificates of the Borrower attaching copies of the OMAI Documents, the Rosebel Documents, the Niobec Documents, the Sleeping Giant Documents and the Study and, where applicable, containing

representations that the attachments fully and fairly disclose all material terms of the arrangements to which they relate.

- (n) Portfolio Investments: The Agent shall have received a detailed list of the Portfolio Investments.
- (o) Other Documents: The Borrower shall have executed and delivered to the Agent and the Lenders such other documentation and done such other acts and things as are customary in transactions of this nature and which have been reasonably requested by the Agent or any Lender.
- (p) Deadline: All of the conditions must be satisfied or waived and the initial Loan under this Agreement must be made on or before 24 February 2003, failing which this Agreement shall be cancelled and of no force or effect.

Section 6.2 Making of Additional Term Credit Loans

The agreement of the Term Credit Lenders to make Term Credit Loans in excess of the Term Credit Loans outstanding under the Existing Credit Agreement is subject to each of the following conditions being satisfied (or waived in accordance with Section 13.1):

- (a) Initial Expenditure of Borrower's Funds: The Agent and the Lenders shall have received evidence satisfactory to them that the Borrower has, after 1 September 2002, expended not less than U.S.\$10,000,000 from non-borrowed funds on the Rosebel Mine.
- (b) Additional Security: The Borrower shall have delivered or caused the delivery of additional Security Documents as identified in SCHEDULE G.
- (c) Further Commitment of Borrower's Funds: The Agent and the Lenders shall have received evidence satisfactory to them that, in addition to and after the expenditure required by Section 6.2(a) and in addition to and after deposits required in connection with previous Term Credit Loans, the Borrower has deposited in the Rosebel Account (for expenditure on the construction of the Rosebel Mine) from non-borrowed funds not less than the aggregate of the Term Credit Loans then requested by the Borrower plus any amount by which the total capital cost of construction of the Rosebel Mine is anticipated to exceed U.S. \$94,661,226 as shown in table 12.2 of the Study.
- (d) Technical Certificate: The Agent shall have received, concurrently with each Borrowing Notice, a certificate of a Responsible Officer in the form of SCHEDULE E.
- (e) Monthly Reports: The Agent must be satisfied with the matters disclosed by the Borrower's reports on construction of the Rosebel Mine and activity in the Rosebel Account referred to in Section 8.1(c) and the Agent must not have been notified by the Required Lenders of any dissatisfaction with the matters disclosed by those reports.
- (f) Timing: Borrowing Notices requesting Term Credit Loans in excess of the Term Credit Loans outstanding under the Existing Credit Agreement must be submitted on the third

Business Day before the relevant Loan is to be advanced and must be submitted between the 20th day of a month and the 7th day of the following month.

- (g) Deadline for Loans: No Term Credit Loan will be made after the earlier of the date of Commercial Completion and the Rosebel Completion Deadline, and any undrawn amount of the Term Credit on that date will be cancelled.

Section 6.3 Making, Continuation and Conversion of Any Loans

The effectiveness of this Agreement and the obligation of the Lenders at any time to make, continue or convert any Loan and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit is subject to the further conditions that, both immediately prior to such event and also after giving effect thereto (a) no Default or Event of Default shall have occurred and be continuing, and (b) the representations and warranties made by the Borrower in ARTICLE 7 shall be true and complete on and as of the Closing Date or the date of making, continuing or converting of such Loan or issuing, amending, renewing or extending such Letter of Credit, with the same force and effect as if made on and as of the Closing Date or the date of such event, except that the representations and warranties set forth in Section 7.4 shall be read as if they referred to the most recent financial statements of the Borrower delivered to the Agent pursuant to Section 8.1(a)(i) and Section 8.1(b)(i). Each Borrowing Notice or request for a Letter of Credit delivered by the Borrower shall constitute a certification by the Borrower to the effect set forth in the first sentence of this Section 6.2 (both as of the date of such notice and, unless the Borrower otherwise notifies the Agent, prior to the making, continuing or converting of such Loan or issuing, amending, renewing or extending such Letter of Credit).

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

The Borrower makes the following representations and warranties to the Lenders and the Agent:

Section 7.1 Corporate

Each of the Borrower and the Subsidiaries (a) is a corporation duly incorporated and organized and validly existing and in good standing under the Laws of the jurisdiction of its incorporation, (b) has all requisite corporate power and authority necessary to own its assets and carry on its business and operations as now being conducted, and (c) is qualified to do business in all jurisdictions in which the nature of the business conducted by it or the character of the material properties owned or leased by it makes such qualification necessary, except to the extent that failure so to qualify to do business would not have a Material Adverse Effect. The Borrower and each Subsidiary has all necessary corporate power and authority to enter into and perform its obligations under the Loan Documents and has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents.

Section 7.2 Validity

Each Loan Document constitutes legal, valid and binding obligations of the Borrower and any Subsidiary that is a party thereto, enforceable against the Borrower and such Subsidiary in accordance with its respective terms, except as limited by bankruptcy, insolvency or other laws

of general application relating to the enforcement of creditors rights and general principles of equity.

Section 7.3 No Default

Neither the Borrower nor any Subsidiary is in default under any of the Loan Documents to which it is a party, and the execution and delivery by the Borrower and each applicable Subsidiary of each Loan Document and the performance by the Borrower and each applicable Subsidiary of its obligations set forth therein and the transactions to be implemented thereunder do not and will not contravene, conflict with or constitute a default under (i) any Law applicable to it to the extent that such contravention, conflict or default would have a Material Adverse Effect, or (ii) its constating documents or by-laws or any of its resolutions, or (iii) any agreement, instrument or document to which it or any of the Subsidiaries is a party or which is binding upon it or any of the Subsidiaries or any of their respective assets to the extent that such contravention, conflict or default would have a Material Adverse Effect or a material adverse effect on the rights or interests of the Agent or the Lenders under the Loan Documents or result in the creation or imposition of any Lien on any of their respective assets pursuant to the provisions of any such agreement, instrument or document in any manner or to any extent which would cause a breach of Section 9.2. All notices to third parties necessary to ensure that the property and assets of the Borrower and the Subsidiaries (other than Unrestricted Assets and assets not required to be hypothecated as set forth in SCHEDULE G) are hypothecated pursuant to the Security Documents have been sent and received. All consents from third parties necessary to ensure that the property and assets of the Borrower and the Subsidiaries (other than Unrestricted Assets and assets not required to be hypothecated or for which a consent is to be obtained, in each case as set forth in SCHEDULE G) have been hypothecated pursuant to the Security Documents have been obtained.

Section 7.4 Financial Condition

The consolidated balance sheet and the related consolidated statements of earnings, contributed surplus, retained earnings and changes in cash resources of the Borrower and the Subsidiaries for the Fiscal Year ended 31 December 2001, with the opinion thereon of Raymond Chabot Grant Thornton, previously furnished to each of the Lenders, are complete and correct and fairly present, in all material respects, the consolidated financial position and the results of operations and changes in financial position, as the case may be, of the Borrower and the Subsidiaries as at that date, all in accordance with GAAP. Neither the Borrower nor any of the Subsidiaries had on that date any material contingent liabilities, liabilities for Taxes, unusual forward or long-term commitments or unrealised or anticipated losses from any unfavourable commitments, except as referred to or included or provided for in those consolidated balance sheets as at that date or the notes thereto. Since 31 December 2001, there has been no material adverse change in the consolidated financial condition, operations or business prospects taken as a whole of the Borrower and the Subsidiaries from that set forth in the financial statements as at that date, except as disclosed in the unaudited consolidated financial statements of the Borrower for the nine-month period ended 30 September 2002. Since 30 September 2002, there has been no change in the consolidated financial condition, operations or business taken as a whole of the Borrower and the Subsidiaries from that set forth in the financial statements as at that date that would have a Material Adverse Effect.

Section 7.5 Title to Assets

- (a) The Borrower and the Subsidiaries own and have good and valid title to all of their respective material properties and assets (other than any unpatented mining claims, as to which the Borrower has good and defensible title), free from material defects to title which could prevent the Borrower or any of the Subsidiaries from conducting their respective business and free and clear of all Liens, other than Permitted Liens.
- (b) The Borrower owns 100% of the Doyon Mine and the Mouska Mine. OMAI owns 100% of the OMAI Mine. Rosebel owns 100% of the Rosebel Mine. The Borrower owns an undivided 50% interest in each of the Sleeping Giant Mine and the Niobec Mine in accordance with the Sleeping Giant Documents and the Niobec Documents, respectively.
- (c) Except to the extent that it would not have a Material Adverse Effect, the Borrower and each of the Subsidiaries enjoy peaceful and undisturbed possession under all of their respective leases, and the current use of the improvements on their immovable or real property and leased property complies with any zoning, building or other similar Laws applicable to such property.
- (d) Except to the extent that it would not have a Material Adverse Effect, neither the Borrower nor any of the Subsidiaries has received any written notice of any proceeding, claim or dispute affecting any of its immovable or real property or leased property or alleging a default under any such lease, including any default in the payment of rent or other amounts thereunder or a default under the Sleeping Giant Documents, the Niobec Documents, the Rosebel Documents or the OMAI Documents, and neither the Borrower nor any of the Subsidiaries has received any written notice of any default under any underlying ground lease or any hypothec or mortgage encumbering any landlord's interest with respect to any leased property which may result in the termination of the lease or leasehold interest of the Borrower or such Subsidiaries.

Section 7.6 Intellectual Property

Except to the extent that it would not have a Material Adverse Effect, (a) the Borrower and each of the Subsidiaries have the right to use all patents, trademarks, service marks, trade names, copyrights, licenses and other similar rights which are necessary for the Borrower or such Subsidiary to own its assets and carry on its business and operations as now being or as proposed to be conducted by it, (b) to the Borrower's knowledge, no product, process, method, substance, part or other material sold or employed by the Borrower or any of the Subsidiaries in connection with its assets, business or operations infringes any patent, trademark, service mark, trade name, copyright, license or other similar right owned by any other Person, and (c) as at the Closing Date, there is no pending or, to the Borrower's knowledge, threatened claim or litigation against or affecting the Borrower or any of the Subsidiaries contesting its rights to sell or use any such product, process, method, substance, part or other material.

Section 7.7 Litigation

There are no legal or arbitral proceedings or any other proceedings by or before any Governmental Authority now pending or, to the Borrower's knowledge, threatened against the

Borrower or any of the Subsidiaries which, separately or in the aggregate, if adversely determined, would have a Material Adverse Effect.

Section 7.8 Governmental Approvals

All Permits from or with any Governmental Authority, including Environmental Permits, which are necessary or required for the Borrower and each of the Subsidiaries to own their assets and carry on their business and operations as now being conducted by them, or for the execution or delivery by the Borrower of the Loan Documents and the performance of its obligations set forth therein or for the validity or enforceability thereof, have been duly obtained or made and are in full force and effect, except to the extent that failure to obtain or have in force and effect any such Permit required for the Borrower or the relevant Subsidiary to own its assets and carry on its business and operations would not have a Material Adverse Effect. There is no proceeding pending or, to the Borrower's knowledge, threatened against the Borrower or any of the Subsidiaries which seeks, or may be reasonably expected, to rescind, terminate, modify or suspend any such Permits which have been duly obtained or made and which, if adversely determined, would have a Material Adverse Effect.

Section 7.9 Environmental Matters

- (a) All business conducted by the Borrower and the Subsidiaries has been and is being operated, and the assets of the Borrower and the Subsidiaries are being used, in compliance with all Environmental Laws, except to the extent that failure to do so would not have a Material Adverse Effect. The Borrower and the Subsidiaries have obtained, or will obtain prior to the time required, all Permits which are required under all applicable Environmental Laws ("Environmental Permits"), except to the extent that failure to do so would not have a Material Adverse Effect. The Borrower and the Subsidiaries are, or when the same are obtained will be, in compliance with the terms and conditions of all Environmental Permits, except to the extent that failure to do so would not have a Material Adverse Effect. The Borrower and the Subsidiaries have not received any notice from, nor are they aware of any proposal by any Governmental Authority to amend, revoke or replace any Environmental Permits or to require the issuance of any additional Environmental Permits in respect of the current operations of the Borrower and the Subsidiaries, except to the extent that any such event would not have a Material Adverse Effect. Without limiting the generality of the foregoing (i) no notice of violation, citation, summons or order has been issued against the Borrower or any of the Subsidiaries, and (ii) to the Borrower's knowledge, no complaint has been filed with any Governmental Authority against the Borrower or any of the Subsidiaries, no penalty has been assessed and no investigation or review is pending or threatened by any Governmental Authority, in each case with respect to (A) any alleged violation of any Environmental Laws in the conduct of the business of the Borrower or any of the Subsidiaries, (B) any alleged failure by the Borrower or any of the Subsidiaries to hold any Environmental Permits required under Environment Laws in connection with the conduct of the business and operations of the Borrower or any of the Subsidiaries, (C) any alleged violation of any Environmental Permits, or (D) with respect to any generation, handling, treatment, storage, recycling, transportation or disposal of any Hazardous Material or any Release of any Hazardous Material in connection with the

conduct of the business of the Borrower or any of the Subsidiaries to the extent that any of the events referred to in clauses (A) through (D) above would have a Material Adverse Effect.

(b) Without limiting the generality of Section 7.9(a):

- (i) neither the Borrower nor any of the Subsidiaries has received any written notice of any default, claim, demand or other proceeding that it is or may be potentially responsible for any clean-up of any threatened or actual Release of any Hazardous Material in violation of any Environmental Laws in connection with the conduct of the business of the Borrower or of any of the Subsidiaries, except to the extent that such event would not have a Material Adverse Effect;
- (ii) neither the Borrower nor any of the Subsidiaries has, in violation of any Environmental Laws, released, used, generated, treated, stored or recycled any Hazardous Material on any property now or previously owned, operated or leased by the Borrower and the Subsidiaries in connection with the conduct of their respective business except to the extent that such violation would not have a Material Adverse Effect; to the Borrower's knowledge, no Person has, in violation of any Environmental Laws, released, used, generated, treated, stored for more than one year or recycled any Hazardous Materials on any property now or previously owned, operated or leased by the Borrower or any of the Subsidiaries in connection with the conduct of the business of the Borrower or any such Subsidiary during the period of time such property was owned, operated or leased by the Borrower or any of the Subsidiaries, except to the extent that any such event would not have a Material Adverse Effect;
- (iii) to the Borrower's knowledge, no PCBs, asbestos or urea formaldehyde insulation is present, in violation of any Environmental Law, at any property now owned, operated or leased by the Borrower or any of the Subsidiaries in connection with the conduct of the business, whether above ground, underground or within a structure thereon or contained in the equipment, except to the extent that any such event would not have a Material Adverse Effect;
- (iv) neither the Borrower nor any of the Subsidiaries has transported any Hazardous Material arising from the conduct of the business or arranged for the transportation of such substance to any location which is not duly authorized pursuant to Environmental Laws to an extent that it would have a Material Adverse Effect;
- (v) no written notification of a Release of a Hazardous Material in violation of Environmental Laws has been filed by or on behalf of the Borrower or any of the Subsidiaries in connection with the conduct of the business of the Borrower or any of the Subsidiaries or in relation to any property now or previously owned, operated or leased by the Borrower or any of the Subsidiaries in connection with the conduct of the business of the Borrower or any of the Subsidiaries, except to the extent that any such Release would not have a Material Adverse Effect;

- (vi) the Borrower and the Subsidiaries have kept all records and made all filings required to be kept or made by the Borrower and the Subsidiaries under any Environmental Laws, except to the extent that failure to do so would not have a Material Adverse Effect;
 - (vii) to the Borrower's knowledge, there is no fact, condition or circumstance relating to the business or assets of the Borrower or any of the Subsidiaries that is likely to result in any liability, including any liability for clean-up costs, remedial work, orders or damages to natural resources or personal injury claims, for the Borrower or any of the Subsidiaries under any Environmental Laws, except to the extent that such fact, condition or circumstance would not have a Material Adverse Effect; and
 - (viii) neither the Borrower nor any of the Subsidiaries has received any written notice that any site which any of them owns, leases, occupies or uses or formerly owned, leased, occupied or used in connection with their respective business is listed, or proposed for listing, on a registry or inventory of inactive hazardous waste sites maintained by any Governmental Authority or on the National Priority List promulgated pursuant to the Comprehensive Environmental Response Compensation and Liability Act (U.S.A.).
- (c) There are no Liens, other than Permitted Liens, arising under or pursuant to any applicable Environmental Laws registered against any of the immovable or real property, owned or leased by the Borrower or the Subsidiaries.
- (d) There are no written reports of any significant environmental investigations, inspections, studies, audits, tests, reviews or other analyses conducted by, or which are in the possession of, the Borrower relating to the properties owned or leased by the Borrower or the Subsidiaries which have not been made available to the Lenders and the Agent.

Section 7.10 Taxes

The Borrower and the Subsidiaries have filed all income tax returns and all other material tax returns which are required to be filed by them with all Governmental Authorities having jurisdiction over the Borrower and the Subsidiaries and have paid all Taxes due pursuant to such returns or pursuant to any assessment received by them, except for such Taxes as are being contested in good faith and for which adequate reserves have been made on their books. The charges, accruals and reserves on the books of the Borrower and the Subsidiaries in respect of Taxes of the Borrower and such Subsidiaries and other governmental charges are, in the reasonable opinion of the Borrower, adequate.

Section 7.11 Full Disclosure

No statement, fact, representation or warranty of the Borrower contained in the Loan Documents or any other document furnished to the Lenders by or on behalf of the Borrower or any of the Subsidiaries for use in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact nor do such documents taken as a whole omit to state a material fact necessary in order to make the statements contained therein not misleading when

made. The pro forma forecasts, projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, it being recognized by the Lenders that such pro forma forecasts and projections as to future events are not facts and that actual results during the period or periods covered by any such pro forma forecasts and projections may differ from the forecasted or projected results.

Section 7.12 Hedging

Neither the Borrower nor any Subsidiary is a party to any Hedging Contract other than the Hedge Agreements and the Prepaid Forward Arrangements. The Borrower and the Subsidiaries do not maintain any margin deposits or other similar deposits or security with any hedge counterparty, including any Hedge Provider.

Section 7.13 Security Interests

Each of the Security Documents creates (or will create, as the case may be), as security for the obligations purported to be secured thereby, subject to the provisions hereof and thereof, a legal, valid and enforceable security interest in all of the Collateral subject to such Security Document (or comparable interest under foreign law in the case of foreign Collateral) and, when filings or financing statements (or the local equivalent in any jurisdiction) in appropriate form are filed in the applicable jurisdictions referenced in SCHEDULE G and any actions specified in SCHEDULE G are taken, each such Security Document shall constitute either (i) a fully perfected Lien on, and security interest in, all of the Collateral subject to such Security Document, or (ii) a floating charge, fixed charge or security interest, as specified in the applicable Security Document, with respect to all of the Collateral subject to such Security Document, in each case in favour of the Agent, for the ratable benefit of the Creditors, and subject to no other Liens except as may be expressly permitted under this Agreement. The pledgor or assignor, as the case may be, under each Security Document has good title to all Collateral subject thereto free and clear of all Liens other than Permitted Liens. Except as set forth in SCHEDULE G with respect to the perfection of security interests in Collateral of certain foreign Subsidiaries, there are no filings, consents or approvals (including approvals and consents of Governmental Authorities) required in any jurisdiction listed in SCHEDULE G in respect of any Security Document contemplated to be entered into by entities organized in such jurisdiction or in respect of the pledge of Equity Securities in such entity pursuant to any Security Document that, in any case, could not reasonably be expected to be obtained or made in the ordinary course through the exercise of reasonable diligence or that involve a significant risk of not being obtained or made due to a required consent or approval of a Governmental Authority not being granted.

Section 7.14 Subsidiaries and Property

SCHEDULE H fully and fairly describes as of the date of this Agreement for each of the Borrower and the Subsidiaries, other than Unrestricted Subsidiaries, the ownership of all of its issued and outstanding Equity Securities, the Equity Securities in Subsidiaries and other persons that it owns, the nature of the business that it carries on, the locations of its head office (and chief executive office, if different) and its owned and leased real and immovable property, and the

jurisdictions in which its other property is located. SCHEDULE H also includes an organizational chart for the Borrower and the Subsidiaries.

ARTICLE 8

AFFIRMATIVE COVENANTS

The Borrower shall, until payment in full of all Loans hereunder and interest thereon and all other amounts payable by the Borrower hereunder and until all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, perform and observe, or cause to be performed and observed, the following covenants:

Section 8.1 Reporting Requirements

The Borrower shall deliver to the Agent, with copies for each of the Lenders, the following (except that documents relating solely to OMAI need not be delivered after the OMAI Mine has ceased to operate):

- (a) Annual Reports: as soon as available and in any event within 120 days after the end of each Fiscal Year of the Borrower:
 - (i) Financial Statements: (A) the audited balance sheets of each of the Borrower, OMAI and Rosebel (consolidated in the case of the Borrower) as at the end of such Fiscal Year, and the audited statements of earnings, contributed surplus, retained earnings and changes in cash resources of each of the Borrower, OMAI and Rosebel (consolidated in the case of the Borrower) for such year, setting forth in each case in comparative form the figures for the preceding Fiscal Year or, for the balance sheets, a comparative statement as at the end of the preceding Fiscal Year, each accompanied by an opinion thereon of independent chartered accountants of recognized national standing, which opinion shall state that said financial statements fairly present the financial position, results of operations and changes in financial position of the Borrower and the Subsidiaries, OMAI or Rosebel, as the case may be, as at the end of, and for, such Fiscal Year, and (B) the unaudited unconsolidated balance sheet of the Borrower as at the end of such Fiscal Year, and the unaudited unconsolidated statements of earnings, contributed surplus, retained earnings, and changes in cash resources of the Borrower, setting forth in each case in comparative form the figures for the preceding Fiscal Year or, for the balance sheet, a comparative statement as at the end of the preceding Fiscal Year, accompanied by a notice to reader in connection therewith by independent chartered accountants of recognized national standing;
 - (ii) Five-Year Plan: the Five-Year Plan of the Borrower and each Subsidiary, reviewed by the Board of Directors of the Borrower, together with a comparison with, and an explanation for any variances from the most recent Five-Year Plan provided by the Borrower to the Lenders (it being recognized by the Lenders that projections as to future results are not to be viewed as fact and that the actual results for the period or periods covered by such projections may differ from the

projected results); any variances from the most recent Five-Year Plan must be acceptable to the Required Lenders;

- (iii) Compliance Certificate: a certificate of a Responsible Officer of the Borrower, substantially in the form of SCHEDULE B; and
 - (iv) Reserve Statement and Capital Expenditure Report: a report detailing (A) any changes in the Borrower's Proven Reserves and/or Probable Reserves of gold, together with a commentary in respect of any such changes, and (B) capital expenditures made during the preceding Fiscal Year on an asset by asset basis and distinguishing between sustaining capital expenditures and development capital expenditures.
- (b) Quarterly Reports: as soon as available and in any event within 45 Business Days after the end of each Fiscal Quarter (other than the final Fiscal Quarter of each Fiscal Year, in the case of Section 8.1(b)(i)):
- (i) Financial Statements: the unaudited balance sheets of the Borrower, OMAI and Rosebel (consolidated in the case of the Borrower) as at the end of such period and the unaudited statements of earnings, contributed surplus, retained earnings and changes in cash resources of the Borrower, OMAI and Rosebel (consolidated in the case of the Borrower) for such period and for the period from the beginning of the applicable Fiscal Year to the end of such period, setting forth in each case in comparative form the figures for the corresponding period in the preceding Fiscal Year, accompanied by a certificate of a Responsible Officer of the Borrower, OMAI or Rosebel, as the case may be, which certificate shall state that said financial statements fairly present the financial position, cash flows, results of operations and changes in financial position of the Borrower and the Subsidiaries, OMAI or Rosebel, as the case may be, in accordance with GAAP, as at the end of, and for such period (subject to normal changes resulting from year-end audit adjustments with respect to each such period, which are not expected to be material or, if expected to be material, the nature and scope thereof shall be specified);
 - (ii) Mine Operating Report: a summary report detailing the actual operating results from each of the Borrower's and the Subsidiaries' mines (including the OMAI Mine and the Rosebel Mine, once it is operating) including a comparison of actual results to the forecasts set out in the most recent Five-Year Plan submitted to the Agent and the Lenders, together with a commentary on any variations between actual results and projected results and a management report regarding the operations of each of the Borrower's and the Subsidiaries' mines;
 - (iii) Hedge Reports: a report on the hedge position of the Borrower as at the end of the period;
 - (iv) Compliance Certificate: a certificate of a Responsible Officer of the Borrower, substantially in the form of SCHEDULE B;

- (c) Monthly Reports: as soon as available and in any event within 15 Business Days after the end of each month until Commercial Completion has occurred, reports on construction of the Rosebel Mine, on the activity in the Rosebel Account and on the Borrower's cash position, and the report referred to in Section 8.1(b)(ii), in each case in respect of the month;
- (d) Public Filings: promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with any securities commission, stock exchange or similar entity, and all materials distributed out of the ordinary course by the Borrower to its shareholders and which relate to matters in which any Lender or the Agent, in such capacities, can reasonably be expected to have an interest;
- (e) Borrower's Certificate: promptly after the Borrower learns of the receipt or occurrence of any of the following, a certificate of the Borrower, signed by a Responsible Officer, specifying (i) any official notice of any violation, possible violation, non-compliance or possible non-compliance, or claim made by any Governmental Authority pertaining to all or any part of the properties of the Borrower or any of the Subsidiaries which could reasonably be expected to have a Material Adverse Effect, (ii) any event which constitutes a Default or Event of Default, together with a detailed statement specifying the nature thereof and the steps being taken to cure such Default or Event of Default, (iii) the receipt of any notice from, or the taking of any other action by, the holder of any promissory note, debenture or other evidence of Debt of the Borrower or any of the Subsidiaries in an amount in excess of U.S.\$1,000,000 with respect to an actual or alleged default, together with a detailed statement specifying the notice given or other action taken by such holder and the nature of the claimed default and what action the Borrower or the relevant Subsidiary is taking or proposes to take with respect thereto, (iv) any default or noncompliance of any party to any of the Loan Documents with any of the terms and conditions thereof or any notice of termination or other proceedings or actions which could reasonably be expected to adversely affect any of the Loan Documents, (v) the creation, dissolution, merger or acquisition of any Subsidiary; (vi) any event or condition not previously disclosed to the Agent, which violates any Environmental Law and which could potentially, in the Borrower's reasonable judgment, have a Material Adverse Effect, (vii) any material amendment to, termination of, or material default under a material contract or any execution of, or material amendment to, termination of, or material default under, any material collective bargaining agreement, and (viii) any event, development or condition which may reasonably be expected to have a Material Adverse Effect;
- (f) Litigation: promptly after the occurrence thereof, notice of the institution of or any material adverse development in any action, suit or proceeding or any governmental investigation or any arbitration before any court or arbitrator or any Governmental Authority or official against the Borrower or any Subsidiary or any material property of any thereof which could reasonably be expected to have a Material Adverse Effect;
- (g) Insurance: upon request by the Agent, a summary of the insurance coverages of the Borrower and the Subsidiaries, in form and substance reasonably satisfactory to the

Agent, and upon renewal of any insurance policy, a copy of an insurance certificate summarizing the terms of such policy, and upon request by the Agent, copies of the applicable policies;

- (h) Certificate Re Fundamental Changes: concurrently with any delivery of financial statements under Section 8.1(a) or Section 8.1(b), a certificate of a Responsible Officer of the Borrower (i) stating whether any change in GAAP or in the application thereof has occurred since the date of the immediately preceding audited financial statements referred to in Section 8.1(a) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, (ii) identifying any event contemplated by Section 2.4(d) or Section 2.4(e) that has occurred since the end of the previous Fiscal Quarter and setting forth a reasonably detailed calculation of the Net Proceeds received from such event since the end of such previous Fiscal Quarter, (iii) updating the information in SCHEDULE G or confirming that there has been no change in such information since the Closing Date or the date of the most recent certificate delivered pursuant to this Section, and (iv) certifying that all financing statements and other security filings (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all re-filings, re-recordings and re-registrations, containing a description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in SCHEDULE G (and any other jurisdiction contemplated in Section 9.12) to the extent necessary to protect and perfect the security interests under the Security Agreements until such time as all amounts outstanding hereunder (whether on account of principal, interest, fees or otherwise) have been indefeasibly paid in full and all obligations of the Lenders and the Agent hereunder have been permanently cancelled (except as noted therein with respect to any continuation statements to be filed within such period);
- (i) Other Information: promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, as the Agent may reasonably request.

Section 8.2 Maintenance of Existence; Conduct of Business

The Borrower shall, and shall cause each of the Subsidiaries to, preserve and maintain its corporate existence (except for mergers of Subsidiaries permitted by Section 9.1) and all of its material leases, privileges, licenses, Permits, franchises, qualifications and rights that are necessary in the ordinary conduct of its business. The Borrower shall, and shall cause each of the Subsidiaries to, conduct its business in an orderly and efficient manner in accordance with good business practices.

Section 8.3 Maintenance of Properties

The Borrower shall, and shall cause each of the Subsidiaries to, maintain, keep and preserve all of its properties necessary in the proper conduct of its business in good repair, working order and condition (ordinary wear and tear excepted) and make all necessary repairs, renewals, replacements and improvements thereof.

Section 8.4 Taxes and Claims

The Borrower shall, and shall cause each of the Subsidiaries to, pay or discharge at or before maturity or before becoming delinquent (a) all taxes, levies, assessments and governmental charges imposed on it or its income or profits or any of its property and (b) all lawful claims for labour, material and supplies, which, if unpaid, might become a Lien upon any of its property; provided, however, that neither the Borrower nor any of the Subsidiaries shall be required to pay or discharge any tax, levy, assessment or governmental charge or claim for labour, material or supplies whose amount, applicability or validity is being contested in good faith by appropriate proceedings being diligently pursued and for which adequate reserves have been established under GAAP. The Borrower shall, and shall cause each of the Subsidiaries to, withhold from each payment made to any of its past or present employees, officers or directors, and to any non-resident of the country in which it is resident, the amount of all Taxes and other deductions required to be withheld therefrom and pay the same to the appropriate tax authority within the time required under any applicable Laws. The Borrower shall, and shall cause each of the Subsidiaries to, collect from all Persons the amount of all Taxes required to be collected from them and remit the same to the proper tax or other receiving officers within the time required under any applicable Laws.

Section 8.5 Compliance with Laws

The Borrower shall, and shall cause each of the Subsidiaries to, comply with the requirements of all Laws and obtain, maintain and comply with all Permits, including, all Environmental Permits, as shall now or hereafter be necessary to develop and operate its respective business, except to the extent that failure to do so would not have a Material Adverse Effect or a material adverse effect on the rights or interests of the Agent or the Lenders under the Loan Documents.

Section 8.6 Compliance with Agreements

So long as any contract, agreement, undertaking or instrument in which the Borrower or any of the Subsidiaries has an interest or to which the Borrower or any of the Subsidiaries is a party is continuing and is of material commercial value to the consolidated operations of the Borrower, the Borrower shall cause to be faithfully observed, performed and discharged the covenants, conditions and obligations imposed on it or any of the Subsidiaries, except to the extent and for so long as the obligation of the Borrower or such Subsidiary to do so is contested in good faith, and shall do all other things necessary in order to protect its interests and those of the Subsidiaries thereunder.

Section 8.7 Environmental Matters

- (a) As soon as possible and in any event not later than five Business Days after the Borrower receives written notice (or verbal notice in the case of an accidental occurrence requiring immediate intervention) from any Governmental Authority or Person of a material work order, material violation or material complaint pursuant to, or any other material matter, event or circumstance relating to environmental matters in violation of, any Environmental Law or Environmental Permit in respect of its properties or the properties of the Subsidiaries which, if adversely determined, would have a Material Adverse Effect

(including any notice from a Governmental Authority or any other Person alleging that the Borrower or any of the Subsidiaries may be in violation of any Environmental Law or Environmental Permit or may be liable or responsible for costs associated with a response to or clean-up of a Release of a Hazardous Material into the Environment or for any damage caused thereby which, if adversely determined, would have a Material Adverse Effect), the Borrower shall give written notice thereof to the Agent setting forth the nature of the work order, violation, complaint, matter, event or circumstance and, within 30 Business Days from receiving any such notice, the Borrower shall deliver to the Agent a certificate of a Responsible Officer of the Borrower setting forth in detail the measures and timetable to be adopted by the Borrower or the Subsidiaries to remedy such event.

- (b) The properties of the Borrower and the Subsidiaries shall not be used for the purpose of storing or using, in violation of any Environmental Laws, any Hazardous Material, where such storage or usage would have a Material Adverse Effect, no use of such properties shall be allowed which is likely to cause a Release of any Hazardous Material on such properties or any other property or in the Environment in violation of any Environmental Laws and which would have a Material Adverse Effect, and the Borrower shall notify the Agent as soon as possible if it becomes aware (i) that any Hazardous Material has been brought onto such properties in violation of any Environmental Laws and which would have a Material Adverse Effect, or (ii) that there is any actual, threatened or likely Release of any Hazardous Material on such properties or any other property or in the Environment which is in violation of any Environmental Laws and which would have a Material Adverse Effect.
- (c) The Borrower shall permit duly authorized representatives of the Lenders, or any Person designated by the Agent and acceptable to the Borrower acting reasonably, at any time during normal business hours upon reasonable notice, to enter the Borrower's premises to inspect any environmental documents, files, reports, studies, analysis or Environmental Permits, and to conduct, at the Borrower's expense, an environmental audit as may be required by, and in accordance with, Law or according to prudent lending practice.
- (d) The Borrower shall permit and give access to any duly authorized representative of the Lenders and the Agent at any time upon reasonable request to examine and inspect any environmental documents and files of the Borrower and any of the Subsidiaries kept by any Governmental Authority.
- (e) The Lenders, the Agent and their respective duly authorized representatives shall respect the confidentiality of any information, data, documents and notes gathered or obtained pursuant to this Agreement, including paragraphs (a), (b), (c), and (d) of this Section 8.7.
- (f) The Borrower shall at all times indemnify and hold harmless the Lenders, the Agent and each Affiliate thereof and their respective directors, officers, employees, agents and representatives against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by the Lenders or the Agent, whether as beneficiary of a security or as successor in interest to the Borrower by foreclosure deed or deed in lieu of foreclosure,

under or on account of any Environmental Laws, including the assertion of any Lien thereunder, with respect to:

- (i) the Release or threat of a Release of any Hazardous Material by the Borrower or the Subsidiaries or their agents or representatives in violation of Environmental Laws, or the presence of any Hazardous Material affecting the property of the Borrower or the Subsidiaries in violation of any Environmental Laws, and resulting from an act or omission or series of acts or omissions of the Borrower or the Subsidiaries or their agents or representatives, including any loss of value of the property of the Borrower or the Subsidiaries as a result of any of the foregoing;
- (ii) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources in relation to the property of the Borrower or the Subsidiaries or any contiguous immovable or real property, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Laws, and resulting from an act or omission or series of acts or omissions in violation of Environmental Laws of the Borrower or the Subsidiaries or their agents or representatives;
- (iii) liability for personal injury or property damage arising under any statutory, common law tort or civil law theory, including damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at or near the property of the Borrower or the Subsidiaries, and resulting from an act or omission or series of acts or omissions in violation of Environmental Laws of the Borrower or the Subsidiaries or their agents or representatives; and
- (iv) any other environmental matter affecting the property of the Borrower or the Subsidiaries within the jurisdiction of any Governmental Authority, and resulting from an act or omission in violation of Environmental Laws of the Borrower or the Subsidiaries or their agents or representatives;

provided, however, that the Borrower shall not be obligated to indemnify or hold harmless the Lenders, the Agent or any Affiliate thereof or their respective directors, officers, employees, agents or representatives for the portion of any such claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, or expenses resulting from any gross negligence or wilful misconduct of the Lenders, the Agent or any Affiliate thereof or their respective directors, officers, employees, agents or representatives. The Borrower's obligation under this Section 8.7(f) shall not depend on whether or not any Governmental Authority has taken or threatened any action in connection with the presence or Release of any Hazardous Material and whether or not it has had any Material Adverse Effect. The agreements of the Borrower in this Section 8.7(f) shall survive the termination of this Agreement and the repayment of the Obligations.

- (g) In the event that, following the payment by the Borrower of any indemnity under Section 8.7(f), any Lender or the Agent shall receive or be granted by any Governmental Authority any relief in connection therewith which is both reasonably identifiable and quantifiable, such Lender or the Agent, as the case may be, will reimburse the Borrower with such amount as it shall in its absolute discretion but in good faith have concluded to be the amount or value of such relief.

Section 8.8 Insurance

- (a) The Borrower shall, and shall cause each of the Subsidiaries to, insure and keep insured by financially sound and reputable insurers its respective properties, assets and business in such manner and to such extent as is reasonable and customary for corporations engaged in the same or similar business similarly situated against loss or damage of the kinds and in the amounts customarily insured against by such corporations and carry such other insurance as is usually carried by such corporations, in each case as obtainable on commercially reasonable terms; provided however that, in any event, the Borrower and the Subsidiaries shall maintain, or cause to be maintained (A) time element insurance against fixed and continuing expenses and loss of net operating income covering a period of not less than one year by reason of any covered peril (as hereinafter defined), and (B) such other insurance, in each case as generally carried by owners of similar properties in the jurisdictions where such properties are located, in such amounts and against such risks as are then customary for property similar in use.
- (b) The Borrower shall, and shall cause each of the Subsidiaries to, duly and punctually pay or cause to be paid the premiums and other sums of money payable for that purpose and shall, at the request of the Agent, furnish to the Agent certificates of insurance and/or copies of policies relating to such insurance carried by the Borrower or any of the Subsidiaries and advise the Agent promptly of any policy cancellation, reduction or amendment. Failing payment of any premium or other sum or failing the maintenance of insurance required by Section 8.8, the Agent may, (in its absolute discretion and without any obligation to do so) pay any premium or other sum or renew or replace any insurance policy on behalf of the Lenders and claim reimbursement from the Borrower with interest thereon at the Default Rate.
- (c) For purposes hereof, the term “peril” shall mean, collectively, fire, lightning, flood, windstorm, hail, earthquake, explosion, riot and civil commotion, vandalism and malicious mischief, damage from aircraft, vehicles and smoke and all other perils covered by the customary “all risk” endorsement.
- (d) The Borrower shall cause the Agent or any trustee holding relevant Security Documents to be named as loss payees and, if practicable, additional insureds under all insurance policies maintained pursuant to Section 8.8, except any relating solely to Unrestricted Assets.
- (e) The Borrower shall maintain the Foreign Investment Insurance Policy in full force and effect at all times, including prompt reinstatement of the maximum amount of coverage available under the policy following any loss paid under the policy. The provisions of, or

the coverage under, the Foreign Investment Insurance Policy shall not be modified, supplemented, waived or terminated without the prior consent of the Lenders.

Section 8.9 Books and Records

The Borrower shall, and shall cause each of the Subsidiaries to, maintain appropriate books of record and account in accordance with GAAP consistently applied in which true, full and correct entries will be made of all their respective dealings and business affairs, except to the extent that failure to do so would not have a Material Adverse Effect.

Section 8.10 Inspection Rights and Independent Engineer

- (a) The Borrower shall, and shall cause each of the Subsidiaries to, permit representatives of the Agent, during normal business hours and with reasonable prior notice, to examine, copy and make extracts from its books and records, to inspect its properties, and to discuss its business, affairs and accounts with its officers, employees or agents, all to the extent reasonably requested by any Lender or the Agent, as the case may be. Without limiting the foregoing, the Borrower acknowledges that representatives of the Technical Agent may be required to make frequent inspections of the Rosebel Mine.
- (b) The Borrower agrees that, if the Technical Agent or the Required Lenders wish to have assistance in assessing information provided by the Borrower or other matters relating to the Rosebel Mine before Commercial Completion, they may engage an independent engineer to provide that assistance from among the firms of Chlumsky Armbrust & Meyer, Pincock Allen & Holt, SRK Consulting and Micon International Limited (or any successors to the businesses of those firms), and the independent engineer shall be considered to be a representative of the Agent (and Technical Agent) for the purposes of Section 8.10(a).

Section 8.11 Hedging Covenants

- (a) The Borrower will maintain a hedging program (the “Mandatory Hedging Program”) as follows:
 - (i) Commitments of the Borrower and the Subsidiaries to deliver gold (whether real or contingent) shall not exceed 75% of their consolidated total Proven Reserves and Probable Reserves of gold.
 - (ii) Commitments of the Borrower and the Subsidiaries to deliver gold (whether real or contingent) during any period shall not exceed 100% of their consolidated projected production (net of all royalties) in that period and, for the period from any given date to the Maturity Date, shall not exceed 75% of their consolidated projected production (net of all royalties) for that period.
 - (iii) The Borrower shall at all times have Hedge Agreements in place on a minimum of 30% of all of its consolidated projected production (including anticipated production from the Rosebel Mine but net of all royalties) at a minimum average hedged price of U.S.\$290/oz. The Lenders agree that, after Commercial

Completion occurs, the Lenders will review the requirements of the immediately preceding sentence with the Borrower with a view to agreeing to amendments satisfactory to the Borrower and the Required Lenders to be effective 90 days after Commercial Completion occurs. Failing any such agreement, effective 90 days after Commercial Completion occurs, the 30% requirement shall be reduced to 20% at such times as the aggregate amount of the Debt of the Borrower and the Subsidiaries less any Subordinated Debt and any Debt incurred by Unrestricted Subsidiaries in respect of which there is no recourse, including by way of Guarantee, to the Borrower or another Subsidiary, is less than U.S. \$40,000,000 and the Loan Life Protection Ratio is greater than 2.00 to 1.

- (iv) For greater certainty, any reference to commitments to deliver gold in this Section 8.11(a) includes any commitment to deliver gold pursuant to the Prepaid Forward Arrangements.
- (b) The projected production, Proven Reserves and Probable Reserves referred to in Section 8.11(a) shall be based on the Five-Year Plan most recently accepted by the Lenders.
- (c) The Borrower shall only enter into Hedging Contracts for metals after the Closing Date in the form of vanilla puts, vanilla calls, forwards and spot deferreds. The Borrower shall only enter into Hedging Contracts for hedging interest rate risks, currency risks and fuel cost risks after the Closing Date if those Hedging Contracts are entered into in the ordinary course of business (but not for speculative purposes) to hedge or mitigate *bona fide* interest rate, currency or fuel cost risks to which the Borrower is exposed in the conduct of its business or the management of its liabilities and if the aggregate amounts of the respective types of Hedging Contracts outstanding at any time, net of offsetting contracts, does not exceed 100% of the Borrower's then existing Debt for borrowed money, currency exchange requirements and fuel requirements, respectively. The Borrower shall not enter into other types of Hedging Contracts after the Closing Date and the Subsidiaries shall not enter into any Hedging Contracts.
- (d) Each of the Hedge Providers hereby agrees that, if requested by the Borrower, it will extend the settlement date of any Hedge Agreement for gold between the Borrower and that Hedge Provider in accordance with customary market practice and on then-current market terms as determined by that Hedge Provider, as long as the extended date is before the Maturity Date and the Borrower would remain in compliance with the Mandatory Hedging Program.
- (e) All Hedging Contracts entered into after the date of this Agreement must be entered into with the Lenders or Affiliates of Lenders. No Hedging Contracts may permit margin calls.

Section 8.12 Cash Accounts

The Borrower and each Subsidiary shall maintain all cash in accounts with the Lenders, except for accounts having aggregate balances of not more than U.S. \$1,000,000 in each of Guyana,

Suriname, Peru and the United States of America. Cash in the Rosebel Account shall be used only to fund the capital costs of construction of the Rosebel Mine.

Section 8.13 Commercial Completion

The Borrower shall ensure that Commercial Completion is achieved on or before the Rosebel Completion Deadline.

ARTICLE 9 NEGATIVE COVENANTS

The Borrower shall, until payment in full of all Loans hereunder and interest thereon and all other amounts payable by the Borrower hereunder and until all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, perform and observe, or cause to be performed and observed, the following covenants:

Section 9.1 Mergers, etc.

The Borrower shall not, and shall not permit any of the Subsidiaries to, become a party to an amalgamation, merger or consolidation, or wind-up, dissolve or liquidate itself; provided, however, that (a) any Unrestricted Subsidiary may do any of the foregoing if neither the Borrower nor any Subsidiary other than an Unrestricted Subsidiary is a party, (b) the Borrower or any Subsidiary may do any of the foregoing if the Borrower has obtained the prior written approval of the Required Lenders, and (c) so long as no Default or Event of Default exists at such time or would result therefrom (i) any Subsidiary may amalgamate, merge or consolidate with any other Subsidiary, and (ii) any Subsidiary may amalgamate, merge or consolidate with the Borrower.

Section 9.2 Liens

The Borrower shall not, and shall not permit any of the Subsidiaries to, create, incur, assume or permit to exist any Lien upon any of its respective property, assets, rights or revenues, whether now owned or hereafter acquired, except for Permitted Liens.

Section 9.3 Disposition of Assets

The Borrower shall not make or permit, and shall not permit any of the Subsidiaries to make or permit, any Asset Disposition other than (a) any Asset Disposition which has been approved in writing by the Required Lenders, (b) so long as no Default or Event of Default has occurred and is continuing, (i) liquidation of the Portfolio Investments, (ii) Asset Dispositions that affect only Unrestricted Assets, and (iii) any Asset Disposition for Net Proceeds of less than U.S.\$1,000,000 unless Asset Dispositions that are not otherwise permitted have already been made for aggregate Net Proceeds of U.S.\$5,000,000, in which case, for greater certainty, this exception shall cease to apply, and (c) dispositions of inventory in the ordinary course of business.

Section 9.4 Restricted Payments

The Borrower shall not declare or make any Restricted Payment until Commercial Completion is achieved. Thereafter, the Borrower may make Restricted Payments provided that it has given the Agent not less than 10 Business Days' notice of declaring or making the Restricted Payment and has provided pro forma evidence satisfactory to the Agent that the Loan Life Protection Ratio is not less than 2.00 to 1 and will remain so taking into account the effect of the Restricted Payment.

Section 9.5 Debt

The Borrower shall not, and shall not permit any of the Subsidiaries to, at any time create, incur, assume or permit to exist any Debt other than (i) the Obligations, (ii) other Debt secured by Permitted Liens, (iii) Subordinated Debt, the Net Proceeds of which are contemporaneously paid over to the Agent to repay outstanding Loans in accordance with Section 2.4(e), (iv) Debt owing to the Borrower or another Subsidiary that does not contravene Section 9.11, (v) Debt incurred by Unrestricted Subsidiaries in respect of which there is no recourse, including by way of Guarantee, to the Borrower or another Subsidiary (except as permitted by Section 9.11) and (vi) Debt assumed in connection with an Acquisition as permitted in Section 9.10, as long as the Debt is not incurred in connection with or in anticipation of the Acquisition. The Borrower shall not, and shall not permit any of the Subsidiaries to, at any time create, incur, assume or permit to exist any obligation in respect of a gold loan or prepaid forward contract other than the Prepaid Forward Arrangements.

Section 9.6 Loans and Advances

The Borrower shall not, and shall not permit any of the Subsidiaries to, make any loan or advance or extend any credit to, or issue Guarantees in favour of, any Person; provided, however, that (a) the Borrower and the Subsidiaries may, subject to Section 9.5, make loans or advances or extend credit to, or issue Guarantees of obligations of, the Borrower and the Subsidiaries other than Unrestricted Subsidiaries, (b) the Borrower and the Subsidiaries may, subject to Section 9.5, make loans or advances or extend credit to, or issue Guarantees of obligations of, Persons other than the Borrower and the Subsidiaries, provided that the amount of all such loans, advances, extensions of credit and Guarantees shall not at any time exceed in the aggregate U.S.\$1,000,000 and provided further that the indebtedness of such Person under or pursuant to any such loan, advance, extension of credit or Guarantee shall at all times rank at least pari passu with all other indebtedness of such Persons, (c) the Borrower and the Subsidiaries may, subject to Section 9.5, make loans or advances or extend credit, or issue Guarantees as permitted by Section 9.11, (d) the Borrower and the Subsidiaries may extend credit to Persons other than the Borrower and Subsidiaries on customary trade terms, for goods and services sold to those Persons.

Section 9.7 Transactions with Affiliates

Except for (a) the payment of salaries in the ordinary course of business consistent with prudent business practices, and (b) the furnishing of employment benefits in the ordinary course of business consistent with prudent business practices, the Borrower shall not, and shall not permit

any of the Subsidiaries to, enter into any transaction, including the purchase, sale or exchange of property or the rendering of any service, with any Affiliate of the Borrower or such Subsidiary except in the ordinary course of and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favourable to the Borrower or such Subsidiary, respectively, than would be obtained in a comparable arms' length transaction with a Person not an Affiliate of the Borrower or such Subsidiary, respectively.

Section 9.8 Line of Business

The Borrower shall not, and shall not permit any of the Subsidiaries to, engage in any line of business activity other than the exploration, the development, construction and operation of mining properties and any operation relating to mining, including mining activities pursuant to contracts with third party mine operators, and the distribution, hedging (to the extent not prohibited by Section 8.11), trading, exchange and sale of any products produced from or in connection with such mining properties.

Section 9.9 Modification of Agreements

The Borrower shall not, and shall not permit any of the Subsidiaries to, consent to any amendment, supplement, waiver or other modification of any of provisions of the constating documents or by-laws of the Borrower or the Subsidiaries, the OMAI Documents, the Rosebel Documents, the Niobec Documents, the Sleeping Giant Documents or any other agreement to which the Borrower or any of the Subsidiaries is a party unless such amendment would not have a Material Adverse Effect or could not have a material adverse effect on the rights and interests of the Agent and the Lenders under the Loan Documents. The Borrower shall promptly provide the Agent with copies of any documents providing for any amendment, supplement, waiver or other modification of any of provisions of the constating documents or by-laws of the Borrower or the Subsidiaries (other than Unrestricted Subsidiaries), the OMAI Documents, the Rosebel Documents, the Niobec Documents and the Sleeping Giant Documents including, for greater certainty, any Rosebel Documents entered into after the Closing Date.

Section 9.10 Acquisitions

The Borrower shall not make or commit to make, and shall not permit any of the Subsidiaries to make or commit to make, any Acquisition except as permitted by Section 9.11 in respect of Unrestricted Subsidiaries and as follows:

- (a) before Commercial Completion is achieved, the Borrower may make Acquisitions that are made (i) with cash from the Net Proceeds of the issuance or exercise of Equity Securities up to an aggregate for all Acquisitions of U.S.\$10,000,000 or (ii) solely in consideration for the issuance of common shares of the Borrower and that, in the case of either (i) or (ii) do not result in the Borrower or any Subsidiary (including any Subsidiary that is acquired) assuming or otherwise being or becoming liable for Debt in excess of an aggregate for all Acquisitions of U.S.\$5,000,000;
- (b) thereafter, the Borrower may make Acquisitions that are made (i) with cash from the Net Proceeds of the issuance or exercise of Equity Securities up to an aggregate for all Acquisitions of U.S.\$15,000,000, (ii) solely in consideration for the issuance of common

shares of the Borrower or (iii) after the Borrower has provided pro forma evidence satisfactory to the Required Lenders that the Loan Life Protection Ratio is not less than 2.00 to 1 and will remain so on a pro forma basis taking into account the Acquisition without any anticipated increase in Projected Cash Flow Available for Debt Service, and that, in the case of any of (i), (ii) or (iii), do not result in the Borrower or any Subsidiary (including any Subsidiary that is acquired) assuming or otherwise being or becoming liable for Debt in excess of an aggregate for all Acquisitions of U.S.\$10,000,000.

Section 9.11 Unrestricted Assets and Unrestricted Subsidiaries

The Borrower shall not, and shall not permit any of the Subsidiaries (other than Unrestricted Subsidiaries) to, incur any expense or make any investment or other disbursement of any kind in respect of an Unrestricted Asset (including to acquire an Unrestricted Asset) or make any loan or advance or extend any credit to, or issue any Guarantee for the benefit of, an Unrestricted Subsidiary, unless the aggregate outstanding amount of all such expenses, investments, disbursements, loans, advances, extensions of credit and Guarantees (taking into account repayments of loans, advances and extensions of credit, cancellations of Guarantees without payment and Net Proceeds of dispositions of Unrestricted Assets received other than by an Unrestricted Subsidiary) is (i) less than U.S. \$5,000,000 or (ii) less than U.S. \$10,000,000 if Commercial Completion has been achieved and the Borrower has provided pro forma evidence satisfactory to the Agent that the Loan Life Protection Ratio is not less than 2.00 to 1 and will remain so on a pro forma basis taking into account the additional expenses, investments, disbursements, loans, advances, extensions of credit and Guarantees without any anticipated increase in Projected Cash Flow Available for Debt Service. Notwithstanding Section 9.10, Section 10.2 and Section 10.3, Unrestricted Subsidiaries may make Acquisitions, capital expenditures, reclamation expenditures and exploration expenditures if they are funded by the Borrower or another Subsidiary as permitted by this Section 9.11 or are financed with Debt incurred by Unrestricted Subsidiaries in respect of which there is no recourse, including by way of Guarantee, to the Borrower or another Subsidiary or Equity Securities issued by Unrestricted Subsidiaries other than to the Borrower or another Subsidiary.

Section 9.12 Change of Name and Location

The Borrower shall not, and shall not permit any of the Subsidiaries to, change its name without providing the Lenders with prior written notice thereof and promptly taking other steps, if any, as the Lenders reasonably request to permit the Agent to perfect the Security Documents with respect to the change in name. The Borrower shall not, and shall not permit any of the Subsidiaries to, change the location of any of its property (except for goods in transit) or the location of its chief executive office from the respective jurisdictions specified on SCHEDULE H without providing the Agent with prior written notice thereof and promptly taking other steps, if any, as the Lenders reasonably request to perfect the Security Documents with respect to the change in location.

ARTICLE 10

FINANCIAL AND RESERVE TAIL COVENANTS

The Borrower shall, for so long as any of the Commitments are in effect, and until payment in full of all Loans hereunder and interest thereon and all other amounts payable by the Borrower hereunder, perform and observe, or caused to be performed and observed, the following covenants:

Section 10.1 Reserve Tail

The Borrower shall not permit at any time the Reserve Tail to be less than 650,000 troy ounces of gold.

Section 10.2 Capital Expenditures

Before Commercial Completion is achieved, the Borrower shall not make or commit to make, and shall not permit any of the Subsidiaries to make or commit to make, any capital expenditure or reclamation if, at the relevant time, the aggregate cumulative capital expenditures and reclamation made or committed to by the Borrower and the Subsidiaries for any period exceeds or would exceed by more than 5% the corresponding budgeted expenditures for the period to date, as set forth in the most recent Five-Year Plan submitted to and accepted by the Lenders. Thereafter, the Borrower and the Subsidiaries may make or commit to make, additional capital expenditures or reclamations provided that the Borrower has given the Agent not less than 10 Business Days' notice of making or committing to make the additional capital expenditures or reclamations and has provided pro forma evidence satisfactory to the Agent that the Loan Life Protection Ratio is not less than 2.00 to 1 and will remain so on a pro forma basis taking into account the additional capital expenditures or reclamations without any anticipated increase in Projected Cash Flow Available for Debt Service.

Section 10.3 Exploration Expenditures

Before Commercial Completion is achieved, the Borrower shall not make or commit to make, and shall not permit any of the Subsidiaries to make or commit to make, any exploration expenditures if, at the relevant time, the aggregate cumulative exploration expenditures made or committed to by the Borrower and the Subsidiaries for any period exceeds or would exceed by more than 5% the budgeted exploration expenditures for such period, as set forth in the most recent Five-Year Plan submitted to and accepted by the Lenders. Thereafter, the Borrower and the Subsidiaries may make or commit to make, additional exploration expenditures provided that the Borrower has given the Agent not less than 10 Business Days' notice of making or committing to make the additional exploration expenditures and has provided pro forma evidence satisfactory to the Agent that the Loan Life Protection Ratio is not less than 2.00 to 1 and will remain so on a pro forma basis taking into account the additional exploration expenditures without any anticipated increase in Projected Cash Flow Available for Debt Service.

Section 10.4 Total Net Senior Debt to EBITDA

The Borrower shall not at any time permit the ratio of Total Net Senior Debt to EBITDA for the Borrower's four most recently completed Fiscal Quarters to exceed 3.50 to 1.

Section 10.5 Interest Coverage Ratio

The Borrower shall not at any time permit the ratio of EBITDA to Interest Expense, in each case calculated for the Borrower's four most recently completed Fiscal Quarters, to be less than 2.25 to 1.

Section 10.6 Loan Life Protection Ratio

The Borrower shall not permit the Loan Life Protection Ratio to be less than 1.50 to 1 at any time.

Section 10.7 Current Ratio

The Borrower shall at all times maintain a ratio of (a) its current assets on a consolidated basis to (b) its current liabilities (excluding the current portion of its long term debt) of not less than 1.35 to 1.

ARTICLE 11 EVENTS OF DEFAULT

Section 11.1 Events of Default

The occurrence of one or more of the following events or circumstances shall constitute an Event of Default:

- (a) the Borrower shall default in the payment (including a mandatory prepayment) when due of any principal of any Loan or interest on any Loan or any other amount payable by it under any Loan Document (including amounts relating to Letters of Credit), and in the case of non-payment of interest or any other amount (other than principal), such default shall continue unremedied for a period of three Business Days;
- (b) (i) the Borrower or any of the Subsidiaries shall default in the payment when due of any principal of, or interest on, any of its other Debt (other than any such Debt the obligation to pay which is disputed by the Borrower or such Subsidiary, as the case may be, acting reasonably) aggregating more than U.S. \$5,000,000, and such default shall continue unremedied beyond any notice or cure period allowed with respect thereto, (ii) any event specified in any note, agreement, indenture or other document evidencing or relating to any Debt to which clause (i) of this Section 11.1(b) applies shall occur and, as a result, the holder or holders of such Debt (or a trustee or agent on behalf of such holder or holders) is or are entitled to cause such Debt to become due, or to be prepaid in full (whether by redemption, purchase or otherwise), prior to its stated maturity, or (iii) a

default, termination event or event of default (however specified or designated) shall occur under any Hedge Agreement or Prepaid Forward Arrangement;

- (c) any representation, warranty or certification made in any Loan Document (or in any modification or supplement thereto) by the Borrower, or any certificate or document furnished to any Lender or the Agent by the Borrower in connection herewith or pursuant hereto, shall prove at any time to have been false or misleading in any material respect as of the time made or furnished or deemed to have been made or furnished;
- (d) any situation, event or occurrence arises which would have a Material Adverse Effect (other than an event referred to elsewhere in Section 11.1) and such situation has not been remedied, or remedial action commenced, to the reasonable satisfaction of the Required Lenders, within 15 days after written notice thereof by the Agent to the Borrower;
- (e) a breach occurs under Section 8.11 and continues unremedied for 15 days, or a breach occurs under Section 8.8(e), Section 8.13, ARTICLE 9 or ARTICLE 10;
- (f) the Borrower shall default in the performance of any of its obligations in any Loan Documents (other than a default referred to in Section 11.1(a), Section 11.1(b), Section 11.1(c), Section 11.1(d) or Section 11.1(e)) and such default shall continue unremedied for a period of 30 days after notice thereof to the Borrower by the Agent;
- (g) the Borrower or any of the Subsidiaries shall (i) admit in writing its inability to, or be generally unable to, pay its debts as such debts become due, or (ii) become bankrupt within the meaning of the Bankruptcy and Insolvency Act (Canada) or any successor or equivalent legislation, or (iii) submit to or make any application for the purpose of suspension of or relief from payment of its liabilities; provided that in the case of any Subsidiary other than OMAI and Rosebel, such event shall not be an Event of Default hereunder unless it has, or would have, a Material Adverse Effect;
- (h) the Borrower or any of the Subsidiaries shall (i) petition or apply for or acquiesce, approve or consent to the appointment of, or the taking of possession by, a receiver, administrator, custodian, trustee, liquidator or intervenor of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under bankruptcy or insolvency legislation (as now or hereafter in effect), (iv) file a petition seeking or make an application to take advantage of any Law relating to bankruptcy, insolvency, reorganization, arrangement, adjustment, winding-up, or composition or readjustment of debts or relief of debtors, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under bankruptcy legislation, or (vi) take any corporate action for the purpose of effecting any of the foregoing; provided that in the case of any Subsidiary other than OMAI and Rosebel, such event shall not be an Event of Default hereunder unless it has, or would have, a Material Adverse Effect;
- (i) a proceeding or case shall be commenced, without the application or consent of the Borrower or any of the Subsidiaries, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, arrangement, adjustment, dissolution or winding-up, or the

composition or readjustment of its debts, (ii) the appointment of a trustee, administrator, receiver, custodian, liquidator or the like of the Borrower or such Subsidiary, as the case may be, or of all or any substantial part of its assets, or (iii) similar relief in respect of the Borrower or such Subsidiary, as the case may be, in each case under any Law relating to bankruptcy, insolvency, reorganization, arrangement, adjustment, winding-up, or composition or adjustment of debts or relief of debtors, and such proceeding or case shall continue undismissed for a period of 30 or more days; or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, or an order for relief against the Borrower or such Subsidiary, as the case may be, shall be entered in an involuntary case under bankruptcy legislation; provided that in the case of any Subsidiary other than OMAI and Rosebel, such event shall not be an Event of Default hereunder unless it has, or would have, a Material Adverse Effect;

- (j) a final judgment or judgments for the payment of money in excess of U.S. \$5,000,000 shall be rendered by a court or courts against the Borrower or any of the Subsidiaries and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 30 days from the date of entry thereof, and the Borrower or such Subsidiary shall not, within said period of 30 days, or any such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;
- (k) any proceeding or case shall be commenced by any Governmental Authority seeking the expropriation of any property or asset of the Borrower or any of the Subsidiaries and such proceeding or case shall continue undismissed for a period of 30 or more days, except to the extent that any such proceeding or case would not, if successful, have a Material Adverse Effect;
- (l) an encumbrancer or lienor takes possession of any property of the Borrower or any of the Subsidiaries having a book value of U.S. \$5,000,000 or more, or execution or other similar process is enforced against such property and remains unsatisfied for the period necessary to allow the property to be sold; or
- (m) a Change of Control, other than a Change of Control in respect of which the Borrower has obtained the approval of the Required Lenders, shall have occurred.

Section 11.2 Remedies

- (a) If an Event of Default, other than one referred to in Section 11.1(g), Section 11.1(h) or Section 11.1(i) with respect to the Borrower or any of the Subsidiaries, shall have occurred and be continuing, the Agent shall, if requested in writing by the Required Lenders, by notice to the Borrower, declare the principal amount then outstanding of, and interest on the Loans and all other amounts payable by the Borrower hereunder (including any amounts payable under Section 4.8 or that could be payable under Section 4.7(i)) to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower, and all rights and remedies of

the Agent and the Lenders, by Law or under the Loan Documents, shall become enforceable.

- (b) In case of the occurrence of an Event of Default referred to in Section 11.1(g), Section 11.1(h) or Section 11.1(i) with respect to the Borrower or any of the Subsidiaries, the principal amount then outstanding of, and interest on the Loans and all other amounts payable by the Borrower hereunder (including any amounts payable under Section 4.8) shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower, and all rights and remedies of the Agent and the Lenders, by Law or under the Loan Documents, shall become enforceable.

Section 11.3 Application of Proceeds of Realization

Any Proceeds of Realization will be applied to the Obligations and distributed in the following order and priority:

- (a) first, to the payment of all costs, charges and expenses, and liabilities incurred in connection with any enforcement of the Security Documents or any other action referred to in Section 11.4, including legal fees and all costs, charges and expenses and liabilities provided for in any of the Security Documents, including all costs, charges and expenses of any trustee and/or any Receiver; and
- (b) second, to the Creditors in accordance with their respective Pro Rata Shares as at the date on which the Required Creditors direct the Collateral Agent to cause the enforcement of the Security Documents or on which the Collateral Agent causes enforcement of the Security Documents in circumstances where no directions from the Required Creditors are required, as the case may be, except that, to the extent the National Letter of Guarantee or any Letter of Credit is undrawn at the time of distribution, the Proceeds of Realization attributable to those contingent Obligations shall be held by the Agent pending draws being made or the National Letter of Guarantee or Letter of Credit, as the case may be, being cancelled.

Section 11.4 Enforcement

Subject to Section 11.7, if an Event of Default has occurred and is continuing, the Required Creditors may direct the Collateral Agent to take any or all of the following actions:

- (a) to cause the enforcement of the Security Documents; and
- (b) without limitation, to take or exercise any other action, suit, remedy or proceeding authorized or permitted by the Security Documents or applicable law;

provided, however, that if any events or circumstances of the type described under any of Section 11.1(g), Section 11.1(h) or Section 11.1(i) shall have occurred, the Collateral Agent may do any of the foregoing without the need for directions from the Required Creditors. If the Required Creditors have directed the Collateral Agent to cause the enforcement of the Security Documents, then subject to ARTICLE 12, the Collateral Agent shall so enforce the Security

Documents and shall so notify the trustee for the Collateral Agent and the Creditors. If the Collateral Agent has caused enforcement of the Security Documents in circumstances where no directions from the Required Creditors are required pursuant to this Section 11.4, the Collateral Agent shall so notify the trustee for the Collateral Agent and the Creditors. If any Creditor wishes to issue directions to the Collateral Agent under this Section 11.4, such Creditor shall so notify the Collateral Agent and the other Creditors.

Section 11.5 Cooperation and Information

If the Required Creditors have directed the Collateral Agent to cause the enforcement of the Security Documents or the Collateral Agent has caused enforcement of the Security Documents in circumstances where no directions from the Required Creditors are required as contemplated in Section 11.4, each Creditor shall fully cooperate and reasonably consult with the other Creditors with a view to maximizing the Proceeds of Realization. Each Creditor shall, upon request, from time to time advise the other Creditors in writing of the status of the Obligations owing to such Creditor. The Borrower hereby consents to such disclosure.

Section 11.6 No Challenge

No Creditor shall challenge the validity, enforceability or priority of any of the Security Documents.

Section 11.7 Defaults Waived or Cured

Notwithstanding any provision to the contrary contained in any document evidencing, giving rise to or relating in any way to any of the Obligations, if a Creditor proposes to direct the Collateral Agent to take action pursuant to Section 11.4, or if a Creditor has directed the Collateral Agent to take action pursuant to Section 11.4, and in either case such direction is based solely upon a cross-default provision in the document governing such Creditor's Obligations, and if the default or event of default (however specified or designated) underlying such cross-default has been waived by the Creditor or Creditors to which such other Obligations are owed or cured to the satisfaction of the Creditor or Creditors to which such other Obligations are owed, then any direction to the Collateral Agent based solely upon such cross-default and any enforcement action taken based solely upon such cross-default shall be rescinded automatically.

Section 11.8 Hedge Agreements

Each Hedge Agreement is hereby amended to provide that an Event of Default will constitute an event of default under such Hedge Agreement. The Borrower acknowledges and agrees that the Hedge Agreements and the Prepaid Forward Arrangements are "eligible financial contracts" within the meaning of applicable Canadian legislation. The Borrower further acknowledges and agrees that, in the event of proceedings by the Borrower or any of its Subsidiaries under any applicable law (including any bankruptcy, insolvency or corporate law), the Hedge Providers and the Prepaid Forward Counterparty will not be prevented from exercising the offset or netting rights provided for in the Hedge Agreements and the Prepaid Forward Arrangements (subject to Section 4.13), and the Borrower and its Subsidiaries will support and consent to relief requested by any Hedge Provider or the Prepaid Forward Counterparty from any stay of proceedings to prevent such offset or netting.

ARTICLE 12

THE AGENT AND THE LENDERS

Section 12.1 Authorization of Agent

- (a) Each Lender irrevocably appoints and authorizes the Agent to take all action as agent on its behalf and to exercise such powers and perform such duties under the Loan Documents as are delegated to the Agent by the terms of the Loan Documents, together with all powers reasonably incidental thereto. To the extent necessary, each Lender appoints the Agent as its agent to hold in the name of the Agent, for the benefit of the Creditors, any of the bonds issued and outstanding from time to time under any deed of hypothec forming part of the Security Documents, and as the person holding the power of attorney for the holders of bonds or other titles of indebtedness secured under any agreement creating a hypothec to secure bonds or other titles of indebtedness for all purposes of Article 2692 of the *Civil Code of Quebec*.
- (b) The Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement, unless the Agent shall have been instructed by the Required Lenders to exercise such rights or to take or refrain from taking such action, the whole subject to the provisions of Section 13.5.
- (c) The Agent shall not incur any liability under or in respect of the Loan 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 willful misconduct. The Agent shall not be required to take any action which it determines to be contrary to the Loan Documents or any applicable Laws.
- (d) As to matters not expressly provided for by the Loan Documents, the Agent is not required to exercise any discretion or to take any action (and is fully protected in so acting or refraining from acting) except upon the instructions of the Required Lenders or the Required Creditors, as applicable. The Agent may, at any time, request directions or instructions from the Lenders or the Creditors, as applicable with respect to any actions or approvals which, by the terms of any the Loan Documents, the Agent is permitted or required to take or to grant, and the Agent shall be absolutely entitled to refrain from taking any such action or to withhold any such approval and shall not be under any liability whatsoever as a result thereof until it shall have received such directions or instructions from the Lenders or the Creditors, as applicable. The Agent may (but need not) require that any directions be provided in writing.
- (e) Except as expressly otherwise provided herein, the Lenders and the Creditors will act through the Agent with respect to any action which they may be able to take under, or in respect of the Loan Documents, and the Borrower will be entitled to rely upon any writing, notice, certificate, telecopy, message, statement, order or other document or telephone conversation from the Agent and believed by the Borrower to be genuine and

correct, to have been authorized by the Lenders or the Creditors, as the case may be, in accordance with the provisions hereof and to have been signed, sent or made by the proper Person or Persons. The Collateral Agent hereby agrees with the Creditors that, with respect to all matters relating to the Security Documents, the Collateral Agent is not acting as collateral agent for any Person other than the Creditors and the Collateral Agent hereby agrees with the Creditors that, subject to the right of the Collateral Agent to resign in accordance with Section 12.19, the Collateral Agent shall continue to act as collateral agent under the Security Documents and to hold the security constituted thereby for the sole and exclusive benefit of the Creditors in accordance with the terms and conditions of this Agreement and not in any other capacity without the prior written consent of all the Creditors. The Collateral Agent confirms that the bonds forming part of the Security Documents will be held by or on behalf of the Collateral Agent in the Province of Quebec.

Section 12.2 Notification

The Agent shall promptly notify each Lender in writing upon receipt by the Agent of any notice of the Borrower hereunder.

Section 12.3 Details of Loans

- (a) The Agent shall promptly advise each Lender upon receipt by the Agent of any Borrowing Notice of the principal amount of the Loans to be made, continued or converted, the date of the proposed Borrowing, the duration of the Libor Interest Period, as the case may be, and all other details of each Loan and of each Lender's participation therein (determined in accordance with this Agreement, which determination shall, except in the case of manifest error, be binding upon the Lenders).
- (b) The Agent shall be entitled to act upon the oral instructions of any Person who the Agent believes is a Person the Borrower has identified in writing from time to time to the Agent as being a Person authorized by the Borrower to give instructions regarding the making, continuation or conversion of Loans and the Agent shall not be responsible for any error or omission in such instructions or in the performance thereof except in the case of gross negligence or willful misconduct by the Agent or its employees. Any such instructions shall be immediately confirmed in writing by the Borrower to the Agent as provided hereunder.

Section 12.4 Assumption as to Payments

- (a) Without affecting the obligations of the Lenders or the Borrower contained in this Agreement, unless the Agent has been notified in writing by the Borrower not less than one Business Day prior to the date on which any payment to be made by the Borrower hereunder is due that the Borrower does not intend to remit such payment the Agent may, at its discretion, assume that the Borrower has remitted such payment when so due and the Agent may, at its discretion and in reliance upon such assumption, make available to each Lender on such payment date an amount equal to such Lender's proportion of such assumed payment. If it proves to be the case that the Borrower has not in fact remitted

such payment to the Agent, each Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available to such Lender, together with interest on the principal amount thereof on the date such amount was made available, at a rate per annum equal to the rate of interest charged to the Agent in respect of such payment for each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount.

- (b) Without affecting the obligations of the Lenders or the Borrower contained elsewhere in this Agreement, unless the Agent has been notified in writing by a Lender no less than one Business Day before the date of the proposed conversion that such Lender does not intend to make available to the Agent such Lender's proportion of a Loan to be effected on the date of the proposed conversion the Agent may assume that such Lender will be making its proportion of such Loan available to the Agent on the date of the proposed conversion and the Agent may, in reliance upon such assumption, make available to the Borrower an amount corresponding to such Lender's proportion. If such Lender fails to make its proportion of such Loan available to the Agent, the Agent shall be entitled to recover on demand the amount of such Lender's proportion of the Loan from such Lender or, failing recovery from such Lender, from the Borrower on five days' notice together with interest from the date such amount was made available at a rate per annum equal to the rate of interest charged to the Agent in respect of such payment for each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount. Nothing herein shall be deemed to relieve any Lender from its obligations in accordance with the provisions hereof or to prejudice any rights which the Borrower might have against any Lender as a result of any default by such Lender hereunder.

Section 12.5 Default; Event of Default

In the event that an officer or employee of a Lender familiar with the terms of this Agreement learns of any Default or Event of Default or receives any material information in respect thereof, such information shall be promptly communicated to the Agent who shall promptly advise the other Lenders thereof.

Section 12.6 Cash Collateral Accounts

- (a) Upon the occurrence of an Event of Default, in addition to any other rights or remedies of the Lenders hereunder, the Lenders, as and by way of collateral security, shall be entitled to deposit and retain in an account to be maintained by the Agent on behalf of the Lenders (bearing interest at the rates of the Agent as may be applicable in respect of other deposits of similar amounts for similar terms) amounts which are received by the Lenders from the Borrower hereunder or as proceeds of realization of any security given by the Borrower hereunder to the extent such amounts may be required to satisfy any contingent or unmatured obligations or liabilities of the Borrower to the Lenders (or any of them) hereunder.

- (b) The Borrower agrees to be bound by and to do all things necessary or appropriate to give effect to any and all adjustments made by and between the Lenders to give effect to this Section 12.6.

Section 12.7 Reliance on Writings and Legal Advice

The Agent shall be entitled to rely upon any writing, notice, certificate, telecopier message, telex, cable, statement, order or other document or telephone conversation believed by the Agent, as the case may be, to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and with respect to legal matters, to act upon advice of legal advisers selected by the Agent concerning all matters pertaining to this Agreement and its duties hereunder.

Section 12.8 Costs and Expenses

Each Lender agrees that it will, on demand, reimburse the Agent pro rata in accordance with such Lender's Loans and LC Exposure for any and all reasonable costs, expenses and disbursements (excluding normal overhead and salary expenses of the Agent's employees incurred in connection with the normal operation of this Agreement) which may be incurred or made by the Agent in connection with the performance and enforcement of this Agreement or of the other Loan Documents for which the Agent is not promptly reimbursed at any time by or on behalf of the Borrower, unless such costs or expenses and disbursements arise out of the Agent's gross negligence or wilful misconduct. The Agent shall not be obliged to expend its own funds or otherwise incur any financial obligations in connection with this Agreement or the other Loan Documents unless the Agent is so reimbursed.

Section 12.9 Authority of Agent to Act

The Agent shall have the right, subject to the provisions of this Agreement, to take such actions as it deems fit or refrain from taking any action, or to give agreements, consents, approvals or instructions to the Borrower on behalf of the Lenders in respect of all matters referred to in or contemplated by the Loan Documents. However, the Agent shall not waive a condition precedent or a Default or Event of Default, or make decisions or give consents which could materially impact the Lenders' interest without first obtaining the consent of the Required Lenders in respect thereof (subject always to Section 13.5(a)). Each Lender agrees that, subject to Section 13.5(a), a decision by the Required Lenders with respect to any matters specifically referred to in the Loan Documents as being governed by a decision of such Lenders, shall be binding on all the Lenders.

Section 12.10 Disclaimer

The Agent shall not be liable to any Lender for any error of judgment or for any action taken or omitted by the Agent or with respect to anything which the Agent may do or refrain from doing in the reasonable exercise of its own judgment or which may seem to the Agent to be necessary or desirable in the circumstances, except gross negligence or wilful misconduct. The Agent will exercise the same care in administering the Loan Documents as the Agent exercises with respect to credit facilities which the Agent alone makes and the Agent shall have no further responsibility to the Lenders. In all cases, the Agent shall be fully protected in acting or refraining from acting under the Loan Documents in accordance with the instructions of the

Required Lenders, save in respect of matters specified in Section 13.5 or where this Agreement otherwise expressly requires other instructions.

Section 12.11 Indemnification

Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrower) rateably in accordance with its portion of the Loans outstanding under this Agreement, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, Taxes or disbursements of any kind and nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in its capacity as such in any way relating to or arising out of this Agreement or any other documents contemplated by or referred to herein or the transactions contemplated hereby (including the costs and expenses which the Borrower is obligated to pay under Section 13.3) or any action taken or omitted by the Agent in enforcing any of the terms hereof or preserving any rights hereunder; provided, that no Lender shall be liable for any of the foregoing to the extent they arise from the Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for their proportion of out-of-pocket expenses (including the fees and disbursements of counsel) incurred by the Agent with the approval of the Required Lenders in connection with the determination or preservation of any rights of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower.

Section 12.12 Acknowledgement of Lenders

- (a) Each Lender acknowledges to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Borrower and the Subsidiaries and accordingly each Lender confirms to the Agent that it has not relied, and will not hereafter rely on the Agent (i) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower and the Subsidiaries or in connection with this Agreement (whether or not such information has been or is hereafter circulated to such Lender by the Agent), or (ii) to assess or keep under review on its behalf the financial condition, creditworthiness, affairs, status or nature of the Borrower and the Subsidiaries.
- (b) In addition, each Lender acknowledges that a copy of this Agreement has been made available to it for its review and that it is satisfied with the form and substance of this Agreement.

Section 12.13 Duty of Agent to Deliver Documents

The Agent shall promptly deliver to each of the Lenders, at their respective Applicable Lending Offices, such documents, papers, materials and other information as are furnished by the Borrower, the Lenders, or any consultant to the Agent on behalf of the Lenders pursuant to this Agreement, but shall have no other obligation to provide any Lender with any credit or other

information whatsoever with respect to the Borrower and shall be under no obligation to inquire as to the performance by the Borrower of its obligations hereunder.

Section 12.14 Other Transactions

Each Lender may, outside the scope of this Agreement, deal with the Borrower in all transactions and generally carry on any financial business with the Borrower, without having any liability to account to the other Lenders therefor. With respect to the Agent's participation in the transactions giving rise to the Obligations, the Agent shall have the same rights and powers as any other Lender, and may exercise the same as though it were not the Agent.

Section 12.15 No Preference

No Lender shall have, previous to this Agreement, entered into or shall, subsequent to this Agreement, enter into any arrangement with the Borrower or any other Person, without the prior written consent of the other Lenders, which would have the effect of giving such Lender preference or priority over any other Lender in respect of the obligations of the Borrower under the Loan Documents.

Section 12.16 Submission of Information

In respect of any certificate or statement required to be delivered to the Borrower by the Agent pursuant to this Agreement, each Lender shall provide the Agent with all necessary information required to complete such certificate or statement.

Section 12.17 Sharing of Information

Subject to Section 13.7, the Borrower authorises the Agent and the Lenders to share with each other and with prospective assignees of and participants in the Loans, any information possessed by them regarding the Borrower and the Subsidiaries or relating to the liability and obligations of the Borrower and the Subsidiaries and to payments received by the Lenders from the Borrower.

Section 12.18 No Association among Lenders

Nothing contained in this Agreement and no action taken pursuant to it shall, or shall be deemed to, constitute the Lenders a partnership, association, joint venture or other similar entity.

Section 12.19 Successor Agent

- (a) Subject to the appointment and acceptance of a successor agent as provided in this Section 12.19, the Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, and the Agent may be removed at any time for cause by the Required Lenders. Upon any such resignation or removal or upon replacement of the Agent as a Lender pursuant to Section 5.5, the Required Lenders shall have the right to appoint a successor agent with the approval of the Borrower (such approval not to be unreasonably withheld).

- (b) Any successor agent which may be appointed under this Section 12.19 shall be a Lender which has an office in Montreal or Toronto. If no such successor agent shall have been appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring agent's giving of notice of resignation or the Required Lenders' removal of the retiring agent, then the retiring agent may, on behalf of the Lenders and with the approval of the Borrower (such approval not to be unreasonably withheld), appoint a successor agent.
- (c) Upon the acceptance of any appointment as Agent by a successor agent such successor agent shall thereupon succeed to and become vested with all the rights, powers, privileges, obligations and duties of the retiring agent and shall be deemed for the purposes of this Agreement to be the Agent and such retiring agent shall be discharged from its duties and obligations under this Agreement and shall forthwith remit to the Borrower for payment to the successor agent the balance of the current year's agency fee received by it covering the remainder of the term to which such fee was applicable.
- (d) After any such retiring agent's resignation, removal or replacement hereunder as Agent the provisions of this Agreement shall continue in effect for its benefit and for the benefit of the Lenders in respect of any actions taken or omitted to be taken by the retiring agent while it was acting as Agent.

Section 12.20 Change of Address

The Agent shall promptly advise each Lender of any change in the address of the Principal Office or its Applicable Lending Office, as the case may be, or of the Agent's accounts for payments; each Lender shall advise the Agent of any change in the address of its Applicable Lending Office.

Section 12.21 Replacement of Reference Lenders

If a Reference Lender assigns all its rights hereunder or otherwise ceases to be a Lender, or if a Reference Lender gives notice of its intention to cease being a Reference Lender, or if in the opinion of the Agent and the Borrower a Reference Lender is no longer capable of exercising its functions as a Reference Lender, the Agent shall, with the prior written consent of the Borrower, appoint another Lender (with the latter's consent) to act as a Reference Lender in replacement thereof, provided that in all cases there shall be at least three Reference Lenders.

Section 12.22 Syndication Agent

The Syndication Agent shall have no responsibilities and no liabilities in that capacity.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Waiver

No failure on the part of the Agent or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall

operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by Law.

Section 13.2 Notices

All notices and other communications provided for under the Loan Documents (including any modifications of, or waivers or consents) shall be given or made by telecopy, telegraph or in writing and telecopied, telegraphed, mailed or delivered to the intended recipient at the "Address for Notices" specified on the signature pages hereto; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or delivered to the telegraph office or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

Section 13.3 Expenses and Indemnity

- (a) All statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to the Lenders, the Agent, or any of them, by the Borrower and the Subsidiaries under this Agreement shall be supplied without cost to the Lenders, the Agent, or any of them. The Borrower shall pay on demand all reasonable third party costs and expenses of the Agent and the Lenders, or any of them (including the reasonable fees and expenses of counsel for the Lenders and the Agent collectively, but not separately for individual Lenders and the Agent, on a solicitor and own client basis and the reasonable fees and expenses of any independent engineer retained on behalf of the Lenders and the Agent collectively), incurred in connection with (i) the preparation, execution, delivery, registration, administration, periodic review, amendment, modification, waiver and enforcement of the Loan Documents; (ii) obtaining advice as to their rights and responsibilities in connection with the Loan Documents; (iii) reviewing, inspecting and appraising the Collateral at reasonable intervals, including inspections of the Rosebel Mine by the Technical Agent; (iv) the syndication of the Revolving Credit and/or the Term Credit; (v) due diligence; and (vi) other matters relating to the Revolving Credit and/or the Term Credit. Such costs and expenses shall be payable whether or not any Borrowing is made under this Agreement.
- (b) The Borrower shall indemnify the Lenders, the Agent and each of them, and their respective officers, directors, trustees, employees and agents against any liability, obligation, loss or expense which any of them may sustain or incur as a consequence of (i) any representation or warranty made herein by the Borrower or a Subsidiary which was incorrect at the time it was made or deemed to have been made, (ii) a default by the Borrower in the payment of any sum due from it under or in connection with the Loan Documents (irrespective of whether a Loan is deemed to be made to pay the amount that has not been paid), including, but not limited to, all sums (whether in respect of principal, interest or any other amount) paid or payable to lenders of funds borrowed by the Lenders, the Agent, or any of them, in order to fund the amount of any such unpaid amount to the extent the Lenders, the Agent, or any of them, are not reimbursed pursuant

to any other provisions of this Agreement, (iii) the failure of the Borrower to complete any Borrowing or make any payment after notice therefor has been given under this Agreement, (iv) any other default by the Borrower or a Subsidiary, and (v) generally, the Lenders and the Agent having entered into this Agreement and the other Loan Documents and made Loans to or issued Letters of Credit at the request of the Borrower. A certificate of a Lender or the Agent as to the amount of any such loss or expense shall be conclusive evidence as to the amount thereof, in the absence of manifest error provided that the Lender determines the amount owing to it in good faith using any reasonable method and provides a detailed description of its calculation of the amount owing to it.

- (c) In no event shall any party to this Agreement be liable for consequential damages suffered by any other party.
- (d) The agreements in this Section shall survive the termination of this Agreement and repayment of the Obligations.

Section 13.4 Entire Agreement

This Agreement, the Fee Agreement and the other Loan Documents embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous or subsequent oral agreements or discussions of the parties hereto. There are no unwritten oral agreements among the parties hereto relating to the subject matter hereof. Without limiting the foregoing, this Agreement entirely amends and restates, without novation, the Existing Credit Agreement and incorporates all continuing provisions of the Amended and Restated Restructuring Agreement dated as of 14 December 2000, that was entered into in connection with the Existing Credit Agreement and that is otherwise hereby terminated.

Section 13.5 Amendments; Dissenting Lenders

- (a) No amendment or waiver of any provision of this Agreement or any other Loan Document to which the Borrower is a party, nor any consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be agreed or consented to by the Required Lenders and the Borrower in writing, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders and the Borrower, do any of the following: (i) increase the amount of the Loans; (ii) postpone any date fixed for any payment of principal of or interest on, the Loans or any fees or other amounts payable hereunder (other than any amount payable to the Agent pursuant to Section 2.7); (iii) reduce the rate of interest or any amount of any payments payable hereunder (other than any amount payable to the Agent pursuant to Section 2.7); (iv) change the currency in which the Loans may be continued or converted or in which payments are to be made hereunder; (v) amend or waive the conditions precedent set forth in ARTICLE 6; (vi) amend or waive any of the covenants set forth in Section 5.1 or Section 8.8(e); (vii) amend the

definition of “Subsidiaries”; (viii) amend or waive this Section 13.5 or the percentage specified in the definition of “Required Lenders” hereunder; (ix) amend any provision of the Foreign Investment Insurance Policy or (x) release or discharge any of the Security Documents or release any collateral from the Liens arising under the Security Documents except in connection with an Asset Disposition approved by the Required Lenders in accordance with Section 9.3 or otherwise in accordance with Section 3.5 or the Inter-Creditor Agreement. Notwithstanding anything to the contrary contained in this Section 13.5, no amendment, waiver or consent shall be made with respect to ARTICLE 12 without the prior written consent of the Agent.

- (b) If one or more Lenders (a “Dissenting Lender”) withholds its consent following a request by the Borrower for an amendment or waiver of, or departure from, any provision of this Agreement and, as a result, the consent of all Lenders cannot be obtained in connection with such request, the Borrower will have the right, provided that the Required Lenders shall have consented to such request, by giving notice in writing to each Dissenting Lender and to the Agent, to cause each Dissenting Lender to assign its rights to, and to have its obligations in respect of, this Agreement assumed by another financial institution of comparable standing (which may already be a Lender hereunder), whereupon each Dissenting Lender shall be obligated to promptly assign its rights hereunder to such financial institution against payment of the amounts then owing to each Dissenting Lender hereunder, and each Dissenting Lender shall do all things and acts and sign all documents as may reasonably be necessary or useful in respect of such assignment and assumption, the whole subject to the following conditions: (i) such financial institution shall be a Person acceptable to the Agent (which acceptance shall not be unreasonably withheld), (ii) the assignment shall be for all but not less than all of the rights, obligations and Loans of each Dissenting Lender, (iii) such financial institution shall execute an Assignment and Assumption Agreement, (iv) the Borrower shall reimburse the Agent for any reasonable cost or expense incurred in respect of any such assignment or proposed assignment, and (v) no Dissenting Lender shall be entitled to any prepayment penalties hereunder other than amounts payable under Section 4.8. The parties acknowledge that neither the Agent nor any Dissenting Lender shall have any obligation whatsoever to search for, identify or find a financial institution which is to replace a Dissenting Lender.

Section 13.6 Successors and Assigns

- (a) This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- (b) The Borrower shall not assign its rights or obligations hereunder without the prior consent of all of the Lenders and the Agent.
- (c) Subject to Section 13.6(e), a Lender may, from time to time, assign or transfer (an “Assignment”), or grant participations (a “Participation”) in or enter into any other arrangement (a “Credit Derivative”) with another Person or Persons (“Participants”) for the purpose of sharing, transferring or otherwise managing its position with respect to, all or part of its rights and obligations in respect of its Loans and LC Exposure, at such times

and upon such terms as it may determine, without any obligation to obtain any consent from any other Person, in accordance with the following provisions:

- (i) with respect to any Participation or any Credit Derivative: (A) the granting Lender shall remain fully liable for all of its obligations hereunder to the same extent as if such Participation had not been granted; (B) all amounts payable by the Borrower to the granting Lender hereunder shall be determined as if such Lender had not granted such Participation and as if such Lender were funding all Loans and LC Exposure included in such Participation in the same way that it is funding all Loans and LC Exposure made available by it in which no Participation has been granted; and (C) the granting Lender shall administer such Participation on behalf of the grantee thereof, and the grantee thereof shall have no rights against or obligation to, and shall not deal directly with, the Borrower in respect of such Participation.
- (ii) with respect to any such Assignment: (A) no such assignment or transfer will be made to any Person if, on the basis of the law in effect and the circumstances existing as at the date of such assignment or transfer, it entails any cost or expense or any increase in any cost or expense to the Borrower pursuant hereto compared to such amounts existing prior to such assignment or transfer, unless at such time the applicable assignee or transferee (the "Assignee") waives its right to any such increased amounts and provided that in any event (irrespective of whether an Event of Default has occurred and is continuing) the assigning or transferring Lender (the "Assignor") and the Assignee will deliver to the Agent an indemnity in favour of the Agent and the Borrower for any liability which the Agent or the Borrower may incur to any Governmental Authority in connection with any increase in the amount for which the Borrower becomes liable as a consequence of such assignment or transfer; (B) no such assignment or transfer shall be made to any Person if the Assignor has not received the prior written consents of the Agent, the Issuing Bank and the Borrower, such consents not to be unreasonably withheld or delayed, except that no such consent shall be required if the Assignee is an Affiliate of the Assignor and is not a non-resident of Canada within the meaning of the Income Tax Act (Canada); (C) the Assignor, the Assignee, the Agent, the Issuing Bank and the Borrower shall have executed and delivered an assignment and assumption agreement substantially in the form of SCHEDULE C (the "Assignment and Assumption Agreement"), whereby the Assignee agrees to be bound by the Loan Documents in the place and stead of the Assignor to the extent of the rights and obligations of the Assignor in respect of the amount of its Loans that have been assigned or transferred to the Assignee; (D) subject to the Borrower's rights under clause (B) of this Section 13.6(c)(ii), the Borrower agrees that such assignment or transfer shall be effective upon the date provided in the Assignment and Assumption Agreement and the Assignee shall thereafter be and be treated as a Lender for all purposes of the Loan Documents and shall, to the extent of the rights and obligations assigned or transferred to it by the Assignor, be entitled to the full benefits and subject to the full obligations of the Assignor under the Loan Documents to the same extent as if the Assignee were an original party in respect of the rights and obligations assigned or transferred to it, and the

Assignor shall be released and discharged accordingly; (E) the Borrower shall promptly execute and deliver such assurances as may be reasonably requested by the Agent to confirm any of the matters provided for in this Section, including the release and discharge provided for in clause (D) of this Section 13.6(c)(ii); (F) unless the Assignee is an Affiliate of the Assignor, the Assignee shall be entitled to receive all principal, interest and other amounts owing under this Agreement in respect of any Loan or LC Disbursement that is included in the assignment or transfer as aforesaid free from all rights of compensation, setoff or counterclaim between the parties hereto or any of them and the Assignor and any intermediate assignee or transferee or other Person entitled thereto, and all Persons may act accordingly; (G) the minimum amount of any assignment or transfer which is less than the whole interest of the Assignor shall be U.S. \$5,000,000 and in integral multiples of U.S. \$1,000,000; (H) the Assignor shall pay to the Agent at the time of any such assignment or transfer an administration fee of U.S. \$2,500, as applicable, for each Assignee relative to each such assignment or transfer; (I) subject to the Borrower's rights under clause (B) of this Section 13.6(c)(ii), the Borrower and the Lenders consent to each and every assignment or transfer which may be made on or after the Closing Date pursuant to this Section 13.6(c)(ii), and to the release and discharge of each Assignor in accordance with clause (D) of this Section 13.6(c)(ii); (J) each Assignee shall be deemed to have confirmed to the Agent and the Lenders that it has received a copy of this Agreement and the other Loan Documents together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to acquire such of the rights and obligations of the Assignor as have been assigned or transferred to it, and each Assignee agrees that, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, it will continue to make its own credit decisions in taking or not taking actions under the Loan Documents, and further agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender; and (K) any assignment or transfer pursuant to this Section 13.6 will not constitute a repayment by the Borrower to the granting Lender or to the Assignor, as the case may be, of any Loan or LC Disbursement included in such assignment or transfer, nor a new advance of such Loan to the Borrower by the grantee or by the Assignee, as the case may be, and the parties acknowledge that the Borrower's obligations under this Agreement with respect to any assigned or transferred Loan or LC Disbursement will continue and not constitute new obligations.

- (d) Any Lender may pledge its interests in the Loan Documents to any Person in the ordinary course of its business, including to any Governmental Authority.
- (e) Notwithstanding clause (B) of Section 13.6(c)(ii), in the event there has occurred and is continuing an Event of Default, a Lender may enter into an Assignment without the consent of the Borrower, provided that the other provisions of this Section 13.6, including clause (A) of Section 13.6(c)(ii), have been complied with, including the execution and delivery of the Assignment and Assumption Agreement in respect of such Assignment.

- (f) No Creditor other than the Prepaid Forward Counterparty will assign its rights or obligations under or in connection with any Obligations other than the Loan Obligations except to another Lender or a Person that concurrently becomes a Lender or, in the case of assignments relating to Hedge Agreements, to an Affiliate of a Lender or a Person that concurrently becomes a Lender.

Section 13.7 Confidentiality

Each of the Administrative Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to each of their Affiliates, directors, officers, employees, agents and advisors, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or other Governmental Authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under any Loan Document or any suit, action or proceeding relating to any Loan Document or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any actual or prospective assignee of or Participant in any of its rights or obligations under this Agreement, or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, or (ii) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than the Borrower. For the purposes of this Section, “Information” means all information received from the Borrower relating to the Borrower, any of the Subsidiaries, or their respective business, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 13.8 Survival

The obligations of the Borrower under Section 4.8, Section 5.1, Section 5.2, Section 8.7(f), Section 12.11 and Section 13.3, and all provisions of this Agreement relating to the Collateral Agent and the security for the Obligations other than the Loan Obligations, shall survive the repayment of the Loans and all other amounts payable hereunder (including amounts in respect of Letters of Credit). In addition, each representation and warranty made, or deemed to be made by a Borrowing Notice or request for a Letter of Credit at the time of making, continuing or converting of any Loan or issuing, amending, renewing or extending any Letter of Credit, shall survive that event, and no Lender shall be deemed to have waived, by reason of making continuing or converting of any Loan or issuing, amending, renewing or extending any Letter of

Credit, any Default or Event of Default which may arise by reason of such representation or warranty proving to have been false or misleading.

Section 13.9 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 13.10 Judgment Currency

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Agreement, it becomes necessary to convert into the currency of such jurisdiction (herein called the "Judgment Currency") any amount due hereunder in U.S. Dollars, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, "rate of exchange" shall mean the rate at which the Agent is able on the relevant date, to purchase the U.S. Dollar amount due hereunder with the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower shall, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in U.S. Dollars. Any additional amount due under this Section 13.10 will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

Section 13.11 Further Assurances

The Borrower, the Agent and the Lenders shall do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement and the other Loan Documents.

Section 13.12 Language

The parties hereto confirm that they have requested that this Agreement and all documents and notices contemplated hereby be drawn up in the English language only but without prejudice, however, to any such document or notice which may from time to time be drawn up in French only or in both French and English. Les parties aux présentes confirment avoir demandé que la présente convention et tous les documents et avis qui y sont envisagés soient rédigés en langue anglaise seulement mais sans préjudice à tous tels documents ou avis qui pourraient à l'occasion être rédigés en français seulement ou à la fois en anglais et en français.

Section 13.13 Governing Law

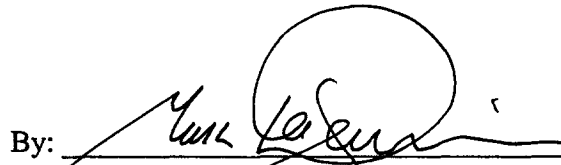
This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Quebec and the federal laws of Canada applicable therein.

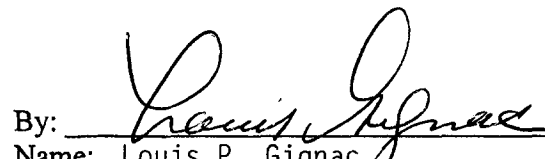
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

CAMBIOR INC.
as Borrower

By: 
Name: _____
Title: **Me Marc Dagenais, Vice President,
Legal Affairs and Corporate Secretary**

By: 
Name: Louis P. Gignac
Title: President and Chief Executive Officer

Address for Notices:

Cambior Inc.
1111 Saint-Charles St. West
East Tower, Suite 750
Longueuil, Quebec
J4K 5G4

Attention: Vice President and Chief Financial Officer

Telephone: 450-677-0040
Fax: 450-677-2648

THE BANK OF NOVA SCOTIA
as Administrative Agent, Technical Agent and Collateral
Agent

By: 
MICHAEL K. EDDY
DIRECTOR-MINING

By: 
Paul Sun
ASSOCIATE DIRECTOR

Principal Office / Address for Notices:

40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6

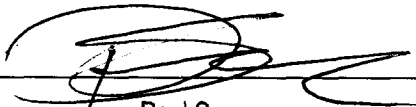
Attention: Corporate Banking - Loan Syndications

Telephone: (416) 933-2320

Fax: (416) 866-3329

THE BANK OF NOVA SCOTIA
as Lender and Creditor

By: 
MICHAEL K. EDDY
DIRECTOR-MINING

By: 
Paul Sun
ASSOCIATE DIRECTOR

Term Credit Commitment:
U.S. \$11,000,000

Revolving Credit Commitment:
U.S. \$2,000,000

Applicable Lending Office / Address for Notices:

40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Corporate Banking - Mining

Telephone: (416) 866-6614
Fax: (416) 866-2009

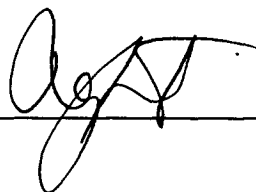
S-4

NATIONAL BANK OF CANADA
as Lender and Creditor

By: _____



By: _____



Term Credit Commitment:
U.S. \$8,461,538.46

Revolving Credit Commitment:
U.S. \$1,538,461.54

Applicable Lending Office / Address for Notices:

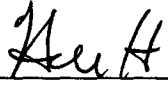
1155 Metcalfe Street
5th Floor
Montreal, Quebec
H3B 4S9

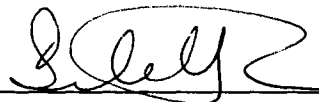
Attention: Jean Lafontaine, Vice-President

Telephone: (514) 390-7837
Fax: (514) 390-7840

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SOCIETE GENERALE (CANADA)
as Lender and Creditor

By: 
FRANÇOIS LALIBERTÉ

By: 
DILETTA PRANDO

Term Credit Commitment:
U.S. \$10,153,846.15

Revolving Credit Commitment:
U.S. \$1,846,153.85

Applicable Lending Office / Address for Notices:

1501, McGill College
Suite 1700
Montreal, Quebec
H3A 3M8

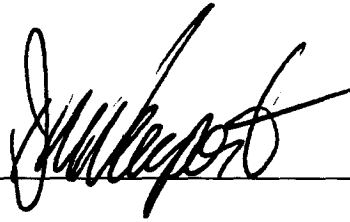
Attention: Chris Henstock
Director

Telephone: (212) 278-5619
Fax: (212) 278-5765

S-6

STANDARD BANK LONDON LIMITED
as Lender, Creditor and Syndication Agent

By: _____



By: _____



Term Credit Commitment:

U.S. \$8,461,538.46

Revolving Credit Commitment:

U.S. \$1,538,461.54

Applicable Lending Office / Address for Notices:

Cannon Bridge House
25 Dowgate Hill
London, England
EC4R 2SB

Attention: Don Newport
Global Head of Mining Finance

Telephone: +44 207 815 8786

Fax: +44 207 815 4032

Copy to:

Standard Americas, Inc.
320 Park Avenue, 19th Floor
New York City, New York 10022

Attention: Mark Ashcroft
VP, Mining Finance & PM Marketing

Telephone: (212) 407-5052

Fax: (212) 407-5178

S-7

N M ROTHSCHILD & SONS LIMITED
as Lender and Creditor

By: N.A. WOOD

By: Tim Wood

Term Credit Commitment:

U.S. \$8,461,538.46

Revolving Credit Commitment:

U.S. \$1,538,461.54

Applicable Lending Office / Address for Notices:

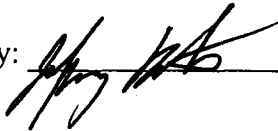
New Court, St. Swithin's Lane
London, England
EC4P 4DU

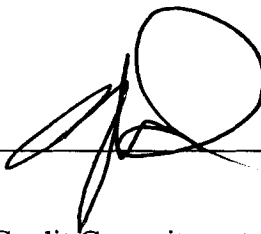
Attention: William Heissenbuttel
Senior Vice President

Telephone: +44 207 280 5822
Fax: +44 207 280 5403

S-8

HSBC BANK USA (Toronto Branch)
as Lender and Creditor

By:  _____

By:  _____

Term Credit Commitment:
U.S. \$8,461,538.46

Revolving Credit Commitment:
U.S. \$1,538,461.54

Applicable Lending Office / Address for Notices:

70 York Street, 4th Floor
Toronto, Ontario
M5J 1S9

Attention: Richard J. Ward
First Vice President

Telephone: (212) 525-6476
Fax: (212) 525-6581

SCHEDULE A

BORROWING NOTICE

(Section 4.5)

[Date]

THE BANK OF NOVA SCOTIA
Wholesale Banking Operations
Loan Operations
720 King Street West
4th Floor
Toronto, Ontario
M5V 2T3

Attention: Senior Manager
Fax No.: 416-866-5991

Dear Sirs:

Re: Availment, Continuation or Conversion of Loans

We refer to the Third Amended and Restated Credit Agreement (as amended, supplemented, restated and replaced without novation from time to time, the "Credit Agreement") dated as of 7 February 2003, among CAMBIOR INC., as Borrower, the financial institutions from time to time parties thereto, as Lenders, THE BANK OF NOVA SCOTIA, as Agent, and others.

Capitalised terms used herein which are defined in the Credit Agreement have herein the respective meanings therein specified unless the context otherwise requires or unless such terms are otherwise defined herein.

We hereby irrevocably request an availment, continuation or conversion of Loans as follows:

1. AVAILMENT OF REVOLVING CREDIT OR TERM CREDIT LOAN

(a) Type of Loan: _____ [*specify Revolving Credit or Term Credit and Libor Loan or U.S. Base Rate Loan*]

(b) Date of Borrowing: _____ / _____ / _____
Day Month Year

(c) Amount: U.S. \$ _____.

(c) Libor Interest Period [*if applicable*] _____
(1, 2, 3, 6, 9 or 12 months)

From: ____ / ____ / ____
Day Month Year

To: ____ / ____ / ____
Day Month Year

- (d) Location and account number of the account(s) of the Borrower to which funds are to be disbursed (must be Rosebel Account in the case of Term Credit Loans):

_____.

2. CONTINUATION OF LIBOR LOAN

(a) Continuation Date: ____ / ____ / ____
Day Month Year

(b) Amount: U.S. \$ _____.

(c) Libor Interest Period for Continuation _____
(1, 2, 3, 6, 9 or 12 months)

From: ____ / ____ / ____
Day Month Year

To: ____ / ____ / ____
Day Month Year

3. CONVERSION OF LIBOR LOAN INTO U.S. BASE RATE LOAN

(a) Conversion Date: ____ / ____ / ____
Day Month Year

(b) Amount: U.S. \$ _____

4. CONVERSION OF U.S. BASE RATE LOAN INTO LIBOR LOAN

(a) Conversion Date: ____ / ____ / ____
Day Month Year

(b) Amount: U.S. \$ _____

(c) Libor Interest Period for conversion _____
(1, 2, 3, 6, 9 or 12 months)

From: _____ / _____ / _____
Day Month Year

To: _____ / _____ / _____
Day Month Year

We enclose a detailed statement of outstanding Loans after giving effect to the foregoing continuation or conversion, as the case may be.

We confirm that, both immediately prior to the continuation or conversion in accordance with this notice and also after giving effect thereto (i) no Default or Event of Default shall have occurred and be continuing, and (ii) the representations and warranties made by the Borrower in ARTICLE 7 of the Credit Agreement are true and complete on and as of the date of this notice and of the date of such continuation or conversion with the same force and effect as if made on and as of the date of the making of such continuation or conversion.

Yours truly,

CAMBIOR INC.

By: _____
Name:
Title:

Copy to:

THE BANK OF NOVA SCOTIA
Corporate Banking, Loan Syndications
Scotia Plaza
40 King Street West
62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Managing Director and Unit Head
Fax No.: 416-866-3329

SCHEDULE B

COMPLIANCE CERTIFICATE (Section 8.1(a)(iii) and Section 8.1(b)(iv))

[Date]

THE BANK OF NOVA SCOTIA
Corporate Banking, Loan Syndications
Scotia Plaza
40 King Street West
62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Administrative Agent

Dear Sirs:

Re: Annual Compliance Certificate

We refer to the Third Amended and Restated Credit Agreement (as amended, supplemented, restated and replaced without novation from time to time, the "Credit Agreement") dated as of 7 February 2003, among CAMBIOR INC., as Borrower, the financial institutions from time to time parties thereto, as Lenders, THE BANK OF NOVA SCOTIA, as Agent, and others.

Capitalised terms used herein which are defined in the Credit Agreement have herein the respective meanings therein specified unless the context otherwise requires or unless such terms are otherwise defined herein.

I, ●, in my capacity as a senior officer of the Borrower, do hereby certify that:

1. I am familiar with and have examined the provisions of the Loan Documents (including, without limitation, the covenants set out in ARTICLE 10 of the Credit Agreement), and I have made all appropriate investigations of the records of the Borrower and its Subsidiaries and made appropriate enquiries of such executives and officers of the Borrower and the Subsidiaries, as I have deemed necessary or useful to allow me to give this certificate knowledgeably.
2. I enclose copies of the financial statements referred to in [Section 8.1(a)(i) / Section 8.1(b)(i)] of the Credit Agreement.
3. I hereby certify, in accordance with the Credit Agreement, that as at the end of the most recently completed Fiscal [Year / Quarter] of the Borrower:

a. the Reserve Tail is _____ troy ounces of gold;

- b. the ratio of Total Net Senior Debt to EBITDA for the *[most recently completed Fiscal Year / four most recently completed Fiscal Quarters]* is _____ to 1
 - c. the ratio of EBITDA to Interest Expense, in each case for the *[most recently completed Fiscal Year / four most recently completed Fiscal Quarters]* is _____ to 1
 - d. the Loan Life Protection Ratio is _____ to 1.
4. Attached are detailed calculations supporting the matters certified in paragraph 3 above.
5. I confirm that at the end of most recently completed Fiscal *[Year / Quarter]* of the Borrower (i) no Default or Event of Default had occurred and was continuing, and (ii) the representations and warranties made by the Borrower in ARTICLE 7 of the Credit Agreement were true and complete on and as of the end of the Fiscal *[Year / Quarter]*.
6. I hereby certify that the Projected Cash Flow Available for Debt Service remains sufficient to enable the Borrower and the Subsidiaries to sustain their respective operations (it being understood that such projections may differ from actual results).

Yours truly,

Name:
Title:

SCHEDULE C

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Section 13.6(c)(ii))

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT dated as of •, between • (the “Assignor”), •, a • (the “Assignee”), and THE BANK OF NOVA SCOTIA, in its capacity as administrative agent and technical agent on behalf of each of the lenders under the Credit Agreement (as defined below) and in its capacity as collateral agent on behalf of each of the Creditors (as defined in the Credit Agreement) (the “Agent”).

WHEREAS pursuant to the Third Amended and Restated Credit Agreement (as amended, supplemented, restated and replaced without novation from time to time, the “Credit Agreement”) dated as of 7 February 2003, among CAMBIOR INC., as Borrower, the financial institutions from time to time parties thereto, as Lenders, THE BANK OF NOVA SCOTIA, as Agent, and others, the Lenders made certain Loans to the Borrower, upon the terms and subject to the conditions of the Credit Agreement;

WHEREAS the Assignor desires to assign and transfer a certain portion of its Loans to the Assignee and the Assignee wishes to acquire a certain portion of the Assignor’s Loans pursuant to and in accordance with Section 13.6 of the Credit Agreement; and

WHEREAS the Assignor is a party to a Second Amended and Restated Inter-Creditor Agreement dated of 7 February 2003 (the “Inter-Creditor Agreement”), among the Borrower, each of the persons listed on the execution pages thereto under the “Lenders” heading, the Agent, as administrative agent under the Credit Agreement and as collateral agent, the Syndication Agent, each of the persons listed on the execution pages thereto under the “Hedge Providers” heading, the Prepaid Forward Counterparty and National Bank of Canada, and the Assignee wishes to evidence its intent to be bound by the Inter-Creditor Agreement as if it were an original party to the Inter-Creditor Agreement. *[Note: this paragraph and section 6 below should be omitted if the Inter-Creditor Agreement is no longer in effect]*

NOW, THEREFORE, the parties hereby agree as follows:

1. INTERPRETATION

Capitalized terms used herein, including in the above recitals, shall have the meanings ascribed to such terms in the Credit Agreement.

2. TRANSFER AND ASSIGNMENT

The Assignor hereby assigns to the Assignee and the Assignee hereby accepts from the Assignor, effective on • (the “Funding Date”), a U.S.\$• principal amount of the Assignor’s Term Credit Loans and a U.S.\$• principal amount of the Assignor’s Revolving Credit Loans and LC Exposure under the Credit Agreement (the “Assigned Loans”) and a U.S.\$• principal amount of

the Assignor's Term Credit Commitments and a U.S.\$• principal amount of the Assignor's Revolving Credit Commitments under the Credit Agreement (the "Assigned Commitments"), together with all of the Assignor's rights and interests under the Security Documents in respect of the Assigned Loans and Assigned Commitments and, to the extent required by the Credit Agreement, each of the parties hereby consents to such assignment.

3. CERTAIN OUTSTANDING LOANS

(a) The Assignee acknowledges that the outstanding Loans may include Libor Loans having Libor Interest Periods ending after the Funding Date (all of such outstanding Loans being referred to in this Agreement as the "Outstanding Libor Loans"). The Assignee shall indemnify and hold harmless the Assignor, in the proportion that the applicable amount of the Assigned Loans bears to the Loans of the Assignor, for all losses or expenses resulting from the failure of the Borrower to pay any fees or other amount due in respect of the Outstanding Libor Loans in accordance with the Credit Agreement.

(b) From time to time, as the Outstanding Libor Loans are continued or converted, as the case may be, resulting in new Loans being made to the Borrower, the Assignee shall participate directly in such Loans to the full extent of the Assigned Commitments in its capacity as a Lender.

4. FUNDING AMOUNT

In consideration of the transfer and assignment of the Assigned Loans contemplated in this Agreement, the Assignee shall pay to the Assignor, on the Funding Date, an amount (the "Funding Amount") equal to the Assigned Loans.

5. UNDERTAKINGS OF ASSIGNEE

With effect as of and from the Funding Date, the Assignee undertakes:

(a) to assume and be fully liable for the Assigned Loans and Assigned Commitments; and

(b) to the extent of the Assigned Loans and Assigned Commitments, to observe and perform all the covenants and obligations on the part of the Lenders under the Credit Agreement and to be bound by all of the covenants, stipulations, obligations, undertakings and provisions contained in the Credit Agreement, as are expressed to be binding on the Lenders;

to the same extent as if the Assignee had executed and delivered the Credit Agreement as an original party thereto, with Loans that included the Assigned Loans and Commitments that included the Assigned Commitments. Without limiting the generality of the foregoing, the Assignee hereby irrevocably appoints and authorizes the Agent to act as its agent, in accordance with the provision of the Credit Agreement for all purposes mentioned therein including in respect of the Security Documents and the Agent hereby accepts such appointment.

6. ADHESION TO INTER-CREDITOR AGREEMENT; AUTHORIZATION OF COLLATERAL AGENT

The Assignee, in accordance with the provisions of the Inter-Creditor Agreement, hereby agrees to be bound by and act in accordance with the terms, provisions and intent of the Inter-Creditor Agreement as if it was an original party thereto. Without limiting the generality of the foregoing, the Assignee hereby irrevocably appoints and authorizes the Agent to act as its collateral agent, in accordance with the provision of the Inter-Creditor Agreement for all purposes mentioned therein including in respect of the Security Documents and the Agent hereby accepts such appointment.

7. ENTITLEMENT TO CERTAIN FEES, INTEREST, ETC.

Notwithstanding any provision of the Credit Agreement or this Agreement, the Assignee shall have no right, title or interest in or to any portion of any fee payable to the Assignor pursuant to, or in connection with the Credit Agreement for or in respect of the period prior to the Funding Date.

8. REPRESENTATIONS AND WARRANTIES OF ASSIGNOR

The Assignor represents and warrants as follows:

- (a) the Assignor has all necessary corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- (b) this Agreement has been duly authorized by all necessary corporate action on the part of the Assignor and this Agreement constitutes a legal, valid and binding obligation of the Assignor enforceable in accordance with its terms; and
- (c) all governmental or regulatory consents, authorizations and approvals, if any, required for the due execution, delivery and performance by the Assignor of this Agreement have been obtained and remain in full force and effect, all conditions thereof having been duly complied with and no action by, and no notice to or filing with, any Governmental Authority is required for such execution, delivery or performance.

9. REPRESENTATIONS AND WARRANTIES OF ASSIGNEE

The Assignee represents and warrants as follows:

- (a) the Assignee has all necessary corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement and under the Assigned Loans and Assigned Commitments;

(b) this Agreement has been duly authorized by all necessary corporate action on the part of the Assignee and this Agreement constitutes a legal, valid and binding obligation of the Assignee enforceable in accordance with its terms; and

(c) all governmental or regulatory consents, authorizations and approvals, if any, required for the due execution, delivery and performance by the Assignee of this Agreement and the Assigned Loans and Assigned Commitments have been obtained and remain in full force and effect, all conditions thereof having been duly complied with and no action by, and no notice to or filing with, any Governmental Authority is required for such execution, delivery or performance.

10. NO REPRESENTATIONS

Except as otherwise expressly provided in this Agreement, the Assignee confirms that this Agreement is entered into by the Assignee without any representations or warranties by the Assignor or the Agent in any of their respective capacities under the Credit Agreement or otherwise, on any matter whatsoever including, without limitation, the effectiveness of the Credit Agreement or any other Loan Document or any of the terms, covenants and conditions in any such Loan Document or the financial condition, creditworthiness, condition, affairs, status or nature of any Loan Party. The Assignee confirms that it has relied solely on its own investigations and analysis in connection with all such matters and all other matters incidental to this Agreement and the transactions contemplated in the Loan Documents and in this Agreement and the Assignee confirms that it has not in any way relied upon, and will not hereafter rely upon, the Assignor or the Agent in respect of any such matters.

11. CONSENT

To the extent required by the Credit Agreement, the Borrower, the Agent and the Issuing Bank hereby consent to the foregoing assignment.

12. COSTS AND EXPENSES

Each of the Assignor and the Assignee shall be responsible for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement including, in the case of the Assignor, the administration fee payable by the Assignor upon execution of this Agreement in accordance with Section 13.6(c)(ii) of the Credit Agreement.

13. AMENDMENTS AND WAIVERS

Any amendment or modification or waiver of any right under any provision of this Agreement shall be in writing (in the case of an amendment or modification, signed by the parties) and any such waiver shall be effective only for the specific purpose for which given and for the specific time period, if any, contemplated in such waiver. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver of such right, power

or privilege and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach.

14. NOTICES

All notices under this Agreement shall be given and received as provided in Section 13.2 of the Credit Agreement; provided, however, that for the purpose of Section 13.2 of the Credit Agreement, the address and facsimile number of the Assignee will be as follows

Name of Assignee: •

Address: •

•

Attention: •

Fax: •

15. FURTHER ASSURANCES

The Borrower, the Assignee, the Assignor and the Agent shall at all times hereafter execute and deliver, upon request, all such further documents and instruments, and shall do and perform all such acts, if any, as may reasonably be necessary to give full effect to the intent and meaning of this Agreement.

16. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

All agreements, representations, warranties, indemnities and covenants made by the Assignor or the Assignee in this Agreement or in any certificate or document delivered by or on behalf of the Assignor or the Assignee pursuant to the provisions of this Agreement shall be considered to have been relied upon by the recipient thereof notwithstanding any investigation made at any time by or on behalf of such recipient and shall survive the execution and delivery of this Agreement and continue in full force and effect without termination.

17. LANGUAGE

The parties have specifically requested that this Agreement as well as all other documents relating to this Agreement, including notices, be drafted in English only, without prejudice however to such documents which may from time to time be drawn up in French only or in both French and English. Les parties aux présentes ont expressément requis que la présente convention ainsi que tous les documents, y compris tout avis s'y rattachant, soient rédigés en anglais seulement, mais sans préjudice cependant auxdits documents qui peuvent à l'occasion être rédigés en français seulement ou à la fois en français et en anglais.

18. GOVERNING LAW

This Agreement and all certificates and other documents delivered in connection with this Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable herein.

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

[Assignor]

By: _____
Name:
Title:

[Assignee]

By: _____
Name:
Title:

CAMBIOR INC.

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA
as Agent and Issuing Bank

By: _____
Name:
Title:

SCHEDULE D

REQUIREMENTS FOR COMMERCIAL COMPLETION

Commercial Completion will occur when the Required Lenders or an independent engineer have concluded that Commercial Completion has occurred in accordance with item 5 below, after each of the other criteria below have been met.

1. Physical Facilities Certificate

The Borrower must deliver a certificate of a Responsible Officer in form and substance satisfactory to the Agent and the Lenders on or before the Rosebel Completion Deadline certifying that:

- (a) the physical facilities and components of the Rosebel Mine have been built and the planned equipment is located at the Rosebel Mine and is operational, all as described in the Study and, in particular, the following has been done:
 - (i) mine equipment as listed in Table 3.11 of the Study is onsite;
 - (ii) sufficient spare equipment is on hand to maintain the mining operation;
 - (iii) the mill is operational, and includes the following items, sections or facilities: ore handling and conveying system (400 t/hr capacity); grinding circuit including a SAG mill and ball mill (being the A circuit formerly located at the OMAI Mine); gravity circuit; thickener and CIL leach circuit; carbon stripping, reactivation and gold refining facilities; reagent storage and preparation facilities; compressed air/services facilities; mill offices, workshop, and laboratory facilities; process plant electrical room; tailings pump facilities; and sufficient capital spares to maintain the milling operation;
 - (iv) tailings and water management facilities are operational;
 - (v) infrastructure is complete, including roads, camp complex, administration building, truckshop, fuel storage and municipal works facilities;
 - (vi) electrical and communication facilities are complete, including Afobaka switchyard, transmission line, plant main substation, distribution lines and emergency generators, and communication and computer systems;
- (b) construction of the Rosebel Mine is being performed in accordance with the Study and the plans and specifications for the Rosebel Mine contained in the Study, and there has been no change in the scope or plans for construction of the Rosebel Mine as described in the Study that would result in a reduction of either gold production or net cash flow (as

described in table 14.1 of the Study) of 5% or more in any year, assuming a gold price of U.S. \$300 per ounce;

- (c) all construction has been done in a good and workmanlike manner, materials and fixtures customarily furnished and installed have been furnished and installed, and the Borrower has approved all of the work, materials and fixtures;
- (d) all Persons supplying goods and services to the construction of the Rosebel Mine have been paid to date in accordance with the terms of their respective engagements

2. Production and Operating Cash Flow Certificate

The Borrower must deliver a certificate of a Responsible Officer in form and substance satisfactory to the Agent and the Lenders on or before the Rosebel Completion Deadline certifying that, with respect to a period of three consecutive months (the "**Testing Period**"):

- (a) ore has been processed through the mill at the Rosebel Mine and gold doré has been produced in quantities that are not less than 90% in each month of the planned quantities for the relevant months which are submitted by the Borrower (based on a month by month breakdown of the annual figure specified in the Study) and approved in advance by the Agent;
- (b) operating cash flow from production (based on a price for gold of US \$300 per ounce) has been not less than 90% in each month of the planned amounts submitted by the Borrower (based on a month by month breakdown of the annual figure described in table 14.1 of the Study) and approved in advance by the Agent.

3. Ore Reserve Certificate

The Borrower must deliver a certificate of a Responsible Officer in form and substance satisfactory to the Agent and the Lenders on or before the Rosebel Completion Deadline certifying that the Proven Reserves and Probable Reserves of gold *in situ* at the Rosebel Mine (based on what can economically be extracted with a price for gold of US \$300 per ounce) at the end of the Testing Period are not less than 1,932,000 ounces as specified in table 3.8 of the Study, less the amount extracted between the date of the Study and the date of the certificate. The Proven Reserves and Probable Reserves of gold must be calculated in the same way for the ore reserve certificate as they were calculated for the Study and the grades of ore at the time of the certificate must not be materially lower than the grades calculated for the Study. The ore reserve certificate must reflect any changes to factors that affect ore reserves (ie geologic interpretation, densities, unit operating costs, future capital costs, and gold recoveries) that have occurred in the course of mining and processing, up to the date of the certificate.

4. Environmental Certificate

The Borrower must deliver a certificate of a Responsible Officer in form and substance satisfactory to the Agent and the Lenders on or before the Rosebel Completion Deadline certifying that, as of the end of the Completion Period, all Permits required in connection with the construction of the Rosebel Mine have been issued and are in force, all construction of the Rosebel Mine complies with all applicable Laws and all Permits issued in respect of the Rosebel Mine, including World Bank environmental guidelines and Environmental Laws, there is no undischarged violation of applicable Laws or Permits, the Borrower has not received notice (written or otherwise) of any alleged violation and there are no other environmental issues that could materially affect the present or future production or cash flow from the Rosebel Mine.

5. Sustainability

The Required Lenders must have accepted the certificates of the Borrower, have concluded, in good faith, that the Rosebel Mine can continue to operate as projected in the Study and the Model (i.e. is sustainable), and have agreed that Commercial Completion has occurred. Before reaching that conclusion, the Lenders shall be entitled to have received a report of the Technical Agent concerning Commercial Completion generally and particularly concerning the ability of the Rosebel Mine to continue to operate as projected in the Study and the Model. For greater certainty, the Technical Agent's responsibility for its report is subject to Section 12.10. If the Required Lenders do not agree that Commercial Completion has occurred, then an independent engineer shall be appointed to advise the Lenders in accordance with Section 8.10(b). The independent engineer shall prepare a written report to the Lenders concerning whether Commercial Completion has occurred, and the independent engineer's determination on that subject shall be conclusive.

SCHEDULE E

CERTIFICATE IN CONNECTION WITH ROSEBEL BORROWING REQUEST

TO: THE LENDERS (as defined in the Credit Agreement referred to below)

AND TO: THE BANK OF NOVA SCOTIA, as Agent

We refer to the credit agreement dated as of 7 February 2003 between Cambior Inc. as borrower, The Bank of Nova Scotia as Agent and the Lenders named therein, as amended, supplemented, restated and replaced without novation from time to time (the "Credit Agreement"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

We also refer to the construction of the Rosebel Mine in accordance with the Study.

We hereby certify that:

1. Construction of the Rosebel Mine is being performed in accordance with the Study and the plans and specifications for the Rosebel Mine contained in the Study. There has been no change in the scope or plans for construction of the Rosebel Mine as described in the Study that would result in a reduction of either gold production or net cash flow (as described in table 14.1 of the Study) of 5% or more in any year, assuming a gold price of U.S. \$300 per ounce.
2. All construction completed to date has been done in a good and workmanlike manner, materials and fixtures customarily furnished and installed at the current stage of construction have been furnished and installed, and we have approved all of the work, materials and fixtures.
3. All required Permits covering the construction to date have been issued and are in force. All construction completed to date complies with all applicable Laws and all Permits issued in respect of the Rosebel Mine, including World Bank environmental guidelines and Environmental Laws.
4. There is no undischarged violation of applicable Laws or Permits nor have we received notice (written or otherwise) of any alleged violation. There are no other environmental issues that could materially affect the present or future production or cash flow from the Rosebel Mine.
5. Construction of the Rosebel Mine is proceeding so as to enable Commercial Completion to occur on or before the Rosebel Completion Deadline. The following are the details of any actual or anticipated variation from the Master Schedule contained in section 10 of the Study: *[Note: insert details if any or specify "nil"]*
6. The anticipated capital cost of construction of the Rosebel Mine remains in accordance with the estimates contained in the Study and in particular the total capital cost is not anticipated to exceed U.S. \$94,661,226 as shown in table 12.2 of the Study, except by the aggregate amount of

U.S. \$●, which has been deposited in the Rosebel Account as required by Section 6.2(c). The capital cost expended to date is US \$●, of which US \$● has been expended by the Borrower from non-borrowed funds after 1 September 2002.

7. All Persons supplying goods and services to the construction of the Rosebel Mine have been paid to date in accordance with the terms of their respective engagements.

8. The Agent has been provided with the required monthly reports under Section 8.1(c). There have been no adverse variances in production or cash flow from that projected in the Model in excess of 10% for any one of the Principal Mines (other than the Rosebel Mine) or 5% for the Principal Mines (other than the Rosebel Mine) as a whole, based on the Fiscal Year to date for determinations during the second, third and fourth Fiscal Quarters or based on immediately preceding 12 months for determinations during the first Fiscal Quarter.

This Certificate is delivered by us in accordance with and pursuant to the provisions of the Credit Agreement and we acknowledge that the Agent and the Lenders are relying on this Certificate to make the Loan requested by our Borrowing Notice submitted concurrently with this Certificate.

DATED _____.

CAMBIOR INC.

By: _____
Name:
Title:

SCHEDULE F

EXISTING ROYALTY AGREEMENTS

Doyon Mine

Effective as and from January 1st, 1998, Barrick Gold Corporation ("Barrick") holds a participation right in future revenue from the Doyon mine, pursuant to which it will receive an annual payment equal to 24.75% of (i) the surplus, if any, of the average market price (as defined in the January 27, 1998 purchase agreement) for one troy ounce of gold over \$375, multiplied by (ii) the number of gold ounces produced at the Doyon mine during the relevant year; this right applies to a maximum cumulative production of 2,600,000 ounces of gold as from January 1st, 1998, up to a maximum cumulative payment to Barrick of \$30 million. No participation right payment has been made thus far.

Mouska Mine

The property's production is subject to two royalties. The first, a 2% royalty on the value of gold recovered, is payable to Newmont Mining Corporation and amounted to 809 ounces of gold in 2001. The second royalty is a 1% royalty on gold produced, payable to the respective succession of two individuals, and the amount paid in 2001 totaled CDN \$159,000. At the end of 2002, the Borrower bought back from one of the successions an 80% interest in said 1% royalty.

Sleeping Giant Mine

The property's production is subject to two royalties: the first is a 2% royalty on gross operating earnings (as defined in the relevant agreement) held by Central Asia Goldfields Corporation; and the second is a 15% net profits interest (as defined in the relevant agreement) held by Noranda Inc. on the greater part of the Sleeping Giant mine. No payment has been required pursuant to these royalties thus far.

OMAI Mine

The Mineral Agreement executed on August 16, 1991 and governing the relationship among the Borrower, OMAI and the Government of Guyana provides for a 5% in-kind royalty on mineral production payable to the Government of Guyana. Effective as of May 15, 2001, the Government of Guyana agreed to reduce the aforesaid royalty from 5% to 4% for any period during which the market price of gold (determined by the London Bullion Market) does not exceed \$280 per ounce.

Rosebel Mine

As part of the purchase price for the remaining 50% interest in the Rosebel project, the Borrower granted to Golden Star Resources Ltd. ("GStar") a gold price participation right whereby GStar would receive a quarterly payment of an amount equal to 10% of the excess, if any, of the average quarterly market price above \$300/oz for gold production from Rosebel's soft and transitional rock portions and above \$350/oz from Rosebel's hard rock portion up to a maximum of 7 million ounces produced.

Grasshopper Aluminum Company N.V., a state-owned company, is entitled to a 2% in-kind royalty on Rosebel's gold production.

Grasshopper Aluminum Company N.V., is also entitled to an excess royalty of 6.5% on the amount exceeding a market price of \$425 per troy ounce of gold, using, for each calendar quarter, the arithmetic average of the market prices determined by the London Bullion Market Association, p.m. fixing.

Promptly after the first receipt of proceeds from production at Rosebel, Rosebel shall establish a charitable foundation for the purpose of promoting local development of natural resources within Suriname, including the creation of a gold institute. The Foundation shall be entitled to receive 0.25% of all mineral produced at Rosebel.

SCHEDULE G

DETAILS OF SECURITY DOCUMENTS

1. SECURITY PROVIDED BY THE BORROWER

- (a) Deed of Hypothec and Issue of Bonds dated 22 December 1999 by the Borrower in favour of General Trust of Canada (now National Bank Trust Inc., the "**Trustee**") (number 3532 in the records of Notary Georges Brosseau) covering, among other things, leases at the Doyon Mine and Mouska Mine, registered:
 - (i) at the Registry Division of Rouyn-Noranda ("**RDRN**") on 29 December 1999 at 9:39 a.m. under number 114057;
 - (ii) at the Public Register of Real and Immovable Mining Rights of the Ministère des Ressources naturelles (the "**MRN Public Register**") on 17 January 2000 under number 49671; and
 - (iii) at the Register of Personal and Moveable Real Rights ("**RPMRR**") on 23 December 1999 at 12:05 p.m. under number 99-0230489-0001.
- (b) Deed of Collateral Hypothec dated 11 February 2000 by the Borrower in favour of the Trustee (number 3573) covering, among other things, leases at the Mouska Mine, registered:
 - (i) at the RDRN on 14 February 2000 at 9:43 a.m. under number 114239; and
 - (ii) at the MRN Public Register on 15 February 2000 under number 49691.
- (c) Deed of Collateral Hypothec dated 27 June 2000 by the Borrower in favour of the Trustee (number 3691) covering, among other things, leases at the Niboec Mine:
 - (i) registered at the Registry Office of the Registration Division of Chicoutimi on 27 June 2000 at 9:02 a.m. under the number 641814;
 - (ii) registered at the MRN Public Register under the number 49778;
 - (iii) registered at the RPMRR under the number 00-0178574-0001; with
 - (iv) registration number 00-0178574-0001 at the RPMRR amended by registration number 01-0008042-0001 at the RPMRR.
- (d) Deed of Collateral Hypothec dated 20 December 2000 by the Borrower in favour of the Trustee (number 3885) covering, among other things, leases at the Sleeping Giant Mine, registered:
 - (i) on 21 December 2000 as no. 00-0399327-0001 at the RPMRR;

- (ii) on 20 December 2000 at the Abitibi Registry Office as no. 363372; and
 - (iii) on 27 January 2001 as no. 49950 in the MRN Public Register.
- (e) Amended Deed of Collateral Hypothec dated 9 January 2001 by the Borrower in favour of the Trustee (number 3897) covering, among other things, leases at the Doyon Mine and Mouska Mine, registered:
 - (i) at the RDRN under the number 116293;
 - (ii) at the MRN Public Register under the number 49959;
 - (iii) at the Registry Office of the Registration Division of Chicoutimi under the number 647235; and
 - (iv) at the RPMRR under the number 01-0012230-0001.
- (f) Deed of Collateral Hypothec No. 6 to be delivered by the Borrower in favour of the Trustee on or before the Closing Date to cover shares in Rosebel and Rosebel's and OMAI's obligations to the Borrower, and to be registered at the RPMRR.
- (g) Documents to be delivered by the Borrower on or before the Closing Date in respect of the debenture granted by OMAI to the Borrower:
 - (i) Undertaking Agreement re: Assignment/Transfer of the Debenture;
 - (ii) Irrevocable Power of Attorney (Canada) by the Borrower re: the Debenture;
 - (iii) Irrevocable Power of Attorney (Guyana) by the Borrower re: the Debenture;
 - (iv) Transfer of the Debenture executed in blank; and
 - (v) Notice to Debtor of Assignment by the Borrower re: the Debenture executed in blank.
- (h) 25% Demand Bond Certificate No. 2 in the amount of \$600,000,000 to be issued to the Agent on or before the Closing Date and pledged pursuant to a Hypothec and Pledge of Bond by the Borrower in favour of the Agent to be delivered on or before the Closing Date and to be registered at the RPMRR.
- (i) Security Agreement under Guyanese law re pledge of shares of OMAI by the Borrower in favour of the Trustee to be delivered on or before the Closing Date. No registration is required.
- (j) Security Agreement: pledge of Rosebel shares by the Borrower in favour of the Trustee to be delivered as contemplated in Section 6.2(b) and to be recorded in

Rosebel's shareholder records. This will rank *pari passu* with the pledge referred to in item (r) in the definition of "Permitted Liens" to the extent that it covers the same shares. The permission of the Foreign Exchange Board of Suriname must be obtained by the Borrower to allow delivery of this document.

- (k) Direction re payment by the Borrower to the insurers under the Foreign Investment Insurance Policy, directing them to make any payment to the Trustee, acknowledged by the insurers.

2. SECURITY PROVIDED BY OMAI

First Debenture dated 23 June 1997 by OMAI in favour of the Borrower in the amount of \$24,850,000,000 Guyanese Dollars (US\$175,000,000) registered on 4 September 1997 in the Deeds Registry by the Registrar of Joint Stock Companies, Guyana, as debenture no. 1468. This secures obligations by OMAI to the Borrower and is the subject of the assignment documents by the Borrower referred to above. OMAI is not permitted to give a guarantee of the Borrower's obligations or other security directly to the Lenders.

3. SECURITY PROVIDED BY ROSEBEL

- (a) Guarantee by Rosebel in favour of the Trustee to be delivered as contemplated in Section 6.2(b). Rosebel is only permitted to give a guarantee to the extent of Loans made to finance the Rosebel Mine. The permission of the Foreign Exchange Board of Suriname must be obtained by the Borrower to allow delivery of this document.
- (b) Security Agreement by Rosebel in favour of the Trustee to be delivered as contemplated in Section 6.2(b) to cover movables in the possession of Rosebel (essentially equipment). No registration is required by Surinamese law. The permission of the Foreign Exchange Board of Suriname must be obtained by the Borrower to allow delivery of this document.
- (c) Security Agreement by Rosebel in favour of the Trustee to be delivered as contemplated in Section 6.2(b) to cover movables in the possession of the Trustee (essentially contract rights). No registration is required by Surinamese law. The permission of the Foreign Exchange Board of Suriname must be obtained by the Borrower to allow delivery of this document.

Rosebel is not required to deliver security over its real property, but should it deliver such security to secure obligations to the Borrower, that security must be immediately assigned by the Borrower to the Trustee.

SCHEDULE H

CORPORATE AND PROPERTY INFORMATION

Borrower

The Borrower was incorporated on November 7, 1973 under the name “Niobec Inc.” and is existing pursuant to Part IA of the *Companies Act* (Québec). The Borrower's Equity Securities are publicly traded. The Borrower owns Equity Securities of Subsidiaries as shown in the attached organizational chart and the Portfolio Investments. Its registered office is located at 1075, 3rd Avenue East, Val-d’Or, Québec, J9P 6M1 (phone: 819-825-0211 and facsimile: 819-825-2815), and its executive office at 1111 St.Charles Street West, East Tower, Suite 750, Longueuil, Québec, J4K 5G4 (phone: 450-677-0040 and facsimile: 450-677-3382). All of the Borrower's immovable property and tangible movable property is located in the Province of Quebec.

Rosebel

Rosebel is incorporated under the laws of Suriname. Its Equity Securities are wholly owned by the Borrower. Upon commencement of commercial production at the Rosebel Mine, the Government of Suriname will receive automatically a 5% participation in the share capital of Rosebel. Rosebel owns no Equity Securities of other Persons. Rosebel's administrative office is located at Heerenstraat 8, Paramaribo, Suriname. All of Rosebel's immovable property and movable property is located in Suriname, other than bank accounts maintained with one or more Lenders in Quebec.

OMAI

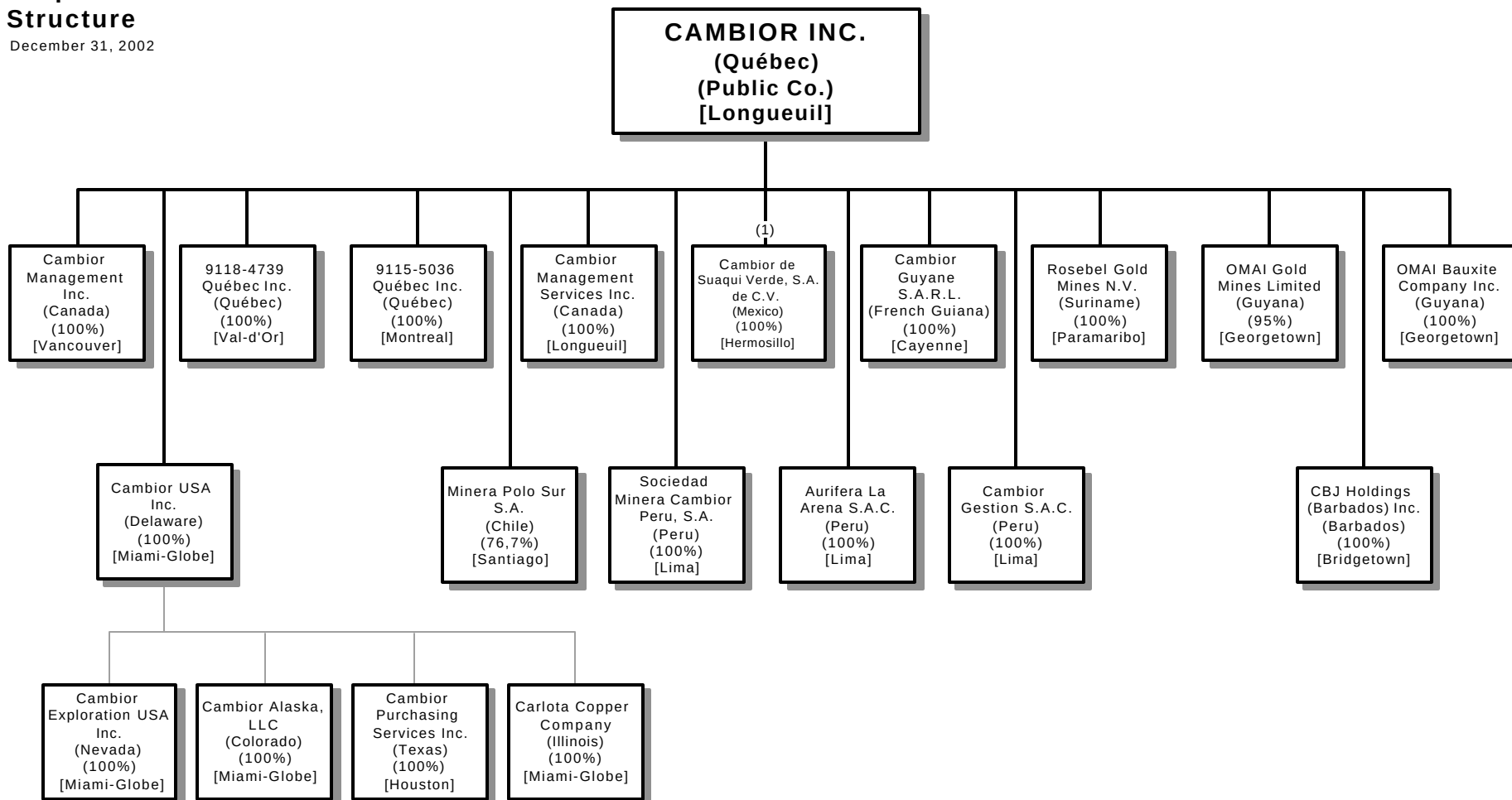
OMAI is incorporated under the laws of Guyana. Its Equity Securities are owned 95% by the Borrower and 5% by the Republic of Guyana. OMAI owns no Equity Securities of other Persons. OMAI's administrative office is located at 176-D, Middle Street, Cummingsburg, P.O. Box 12249, Georgetown, Guyana. All of OMAI's immovable property and tangible movable property is located in Guyana, other than bank accounts maintained with one or more Lenders in Quebec.

[Note: see organizational chart attached]

Corporate Structure

December 31, 2002

CONFIDENTIAL



Legend

(1) Cambior Management Inc. holds one share.

Note: Locations in brackets () indicate the jurisdiction of incorporation.
Locations in square brackets [] indicate principal place of business.

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